

2023 ANNUAL REPORT

FINANCIAL HIGHLIGHTS



NORTHERN
TRUST

	2023	2022	PERCENT CHANGE ¹
For the year ended December 31 (\$ in millions)			
Revenues (Fully Taxable Equivalent Basis ²)	\$ 6,831.0	\$ 6,806.8	— %
Net Income	1,107.3	1,336.0	(17)
Dividends Declared on Common Stock	630.2	613.0	3
Dividends Declared on Preferred Stock	41.8	41.8	—
Per Common Share			
Net Income — Basic	\$ 5.09	\$ 6.16	(17)%
Net Income — Diluted	5.08	6.14	(17)
Cash Dividends Declared per Common Share	3.00	2.90	3
Book Value — End of Period	53.69	49.78	8
Market Value — End of Period	84.38	88.49	(5)
At Year-End (\$ in millions)			
Earning Assets	\$ 140,369.6	\$ 142,484.7	(1)%
Total Assets	150,783.1	155,036.7	(3)
Deposits	116,164.0	123,932.1	(6)
Stockholders' Equity	11,897.9	11,259.5	6
Average Balances (\$ in millions)			
Earning Assets	\$ 130,801.3	\$ 138,839.0	(6)%
Total Assets	142,649.2	152,551.9	(6)
Deposits	105,245.5	125,592.4	(16)
Stockholders' Equity	11,496.8	11,081.4	4
Client Assets at Year-End (\$ in billions)			
Assets Under Custody / Administration	\$ 15,404.9	\$ 13,604.0	13 %
Assets Under Custody	11,916.5	10,604.6	12
Assets Under Management	1,434.5	1,249.5	15
Financial Ratios and Metrics			
Return on Average Common Equity	10.0%	12.7%	
Return on Average Assets	0.78	0.88	
Dividend Payout Ratio	59.1	47.2	
Net Interest Margin (Fully Taxable Equivalent Basis ²)	1.56	1.39	

CAPITAL RATIOS	DECEMBER 31, 2023		DECEMBER 31, 2022	
	Standardized Approach	Advanced Approach	Standardized Approach	Advanced Approach
Common Equity Tier 1 Capital	11.4%	13.4%	10.8%	11.5%
Tier 1 Capital	12.3	14.5	11.8	12.5
Total Capital	14.2	16.5	13.9	14.5
Tier 1 Leverage	8.1	8.1	7.1	7.1
Supplementary Leverage	N/A	8.6	N/A	7.9

¹ Percentage change calculations are based on actual balances rather than the rounded amounts presented.

² Revenues and Net Interest Margin are presented on a fully taxable equivalent basis, a non-generally accepted accounting principle financial measure that facilitates the analysis of asset yields. A reconciliation of revenues and net interest margin on a GAAP basis to revenue and net interest margin on an FTE basis is provided [here](#).

Note:

FY 2023 revenue includes a \$176.4 million pre-tax loss on available for sale debt securities sold in conjunction with a repositioning of the portfolio, recognized in Investment Security Gains (Losses), net, and a \$6.9 million pre-tax gain upon sale of available for sale debt securities. FY 2023 expense includes an \$84.6 million pre-tax Federal Deposit Insurance Corporation (FDIC) special assessment, \$38.7 million pre-tax severance-related charge, \$25.6 million pre-tax charge related to the write-off of an investment in a client capability, and \$12.8 million pre-tax occupancy charge.

FY 2022 revenue includes a \$213.0 million pre-tax loss on available for sale debt securities recorded in Investment Security Gains (Losses), net, related to an intent to sell, arising from a repositioning of the portfolio. FY 2022 expense includes a \$44.1 million pre-tax pension settlement charge, \$32.0 million pre-tax severance-related charge, and \$14.0 million pre-tax occupancy charge.