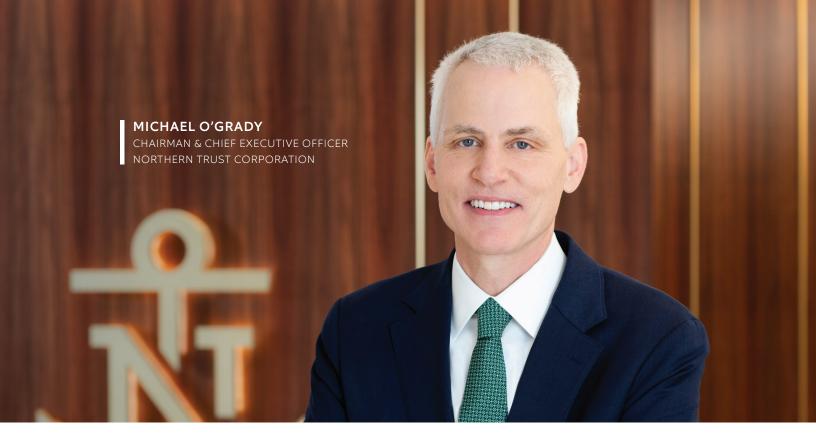
2023 ANNUAL REPORT

MESSAGE TO SHAREHOLDERS





DEAR SHAREHOLDERS,

Annual letters offer the opportunity to reflect on the past and look forward to the future. The last several years have demonstrated how it is less important to be able to predict the future than it is to be prepared for whatever might happen, and 2023 was no different.

The events of the past year underscored, once again, the critical importance of resiliency. In the world of finance, where change is constant and challenges are plentiful, the ability to weather storms and consistently be a beacon of strength is not a luxury—it is a necessity.

Throughout our 135-year history, Northern Trust has forged a reputation for strength and stability. Our unwavering commitment to our principles of service, expertise and integrity, and mission of being our clients' most trusted financial partner have been and will continue to remain persistent. However, our success over time has also been rooted in our ability to change to meet the demands, risks and expectations of a rapidly evolving world.

To exceed your expectations and those of all stakeholders, we are focused on becoming a more consistently high-performing company that is increasingly resilient, efficient and profitable.

We will achieve this through the execution of our refined One Northern Trust strategy. It is this shared vision that unites us and differentiates us from others. As One Northern Trust, we will forge a distinctive path that leads to setting new standards and surpassing them with audacious resolve for the benefit of those we serve.

THE ECONOMIC ENVIRONMENT

Looking back at 2023, the markets we operate in fared better than expected, with economic activity persevering despite systemic risks. And Northern Trust's results were sustained in the face of challenges that confronted the industry.

Entering last year, the risk of recession in Europe and the United States was high. Central banks were raising interest rates to quell inflation, which was expected to create substantial headwinds. Defying these expectations, the United States delivered strong economic performance in 2023; European markets slowed but maintained positive momentum. Continued growth and moderate inflation have raised the odds of an economic "soft landing."

Higher interest rates created stress in corners of the banking sector during the first half of last year; failures and forced mergers cast doubt over firms and the industry. Fortunately, the worst cases were resolved, and confidence returned. As always, Northern Trust's balance sheet and reputation remained strong throughout this tumultuous interval.

Adapting to this changing landscape has required special focus. We utilized scenario analysis to imagine the worst to adapt the financial advice we provide to our clients for a more uncertain world. Predicting tail events is difficult but preparing for them is essential.

Finally, the latest generation of artificial intelligence emerged during the year carrying both immense promise and potential pitfalls. The technology could be truly transformational, raising productivity in a manner that sustains economic progress. But it could also be employed in less noble ways. Societies, and the firms that operate within them, will have to balance exuberance and caution as a new paradigm takes form.

OUR FINANCIAL PERFORMANCE

Through this operating environment in 2023, our total revenue was flat relative to the prior year. Robust growth in net interest income was offset by softer trust fees and capital markets revenue. Net interest income (on a fully taxable equivalent) increased 6 percent compared to the prior year due to higher interest rates expanding our net interest margin (on a fully taxable equivalent) by 17 points to 1.56 percent. Fees were down primarily due to net asset outflows and unfavorable equity and fixed income markets. Foreign exchange trading income was down 29 percent due to muted client activity levels.

Total expenses increased 6 percent. While this reflects improvement over 2022 expense growth levels, it remains elevated and further reducing the expense growth rate continues to be a top priority.

Net income and earnings per share were both down 17 percent and return on average common equity was 10 percent. The results of the past few years do not meet our expectations, which further galvanizes our goal of becoming a more consistently high-performing company.

Our capital levels remained strong with all capital ratios far exceeding those required for classification as "well capitalized" under federal bank regulatory capital requirements. We returned \$978 million to common shareholders in the form of quarterly dividends of \$630 million and share repurchases of \$348 million.

THE PATH FORWARD: ONE NORTHERN TRUST

We serve our clients better when we deliver the solutions capabilities of the entire firm. One Northern Trust reflects a shared vision of how we can deliver for our clients and consistently perform at a high level for all our stakeholders by working in tight coordination and synchronization across the entire company. All employees, regardless of their business, group, location or role work toward common goals. Our One Northern Trust strategy, which reflects this fundamental principle, is comprised of three intertwined objectives:

Strengthening resiliency Optimizing growth **Driving productivity**

These objectives will help us sharpen our focus, build on our strengths and eliminate what has not served us or stakeholders well in the recent past.

OPTIMIZING GROWTH

We are among a select few financial services organizations that are exclusively focused on providing integrated, holistic solutions for all our clients' investment needs. Our three interrelated businesses— Wealth Management, Asset Servicing and Asset Management—not only compete in attractive and growing sectors of the financial services industry, but also create a differentiated set of capabilities through their combination.

Our strategy focuses on optimizing the composition and nature of growth from our three businesses. We aim to accelerate the growth of our Wealth Management and Asset Management businesses and increase our focus on delivering scalable solutions in our Asset Servicing business.

Wealth Management

Our Wealth Management business is one of the largest providers of advisory services in the United States, with assets under custody and assets under management of \$1.03 trillion and \$402.5 billion, respectively, as of Dec. 31, 2023. Wealth Management services are delivered by multidisciplinary teams through a network of offices in major markets across the U.S., as well as offices in London, Singapore and Abu Dhabi.

We serve approximately 30% of the Forbes 400 most affluent Americans

Wealth Management focuses on high-net-worth individuals and families, business owners, executives, professionals, retirees and established privately held businesses in its target markets. In supporting these targeted segments, Wealth Management provides trust, investment management, custody and philanthropic services; financial consulting; guardianship and estate administration; family business consulting; family financial education; brokerage services; and private and business banking. Additionally, we have advisory experts who surround our clients by supporting their goals at every stage of their life cycle.

We are particularly excited about the growth trajectory of our family office and ultra-high-net-worth segments. In both segments, we have large and extraordinarily strong franchises, excellent brand recognition and highly differentiated capabilities. We deliver carefully curated content and highly valued events as well as offering a complex of networking communities tailored to meet the interests and needs of our family office clients across functions, segments, demographics and geography.

Best Private Bank for Digital Wealth Planning in North America and Best Private Bank for Family Offices and Succession Planning

- FINANCIAL TIMES GROUP

Asset Management

Asset Management delivers investment solutions globally for client segments in Asset Servicing and Wealth Management. Northern Trust managed \$1.43 trillion in assets as of Dec. 31, 2023, making it one of the top 20 largest global asset managers, including \$1.03 trillion for Asset Servicing clients and \$402.5 billion for Wealth Management clients. Investment management solutions span active and indexbased solutions across equity, fixed income, cash management, multi-asset and alternative asset classes, and are delivered through separately managed accounts, ETFs, mutual funds, collective investment trusts, and an array of other investment vehicles.

Northern Trust is one of the top 20 largest global asset managers

Last year, we were pleased that Daniel Gamba joined Northern Trust as president of our Asset Management business. Daniel came from BlackRock, Inc., where he spent 22 years and served as co-head of Fundamental Equities and as a member of BlackRock's Global Operating, Portfolio Management Group Executive and Human Capital committees.

Under Daniel's leadership, our Asset Management strategy focuses on the specific client segments and solutions where we have a long-term track record of delivering risk-adjusted investment performance, and successfully compete and win. For example, with approximately \$100 billion in assets under

management on our Tax Advantaged Equity platform, it is one of the top three largest platforms in the market, has delivered after tax alpha on a 1-year, 3-year, 5-year, 10-year and since inception (2002) basis, as of Dec. 31, 2023, and has grown by 17 percent annually for the past five years (2018-2023). Another example is our High Yield capability which achieved top decile performance in 2023, with top quartile performance over three and five years. And, we are reinvesting in private markets strategies offered through 50 South Capital, our boutique alternatives firm that provides unique, differentiated access to the world's best private equity, private credit and secondaries investment opportunities.

Asset Servicing

Asset Servicing is a leading global provider of custody, fund administration, investment operations outsourcing and related services to corporate and public retirement funds, foundations, endowments, fund managers, insurance companies, sovereign wealth funds and other institutional investors around the globe. On Dec. 31, 2023, total Asset Servicing assets under custody/administration and assets under custody were \$14.36 trillion and \$10.88 trillion, respectively.

We will continue to prioritize the growth of scalable services and products in our Asset Servicing business such as our Front Office Solutions (FOS) offering, which has significant sales momentum coming into 2024. This award-winning product provides a full suite of portfolio analytics, investment analysis, performance measurement and research management tools to sophisticated asset owner clients. FOS is expanding to Europe, the Middle East and Africa (EMEA) and has already been selected in the region by a growing pool of sovereign-sponsored pension assets in the Middle East, including the Abu Dhabi Pension Fund.

Front Office Solutions awarded Best Mobile Strategy Initiative and Best Data Management Initiative

- WATERS TECHNOLOGY

Significantly advancing our work on digital modernization we launched our A-Suite Community, which brings together insights, research and networking opportunities for asset owners worldwide to learn, collaborate and move the needle on issues that matter most to them. Already, more than 5,000 are actively contributing to this community.



STRENGTHENING RESILIENCY

Northern Trust plays a critical role in the global financial system, facilitating the efficient allocation of capital, managing risks and promoting economic growth. Market participants and regulators look to us to have the strongest risk management and controls possible—for the benefit of our clients, the health of our industry and the stability of the global economy.

Resiliency signifies our ability to prevent internal stress, recover from external stress and thrive in altered circumstances. In other words, it is about consistently outperforming in both business-as-usual and stressed market conditions. Resiliency as a concept is not new to us; it is part of our core value proposition to clients. However, the bar is rising due to the pace of change in the environment in which we operate and the increasing expectations of our stakeholders. To meet these challenges, we are building on our historical strengths to ensure that our risks and controls can confidently identify, assess and mitigate potential risks both now and in the future. And we've added Jane Karpinski, formerly chief auditor, to the Management Group as the global head of Regulatory Affairs.

We believe that strong communities make our company more resilient as well. Since our earliest days, Northern Trust has prioritized giving back to the communities in which we live and work. That idea has evolved over time, and today we help make the world around us more resilient, too, through volunteerism, philanthropy, inclusion and more.



In 2023, Northern Trust contributed to charitable organizations that focus on basic needs proven to improve long-term financial success: food, housing, education and healthcare. And our employees provided over 106,000 hours of volunteer service to over 2,000 charities worldwide. The Northern Trust Foundation launched its first annual Northern Trust Anchor Award, a \$1 million grant provided to an innovative organization in our headquarter city of Chicago. This year, the funding went to food pantry Nourishing Hope to expand its services on the underserved South and West sides of the city.

For the 29th year in a row, we received an Outstanding Community Reinvestment Act rating, showing our commitment to building better financial futures for all.

DRIVING PRODUCTIVITY

Ongoing productivity improvements are crucial for delivering greater value to clients, maximizing operational efficiency and achieving long-term profitability. To enhance and accelerate these efforts, we established a Productivity Office last year to create a dedicated function to partner with our businesses to drive productivity improvements across the company, ensuring permanence in both efficiency and effectiveness. The office provides oversight and governance, cross-functional leadership and collaboration, and enhanced reporting and analytics to enable Northern Trust to achieve its annual productivity goals.

The firm realized more than \$100 million in productivity savings in 2023, largely driven by workforce, vendor and general operating efficiency efforts. Productivity efforts touched a broad scope of activities and businesses, which included a focus on process enhancements, investing in new tools, automation and digital technology, organizational design and operating model review, vendor management and real estate footprint optimization.

Generating efficiency and productivity across our company allows us to create capacity to invest in our businesses and talent, help offset inflationary pressures and reduce expense growth.

INVESTING IN CAPABILITIES

To bring our strategic objectives to fruition, we will continue to invest in three core capabilities: talent, technology and data. It is the synergy between these three areas that drives our growth, ensures our resiliency and enhances our productivity.

TALENT

We understand the importance of investing in our employees, as they are the linchpin of our organization. Our exceptional and diverse teams around the world support our client relationships, fuel our innovation and drive our productivity. We strive to offer competitive benefits that meet the physical, mental and financial needs of our employees, while incentivizing performance and engagement through compensation and recognition programs. Last year, we made progress in our total rewards offerings by reimagining the future of work and institutionalizing our hybrid work model. Furthermore, we have reinstated cherished in-person traditions and introduced new rituals that brought us together to celebrate service milestones and top performance. These initiatives demonstrate our commitment to creating a dynamic and engaging workplace for our employees.

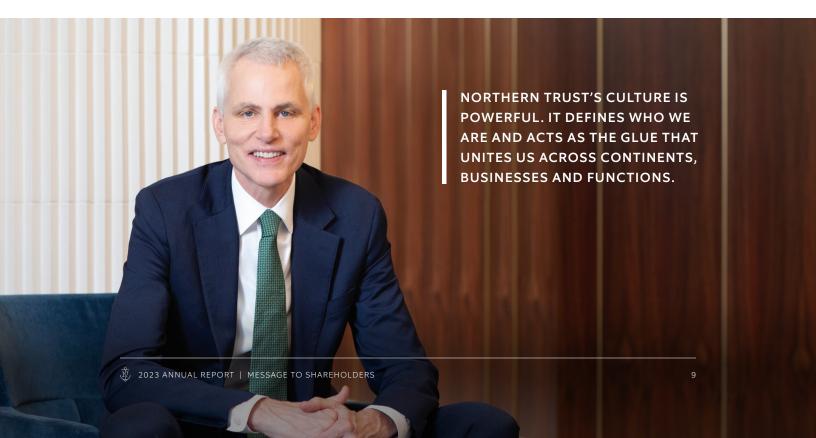
To support our employees, we are also investing in the intangible: our culture. Northern Trust's culture is powerful. It defines who we are and acts as the glue that unites us across continents, businesses and functions. Our culture does not just describe us; it influences everything we do and is the greatest determinant of how we perform as a company. Galvanizing our more than 23,000 employees to operate as one requires us to preserve what is best about our culture and address the aspects that must change. To that end, we have deployed refreshed cultural behaviors that are being embedded and activated throughout our businesses, processes and policies.

We are unwavering in our commitment to our employees. We will continue to modernize ways of working, evolve workspaces and nurture our culture to enhance their experience.

TECHNOLOGY

As the standard for technological innovation continues to rise in our industry, we are building on our solid foundation by continually investing in digital and modern workplace capabilities to complement our human touch. Collaborating with our business partners, we aim to redefine the constructive collaboration between people, processes and technology to accelerate and scale our resiliency and end-to-end client and employee experiences.

In 2023, we put to work several innovative ideas leveraging the emerging artificial intelligence tools that have taken most industries by storm. These are early-stage activities, but the learning from this work, as well as the eventual benefits from implementation, ensure we are prepared to leverage this exciting new technology as it matures. We have used leading third-party partners and our existing security and risk management practices to ensure a safe learning and development environment for these new capabilities.



We aim to leverage technology to not only improve operational efficiency but also to elevate market competitiveness, user satisfaction and productivity. Our focus on innovation and adaptation to evolving threats will enable us to stay ahead in the ever-changing landscape of technology.

Best Digital Innovator

- THE WEALTH TECH AWARDS, FINANCIAL TIMES GROUP

DATA

Data drives everything we do. We have long recognized the importance of being intentional about how we collect, store, access and protect data. This commitment ensures that our employees have the information they need to deliver their best, while providing our clients with a seamless and personalized experience. To achieve this, we have embarked on a data modernization journey, leveraging leading practices through a data mesh approach.

One area where we have seen considerable progress is in our Asset Servicing business. Through our proprietary Matrix Data Platform, we are driving scalable growth and revolutionizing our approach to data management. By pairing our enterprise data mesh with other cutting-edge technologies, we have created a new digital backbone and open architecture for all our asset servicing solutions globally. The Matrix Data Platform has simplified internal processes and optimized the quality and speed of data processing. This has allowed us to accelerate our automation efforts, resulting in improved service quality and scalability.

In addition, we are democratizing data for our clients and employees. By enabling more advanced analytics and artificial intelligence, we empower them to make better-informed decisions. This democratization of data not only enhances the client experience but also drives innovation and growth within our organization.

As we move forward, we remain committed to leveraging the power of data and continuing to invest in innovative technologies to support our clients and drive our success.



 $\textbf{Management Group photo: Back row, left to right:} \ Daniel \ Gamba \ (President, Asset \ Management), Teresa \ Parker \ (President, Management), Teresa \ (President, Management), Teresa \ (President, Manag$ Servicing, EMEA), Mark Gossett (Chief Risk Officer), Steve Fradkin (President, Wealth Management), Jason Tyler (Chief Financial Officer), Mark Gossett (Chief Risk Officer), Steve Fradkin (President, Wealth Management), Jason Tyler (Chief Financial Officer), Mark Gossett (Chief Risk Officer), Steve Fradkin (President, Wealth Management), Jason Tyler (Chief Financial Officer), Mark Gossett (Chief Risk Officer), Steve Fradkin (President, Wealth Management), Jason Tyler (Chief Financial Officer), Mark Gossett (Chief Risk Officer), Steve Fradkin (President, Wealth Management), Jason Tyler (Chief Financial Officer), Mark Gossett (Chief Risk OJane Karpinski (Global Head of Regulatory Affairs), Peter Cherecwich (President, Asset Servicing) Front row, left to right: Alex Taylor (Chief Human Resources Officer), Mike O'Grady (Chairman & Chief Executive Officer), Susan Levy (General Counsel), Thomas South (Chief Information Officer)

CLOSING THOUGHTS

In this ever-evolving landscape, we understand that challenges and opportunities go hand in hand. We have seen firsthand how resilience and adaptability can turn adversity into achievement. Our refined One Northern Trust strategy is our compass, guiding us toward delivering exceptional value to our clients and sustained improvements in our financial performance.

I have the privilege of working with an extremely driven and experienced management team and approximately 23,000 talented employee partners who are dedicated to exceeding the expectations of our clients. It is their indomitable spirit that defines us, and will propel us forward, driving us to new heights of success.

I am humbled and immensely grateful to our clients and shareholders who continue to place their trust in us. We understand the weight of this responsibility and are committed to earning that trust anew each day. We are honored to have you by our side as we forge ahead, shaping the future of our company.

Mike O'Grady Chairman & Chief Executive Officer Northern Trust Corporation