

2024 ANNUAL REPORT

MESSAGE TO SHAREHOLDERS



NORTHERN
TRUST



MIKE O'GRADY

CHAIRMAN & CHIEF EXECUTIVE OFFICER
NORTHERN TRUST CORPORATION

Dear Shareholders,

As investors, the only constant is change. However, experience shows some periods are even more volatile than others.

Consider, for example, the S&P 500 over the past five years. At a high level, this was quite a run, with the index up more than 80% from year-end 2019 through 2024. On closer inspection, it was a bumpy ride with market-moving events including the pandemic, post-pandemic reopening, supply chain snarls, military conflicts, and high rates of inflation. The S&P 500 index fell a gut-wrenching 32% from year-end 2019 to the first quarter of 2020, before bouncing back to close the year up around 15%. Then after a double-digit fall in 2022, the S&P 500 rallied more than 20 percent in both 2023 and 2024.

As we reflect on past years and look ahead, I am reminded of advice we share with clients when they seek our guidance: Prepare, don't predict.

We don't try to predict the future or time markets. We focus on what we can control, and prepare for what we cannot. This idea underpins our One Northern Trust strategy launched last year: a plan for all conditions aimed at making Northern Trust a consistently high-performing company.

OUR FINANCIAL PERFORMANCE

We closed the books on 2024 with strong results that leave Northern Trust well positioned to build on our momentum. Client assets grew, with assets under management at year-end 2024 increasing 12% over the prior year to \$1.6 trillion, and assets under custody and administration increasing 9% to \$16.8 trillion.

Revenue grew 22% year-over-year to \$8.3 billion or, excluding notable items, increased 8%, including trust fee growth of 8% and record net interest income of \$2.2 billion. The largest notable item in 2024, as discussed in our Annual Report on Form 10-K, was a realized gain of almost \$900 million on a portion of shares of Visa Inc. that we have held since Visa went public more than 15 years ago.

We generated positive trust fee and total operating leverage, which remain key financial objectives for us. This translated into earnings per share growth of 92% or, excluding notable items, growth of 24%.

Our capital levels remain strong, well above regulatory minimums, and we generated a return on average common equity of 17.4%. We also returned \$1.5 billion to shareholders through dividends and share repurchases, reflecting a five-year high.

Assets under custody/administration: US \$16.8 trillion (as of Dec. 31, 2024)

Assets under management: US \$1.6 trillion (as of Dec. 31, 2024)

Our 2024 results in part reflect a strong year in the markets. When our clients do well, we tend to do well, and that is a benefit to our clients, shareholders, employees, and communities alike. Our results also reflect progress on our One Northern Trust strategy.

Most Admired Companies

FORTUNE MAGAZINE 2025

Best Private Bank in the U.S.

FINANCIAL TIMES GROUP 2024

**Best Global Custodian
for Asset Owners**

ASIANINVESTOR ASSET MANAGEMENT
AWARDS 2024 MAGAZINE 2025

**European Private Markets
Administrator of the Year**

FUNDS EUROPE MAGAZINE 2024

**3rd Largest Provider of Direct Indexing: \$120+ billion
in assets under management**

THE CERULLI EDGE: U.S. MANAGED ACCOUNTS EDITION, 2Q 2024

ONE NORTHERN TRUST

Our mission is to be our clients' most trusted financial partner, guarding and growing their assets as if they were our own. We cater to a diverse range of client types, from individuals to institutions, including families, family offices, foundations, endowments, pensions, asset managers, and sovereign entities.

To meet the needs of our clients, we operate through three businesses: Wealth Management, Asset Management, and Asset Servicing. Each offers a comprehensive set of services and products that we combine and tailor to meet the specific needs and objectives of our clients to support them throughout their financial journeys.

We commit to our clients to deliver on our enduring principles of service, expertise, and integrity. These have remained constant, enabling the company to serve our clients with distinction for more than 135 years.

It is the combination of these capabilities and principles that creates the differentiated Northern Trust client experience and produces a competitive advantage. In a world of constant change and highly competitive markets, we aim to evolve, innovate, and enhance our products and services to create more value for all of our stakeholders. Achieving this does not come down to any individual business, service, product or person. It requires the best of Northern Trust as a whole — One Northern Trust.

THE PILLARS OF OUR ONE NORTHERN TRUST STRATEGY ARE:

Optimize Growth

Strengthen Resiliency and Manage Risk

Drive Productivity

OPTIMIZE GROWTH

Optimizing growth means both enhancing our clients' experience and focusing on growth that is scalable and sustainable. We leveraged the capabilities of the entire firm in 2024 to find ways to support our clients as they grew and provide solutions for their increasingly complex needs.

Our relationship with the UK National Employment Savings Trust (Nest) is one example.

Nest is the UK's largest government-backed pension scheme, with more than £49 billion in assets under management¹, 13 million members, and 1 million participating employers. Our relationship began 10 years prior, with an Asset Management mandate to provide an emerging markets custom ESG fund. As Nest continued to grow, Nest Invest Chief Executive Officer Mark Fawcett noted Nest's trajectory required consideration of "how we manage that growth to ensure we continue delivering a world-class service for our members."

In 2024, our relationship expanded when Nest appointed Northern Trust to provide custody, asset allocation and rebalancing, and performance measurement, citing the importance of selecting a fund administrator that "provides the platform to manage our growth across our highly diversified portfolio, including enhancing the member journey across our range of funds as we implement our private markets program."

For Northern Trust, the appointment underscored our commitment to the retirement sector as well as to supporting the increasingly sophisticated needs of asset owners around the globe.

In another example of working across the company to provide solutions to for client needs, our Asset Management business worked closely with our Global Family Office and Asset Servicing businesses in 2024 to develop a money market solution for a client seeking greater tax efficiency for their sizable cash investments.

The result — The Treasury Instruments Portfolio (NTYXX) Northern Institutional Fund — invests in U.S Treasury securities without the use of repurchase agreements that can create tax consequences. The client was highly satisfied with this solution, and the offering proved attractive to other clients. We experienced one of the fastest fundraises in our history, raising more than \$2 billion over the course of six months.

An important component of our growth strategy is to capitalize on secular industry trends including the expansion and democratization of private markets. In 2024, we generated solid growth among the largest fund managers in the semi-liquids space in Europe as well as with alternative managers globally, where our technology and operational expertise have been differentiators.

For example, earlier this year, we announced our selection as the global outsourced private capital administrator for Igneo Infrastructure Partners, a \$20 billion alternatives manager specializing in global infrastructure investments. We will support Igneo's end-to-end operating model by driving automation across the lifecycle of funds, helping mitigate risk, enhance efficiency, and enable comprehensive investor oversight.

As we continue to pursue scalable, sustainable, profitable growth, we will deploy enterprise-wide approaches that align with client needs, industry trends, and our capabilities.

STRENGTHEN RESILIENCY AND MANAGE RISK

Our brand is synonymous with strength and stability — qualities that our clients rely on to ensure their funds and data are protected. Just as balance sheet and capital strength are hallmarks of Northern Trust, we continually seek to make our technology platform as robust as possible. This is why we remain committed to strengthening our resiliency and effectively managing risk. The core of this strategic pillar, to deliver our services without disruption, seems simple. However, in practice it is complex — and as a steady drumbeat of news accounts shows — threats and bad cyberspace actors are an ever-present and increasing risk.

Last year we designed and launched a multiyear effort to uplift our risk and control systems and added new capabilities to strengthen resiliency. We invested in technology to eliminate legacy software applications and bolster our cyber defenses. And we enhanced programs with clear processes and procedures designed to ensure every employee knows how to identify, assess, and mitigate risks to consistently meet the needs of our stakeholders.

Going forward, we will continue to prioritize investment to further strengthen our resiliency, including modernizing our core platforms and systems.

DRIVE PRODUCTIVITY

The third pillar of our One Northern Trust strategy focuses on generating continuous productivity to fund investment and growth. Investing in ways to digitize and automate manual processes often leads to a better, more consistent client experience while at the same time benefitting shareholders by making our company more efficient.

Every employee plays a role in increasing productivity by seeking to eliminate low-value work not aligned with our strategy and streamline processes to move faster. We set our expectations accordingly. From an enterprise level, we made meaningful progress driving productivity in 2024 and laid the groundwork to generate efficiencies in the coming years. We focused on key cross-functional areas such as optimizing our workforce and vendors. We made steady progress reengineering and automating processes and adopting additional artificial intelligence tools to meaningfully reduce the number of manual processes, both improving productivity and reducing risk.

In just one of many examples, using lean techniques, AI-powered analytics, and low-code data science tools, we streamlined a custody tax operations process that previously required manually reconciling holdings, tax rates, and documents with painstaking attention to detail. A process that took approximately eight hours was cut to 30 minutes.

Going forward, we will continue to enhance our resiliency and productivity efforts, including leveraging the Enterprise Chief Operating Office, which was created in 2024 to further centralize, standardize, and automate operations and processes.

THE CRITICAL ENABLERS OF OUR STRATEGY ARE:

Talent **Technology** **Data**

TALENT

Our talent is our greatest asset and a core enabler of our One Northern Trust strategy. The expertise of our 23,000 employees is far from static. Going beyond expectations is not something we do occasionally. It is a rule we live by. It means asking questions that others have not considered and providing proactive insights that are steps ahead of the curve. And exceeding expectations has proven time and again to be the starting point for relationships that grow—the start of the journey to becoming our clients' most trusted financial partner.

Empowering our employees is central to our talent vision. To enable this, we strive to modernize and elevate their experience from recruitment to retirement by investing in three core areas: professional development, rewarding performance, and strengthening workforce and operational resiliency. By fostering an environment where our employees can thrive, we will ensure that our talented workforce is fully engaged, motivated, celebrated and equipped to drive our strategy.

To support this effort, we made several significant investments last year including implementing a new Human Capital Management System. The new system streamlined manual processes and enabled dynamic workforce analytics, helping managers make informed decisions and gain insights into their teams.

Our culture doesn't just describe who we are, it influences how we behave as an organization and unites us across businesses, geographies, and functions. Last year we introduced and embedded five new culture behaviors to help us deliver on our strategic objectives: relentlessly client-centric, constantly managing risk, respectfully candid, intentionally inclusive, and always accountable.

We remain committed to attracting, developing, and retaining top talent to continue to deliver outstanding results for all our stakeholders.

TECHNOLOGY AND DATA

Technology and data have always been core to how we deliver consistently high quality service to our clients. Our technology must be stable, secure and scalable to create exceptional experiences, build leading capabilities, and maximize the protection and use of data.

Over the years we have carefully selected areas where we want to deploy technology to differentiate our services. Examples include Goals Powered Solutions, our proprietary platform that helps clients visualize tradeoffs and make informed decisions, and Total Portfolio Solutions, an ecosystem that comprises integrated technology and capabilities across the entire investment lifecycle.

The way we manage data is foundational to our technology strategy. With the deployment of a modern data mesh—a decentralized data architecture—Northern Trust is in the process of easing the availability of data within a rigorously controlled environment, enabling clients and employees to access and leverage their data when, where, and how they need it.

At the same time, we have made significant progress redesigning most of our digital portfolio into modern microservice architectures that improve our ability to scale and strengthen system resilience, facilitating our continued transition to the cloud.

No discussion of technology would be complete without reference to impressive gains being made in artificial intelligence. Northern Trust has leveraged machine learning, robotic process automation, and other “traditional AI” tools for years. We take a data-driven, risk-managed approach to generative AI, and see great promise in its application.

In 2024, we launched Northern Trust's first generative AI effort, and now it is helping Asset Servicing staff members manage client relationships, gather product feedback, and address operational issues. Our in-house generative AI is embedded in our cloud-based Digital Partner Platform, a unified system of tools and apps that help partners efficiently serve clients. The platform enables insights into client interactions instantly, and generative AI helps expedite case resolution and reduce response time. Real-time analytics and forecasting proactively address trending client issues.

That's just one example of how technology, data, and AI can combine to transform and improve the experience of our clients and staff alike. Other generative AI use cases are under review to streamline manual, time-consuming, administrative tasks, and to leverage data insights to manage portfolio risk and performance.

COMMUNITY

Giving back to the communities where we live and work has been an important part of Northern Trust since our founding. Northern Trust manages a community development and investment portfolio that exceeded \$5.4 billion at year-end. In 2024, we supported nearly 2,000 charitable organizations and mobilized employees around the globe to support causes close to their hearts through more than 118,000 hours of volunteerism.

As just one of many examples of our community impact, in 2024 we invested \$31 million in eleven local Habitat for Humanity organizations in Arizona, California, Florida, Georgia, Illinois, Massachusetts, Ohio, Texas, Virginia, and Washington DC. Habitat for Humanity supports the construction of affordable homes for low-income families, with affiliates located across the United States. Our investments purchased Habitat for Humanity's single family, zero-percent mortgage loans, allowing the organization to recycle the capital to build more homes and provide mortgages to new families.





CLOSING THOUGHTS

As we look ahead, I remain confident in our company's ability to navigate an evolving global landscape with strength and purpose. Our commitment to delivering long-term value is unwavering, and we continue as One Northern Trust to invest in the people, technology, and strategies that will drive sustainable growth for years to come.

I want to take this opportunity to express my deepest gratitude to former board member Jose Luis Prado for his dedicated service and invaluable contributions to our board from 2012 to 2024. And we welcome the arrival of new distinguished board members Chandra Dhandapani, CEO of Magnit, LLC; Richard Petrino, who served in a variety of leadership roles for American Express; and Robert Moritz, former global chairman of PricewaterhouseCoopers.

I also want to thank our employees, whose dedication and expertise drive our success, as well as our clients around the world for their continued trust.

I am incredibly proud of our company and our 23,000 employees for making meaningful progress during the first year of our One Northern Trust strategy. As we move forward, we do so with a shared sense of mission and responsibility to our clients, shareholders, employees, and to the communities we serve. I am confident that, together, we will continue to build Northern Trust into an even higher performing company.

Mike O'Grady

Chairman & Chief Executive Officer
Northern Trust Corporation