

WINTRUST FINANCIAL CORP

Form 424B5

December 08, 2010

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**Filed Pursuant to Rule 424(b)(5)**  
**File No. 333-165166**

**CALCULATION OF REGISTRATION FEE**

<b>Title of Each Class of Securities to be Registered</b>	<b>Amount to be Registered(1)</b>	<b>Proposed Maximum Offering Price per Unit</b>	<b>Proposed Maximum Aggregate Offering price</b>	<b>Amount of Registration Fee(2)</b>
Tangible equity units	4,600,000	\$50	\$230,000,000	\$16,399

(1) Includes 600,000 tangible equity units that may be purchased by the underwriters pursuant to their option to purchase additional tangible equity units to cover overallotments, if any.

(2) Calculated in accordance with Rule 457(r).

PROSPECTUS SUPPLEMENT

(To prospectus dated March 3, 2010)

7.50% tangible equity units  
**Wintrust Financial Corporation**

Wintrust is offering 4,000,000 of its tangible equity units. Each tangible equity unit has a stated amount of \$50. Each tangible equity unit is a unit composed of a prepaid stock purchase contract and a junior subordinated amortizing note due December 15, 2013 issued by Wintrust, which has an initial principal amount of \$9.728182 per amortizing note and a scheduled final installment payment date of December 15, 2013.

On December 15, 2013, each purchase contract will automatically settle and we will deliver a number of shares of Wintrust common stock, based on the applicable market value, which is the average of the daily volume weighted average prices, or VWAPs (as defined herein), of Wintrust common stock on each of the 20 consecutive trading days ending on the third trading day immediately preceding December 15, 2013:

if the applicable market value equals or exceeds \$37.50, you will receive 1.3333 shares;

if the applicable market value is greater than \$30.00 but less than \$37.50, you will receive a number of shares per purchase contract equal to \$50, divided by the applicable market value; and

if the applicable market value is less than or equal to \$30.00, you will receive 1.6666 shares.

At any time prior to the third business day immediately preceding December 15, 2013, you may settle your purchase contract early and we will deliver to you 1.3333 shares of our common stock, subject to customary anti-dilution

adjustments. In addition, if a fundamental change (as defined herein) occurs and you elect to settle your purchase contracts early in connection with such fundamental change, you will receive a number of shares of Wintrust's common stock based on the fundamental change early settlement rate, as described herein. The purchase contract holders will not receive any cash distributions.

The amortizing notes will pay you equal quarterly installments of \$0.9375 per amortizing note, which in the aggregate will be equivalent to a 7.50% cash payment per year with respect to each \$50 stated amount of tangible equity unit. We will have the right to defer installment payments at any time and from time to time under the circumstances, and subject to the conditions, described herein, so long as such deferral period does not extend beyond December 15, 2015. The amortizing notes will be junior subordinated obligations of Wintrust, and will rank (i) junior both in liquidation and right of payment, to the extent set forth in the junior subordinated debt indenture, to all of Wintrust's Senior Indebtedness (as defined under Description of the Amortizing Notes Subordination ) and (ii) equally with all of Wintrust's unsecured and junior subordinated indebtedness, whether currently existing or hereinafter created, other than junior subordinated indebtedness that is designated as junior to the amortizing notes.

Each tangible equity unit may be separated into its constituent purchase contract and amortizing note after the initial issuance date of the tangible equity units.

We do not intend to apply for a listing of the tangible equity units or the constituent purchase contracts or amortizing notes on any securities exchange.

Wintrust common stock trades on the NASDAQ Global Select Market under the symbol WTFC. On December 6, 2010, the last sale price of the shares as reported on the NASDAQ Global Select Market was \$32.23 per share.

**Investing in the tangible equity units involves risks. See the Risk Factors section beginning on page S-14 of this prospectus supplement for a discussion of certain risks you should consider before investing in the tangible equity units.**

	Per unit	Total
Public offering price	\$50.00	\$200,000,000
Underwriting discount	\$1.50	\$6,000,000
Proceeds, before expenses, to us	\$48.50	\$194,000,000

The underwriters may also purchase up to an additional 600,000 tangible equity units from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus supplement to cover overallotments, if any.

Concurrently with this offering, we are offering 3,205,128 shares of our common stock (or 3,685,897 shares if the underwriters of that offering exercise their overallotment option in full). The common stock is being offered by means of a separate prospectus supplement. Neither of the offerings is conditioned upon the consummation of the other offering. See Concurrent Offering on page S-24 of this prospectus supplement.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved these securities or determined if this prospectus supplement or the accompanying prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

Neither the tangible equity units, the purchase contracts nor the amortizing notes will be savings accounts, deposits or other obligations of Wintrust's bank or nonbank subsidiaries. These securities are not insured or guaranteed by the FDIC or any other governmental agency.

The tangible equity units will be ready for delivery in book-entry only form through the facilities of The Depository Trust Company for the accounts of its participants on or about December 10, 2010.

*Sole Book-Running Manager*  
**BofA Merrill Lynch**

**RBC Capital Markets**

**Sandler O'Neill + Partners, L.P.**

**Wells Fargo Securities**

The date of this prospectus supplement is December 7, 2010.

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**ABOUT THIS PROSPECTUS**

**This prospectus supplement incorporates by reference important business and financial information about us that is not included in or delivered with this document. This information, other than exhibits to documents that are not specifically incorporated by reference in this prospectus, is available to you without charge upon written or oral request to Wintrust Financial Corporation at the address or telephone number indicated in the section titled **Where You Can Find More Information** in this prospectus supplement.**

This document is in two parts. The first part is this prospectus supplement, which contains specific information about us and the terms on which we are selling our tangible equity units. The second part is the accompanying prospectus dated March 3, 2010, which contains and incorporates by reference important business and financial information about us and other information about the offering.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus or in any free writing prospectus. We have not, and the underwriters have not, authorized anyone to provide you with different information. If anyone provides you with different or inconsistent information, you should not rely on it. We are not, and the underwriters are not, making an offer to sell the common stock in any jurisdiction where the offer or sale is not permitted. You should assume that the information appearing in this prospectus supplement, the accompanying prospectus and the documents incorporated by reference in either this prospectus supplement or the accompanying prospectus is accurate only as of their respective dates. Our business, financial condition, results of operations and prospects may have changed since those dates.

Before you invest in our tangible equity units, you should carefully read the registration statement (including the exhibits thereto) of which this prospectus supplement and the accompanying prospectus form a part, this prospectus supplement, the accompanying prospectus and the documents incorporated by reference into this prospectus supplement and accompanying prospectus. The incorporated documents are described under **Where You Can Find More Information**.

Unless the context indicates otherwise, the terms **Wintrust**, **Company**, **we** and **our** in this prospectus supplement refer to Wintrust Financial Corporation and its subsidiaries. References to a particular year mean the Company's year commencing on January 1 and ending on December 31 of that year.

**SPECIAL NOTES CONCERNING FORWARD-LOOKING STATEMENTS**

This prospectus supplement, the accompanying prospectus, and any documents which we incorporated by reference may contain forward-looking statements within the meaning of federal securities laws. Forward-looking information can be identified through the use of words such as **intend**, **plan**, **project**, **expect**, **anticipate**, **believe**, **estimate**, **contemplate**, **possible**, **point**, **will**, **may**, **should**, **would** and **could**. Forward-looking statements and information, like historical facts, are premised on many factors and assumptions, and represent only management's expectations, estimates and projections regarding future events. Similarly, these statements are not guarantees of future performance and involve certain risks and uncertainties that are difficult to predict, which may include, but are not limited to, those listed below and the Risk Factors discussed under Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2009, Item 1A of our Quarterly Reports on Form 10-Q for the quarters ended June 30, 2010 and September 30, 2010 and in any of our subsequent SEC filings. The Company intends such forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of invoking these safe harbor provisions. Such forward-looking statements may be deemed to include, among other things, statements relating to our future

financial performance, the performance of our loan portfolio, the expected amount of future credit reserves and charge-offs, delinquency trends, growth plans, regulatory developments, securities that the Company may offer from time to time, and management's long-term performance goals, as well as statements relating to the anticipated effects on financial condition and results of operations from expected developments or events, our business and growth strategies, including future acquisitions of banks, specialty

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finance or wealth management businesses, internal growth and plans to form additional *de novo* banks or branch offices. Actual results could differ materially from those addressed in the forward-looking statements as a result of numerous factors, including the following:

our ability to consummate the common stock offering in the size and manner described herein;

negative economic conditions that adversely affect the economy, housing prices, the job market and other factors that may affect the Company's liquidity and the performance of its loan portfolios, particularly in the markets in which it operates;

the extent of defaults and losses on the Company's loan portfolio, which may require further increases in its allowance for credit losses;

estimates of fair value of certain of the Company's assets and liabilities, which could change in value significantly from period to period;

changes in the level and volatility of interest rates, the capital markets and other market indices that may affect, among other things, the Company's liquidity and the value of its assets and liabilities;

a decrease in the Company's regulatory capital ratios, including as a result of further declines in the value of its loan portfolios, or otherwise;

effects resulting from the Company's participation in the Capital Purchase Program ( CPP ), including restrictions on dividends and executive compensation practices, as well as any future restrictions that may become applicable to the Company, and the risk that our regulators will not approve redemption of the Series B Preferred Stock issued and sold pursuant to the CPP;

increased costs of compliance, heightened regulatory capital requirements and other risks associated with changes in regulation and the current regulatory environment, including the requirements of the Basel II and III capital regimes and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act );

legislative or regulatory changes, particularly changes in regulation of financial services companies and/or the products and services offered by financial services companies;

increases in the Company's Federal Deposit Insurance Corporation ( FDIC ) insurance premiums, or the collection of special assessments by the FDIC;

competitive pressures in the financial services business which may affect the pricing of the Company's loan and deposit products as well as its services (including wealth management services);

delinquencies or fraud with respect to the Company's premium finance business;

the Company's ability to comply with covenants under its securitization facility and credit facility;

credit downgrades among commercial and life insurance providers that could negatively affect the value of collateral securing the Company's premium finance loans;

any negative perception of the Company's reputation or financial strength;

the loss of customers as a result of technological changes allowing consumers to complete their financial transactions without the use of a bank;

the ability of the Company to attract and retain senior management experienced in the banking and financial services industries;

failure to identify and complete favorable acquisitions in the future, or unexpected difficulties or developments related to the integration of recent or future acquisitions, including with respect to any FDIC-assisted acquisitions;

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unexpected difficulties or unanticipated developments related to the Company's strategy of de novo bank formations and openings, which typically require over 13 months of operations before becoming profitable due to the impact of organizational and overhead expenses, the startup phase of generating deposits and the time lag typically involved in redeploying deposits into attractively priced loans and other higher yielding earning assets;

changes in accounting standards, rules and interpretations and the impact on the Corporation's financial statements;

significant litigation involving the Company; and

the ability of the Company to receive dividends from its subsidiaries.

Therefore, there can be no assurances that future actual results will correspond to these forward-looking statements. The reader is cautioned not to place undue reliance on any forward-looking statement made by or on behalf of Wintrust. Forward-looking statements speak only as of the date they are made, and the Company undertakes no obligation to update any forward-looking statement to reflect the impact of circumstances or events that arise after the date the forward-looking statement was made.

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly, and current reports, proxy statements and other information with the Securities and Exchange Commission (SEC). Our SEC filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov> and on the investor relations page of our website at <http://www.wintrust.com>. Except for those SEC filings incorporated by reference in this prospectus supplement and the accompanying prospectus, none of the other information on our website is part of this prospectus supplement or the accompanying prospectus. You may also read and copy any document we file with the SEC at its public reference facilities at 100 F Street N.E., Washington, D.C. 20549. You can also obtain copies of the documents upon the payment of a duplicating fee to the SEC. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities.

You should rely only on the information incorporated by reference or provided in this prospectus supplement and the accompanying prospectus. We have not authorized anyone else to provide you with different information or to make any representations other than as contained in this prospectus supplement and in the accompanying prospectus. We are not making any offer of these securities in any state where the offer is not permitted. Our website address is <http://www.wintrust.com>. Except for those SEC filings posted on our website and incorporated by reference in this prospectus supplement and the accompanying prospectus, none of the other information on our website is part of this prospectus supplement or the accompanying prospectus.

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**DOCUMENTS INCORPORATED BY REFERENCE**

The SEC allows us to incorporate by reference much of the information that we file with it, which means that we can disclose important information to you by referring you to those publicly available documents. The information that we incorporate by reference is an important part of this prospectus supplement and the accompanying prospectus. Any statement contained in a document incorporated or deemed to be incorporated by reference in this prospectus will be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus or in any other subsequently filed document that also is or is deemed to be incorporated by reference in this prospectus modifies or supersedes that statement. Any statement that is modified or superseded will not constitute a part of this prospectus, except as modified or superseded.

This prospectus supplement incorporates by reference the documents listed below and any filings we make with the SEC under Sections 13(a), 13(c), 14, or 15(d) of the Securities Exchange Act of 1934 after the initial filing of the registration statement related to this prospectus supplement until the termination of the offering of the securities described in this prospectus supplement; provided, however, that we are not incorporating by reference any documents, portions of documents or other information that is deemed to have been furnished and not filed with the SEC:

our Annual Report on Form 10-K for the year ended December 31, 2009, including information specifically incorporated by reference into our Form 10-K for the year ended December 31, 2009;

our Quarterly Reports on Form 10-Q for the quarterly periods ended March 31, 2010, June 30, 2010 and September 30, 2010;

the sections of our Definitive Proxy Statement for the 2010 Annual Meeting of Stockholders filed with the SEC on April 29, 2010 that are incorporated by reference in our Annual Report on Form 10-K for the year ended December 31, 2009;

our Current Reports on Form 8-K, filed with the SEC on March 9, 2010 and June 2, 2010; and

the description of our common stock, which is registered under Section 12 of the Securities Exchange Act, in our Form 8-A filed with the SEC on January 3, 1997, including any subsequently filed amendments and reports updating such description.

You may request a copy of these filings, other than an exhibit to a filing unless that exhibit is specifically incorporated by reference into that filing, at no cost, by writing to us at the following address or calling us at the following telephone number:

Investor Relations  
Wintrust Financial Corporation  
727 North Bank Lane  
Lake Forest, Illinois 60045  
(847) 615-4096

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**PROSPECTUS SUMMARY**

*This summary highlights selected information from this prospectus supplement and does not contain all of the information that you should consider in making your investment decision. You should read this summary together with the more detailed information appearing elsewhere in this prospectus supplement, as well as the information in the accompanying prospectus and in the documents incorporated by reference or deemed incorporated by reference into this prospectus supplement or the accompanying prospectus. You should carefully consider, among other things, the matters discussed in the sections titled *Risk Factors* in this prospectus supplement, in our Annual Report on Form 10-K for the year ended December 31, 2009 and in our Quarterly Reports on Form 10-Q for the quarterly periods ended June 30, 2010 and September 30, 2010. In addition, certain statements include forward-looking information that involves risks and uncertainties. See *Special Notes Concerning Forward-Looking Statements* in this prospectus supplement.*

**Wintrust Financial Corporation**

Wintrust Financial Corporation, an Illinois corporation, which was incorporated in 1992, is a financial holding company based in Lake Forest, Illinois, with total assets of approximately \$14.1 billion as of September 30, 2010. We conduct our businesses through three segments: community banking, specialty finance and wealth management.

We provide community-oriented, personal and commercial banking services to customers located in the greater Chicago, Illinois metropolitan area and in southeastern Wisconsin through our fifteen wholly owned banking subsidiaries (collectively, the *banks*), as well as the origination and purchase of residential mortgages for sale into the secondary market through our wholly owned subsidiary, Wintrust Mortgage Corporation.

We provide financing for the payment of commercial insurance premiums and life insurance premiums (*premium finance receivables*) on a national basis through our wholly owned subsidiary, First Insurance Funding Corporation, and short-term accounts receivable financing (*Tricom finance receivables*) and out-sourced administrative services through our wholly owned subsidiary, Tricom, Inc. of Milwaukee.

We provide a full range of wealth management services primarily to customers in the Chicago, Illinois metropolitan area and in southeastern Wisconsin through three separate subsidiaries, including The Chicago Trust Company, N.A. (*CTC*), Wayne Hummer Investments, LLC (*WHI*) and Wintrust Capital Management, LLC (*WCM*).

***Our Business***

***Community Banking***

Through our banks, we provide community-oriented, personal and commercial banking services to customers located in the greater Chicago, Illinois metropolitan area and in southeastern Wisconsin. Our customers include individuals, small to mid-sized businesses, local governmental units and institutional clients residing primarily in the banks' local service areas. The banks have a community banking and marketing strategy. In keeping with this strategy, the banks provide highly personalized and responsive service, a characteristic of locally-owned and managed institutions. As such, the banks compete for deposits principally by offering depositors a variety of deposit programs, convenient office locations, hours and other services, and for loan originations primarily through the interest rates and loan fees they charge, the efficiency and quality of services they provide to borrowers and the variety of their loan and cash management products. Using our decentralized corporate structure to our advantage, in 2008, we announced the creation of our MaxSafe® deposit accounts, which provide customers with expanded FDIC insurance coverage by

spreading a customer's deposit across our fifteen banks. This product differentiates our banks from many of our competitors that have consolidated their bank charters into branches. The banks also offer home equity, home mortgage, consumer, real estate and commercial loans, safe deposit facilities, ATMs, internet banking and other innovative and traditional services specially tailored to meet the needs of customers in their market areas.

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We developed our banking franchise through the *de novo* organization of nine banks and the purchase of seven banks, one of which was merged into an existing Wintrust bank. The organizational efforts began in 1991, when a group of experienced bankers and local business people identified an unfilled niche in the Chicago metropolitan area retail banking market. As large banks acquired smaller ones and personal service was subjected to consolidation strategies, the opportunity increased for locally owned and operated, highly personal service-oriented banks. As a result, Lake Forest Bank was founded in December 1991 to service the Lake Forest and Lake Bluff communities. Following the same business plan, we have formed several additional banks in the Chicago metropolitan market, and completed several acquisitions. As of September 30, 2010, we had 85 banking locations.

We now own fifteen banks, including nine Illinois-chartered banks, Lake Forest Bank and Trust Company ( Lake Forest Bank ), Hinsdale Bank and Trust Company ( Hinsdale Bank ), North Shore Community Bank and Trust Company, Libertyville Bank and Trust Company, Northbrook Bank & Trust Company ( Northbrook Bank ), Village Bank & Trust, Wheaton Bank & Trust Company ( Wheaton Bank ), State Bank of The Lakes and St. Charles Bank & Trust Company. In addition, we have one Wisconsin-chartered bank, Town Bank, and five nationally chartered banks, Barrington Bank and Trust Company, N.A. ( Barrington Bank ), Crystal Lake Bank & Trust Company, N.A. ( Crystal Lake Bank ), Advantage National Bank, Beverly Bank & Trust Company, N.A. and Old Plank Trail Community Bank, N.A.

We also engage in the origination and purchase of residential mortgages for sale into the secondary market through our wholly owned subsidiary, Wintrust Mortgage Corporation, and provide the document preparation and other loan closing services to a network of mortgage brokers. Wintrust Mortgage Corporation sells its loans servicing released and does not currently engage in mortgage loan servicing. Mortgage banking operations are also performed within each of the banks. Some of our banks engage in loan servicing, as a portion of the loans sold by the banks into the secondary market are sold to the Federal National Mortgage Association with the servicing of those loans retained. Wintrust Mortgage Corporation maintains principal origination offices in a number of other states, including Illinois, and originates loans in other states through correspondent channels. Wintrust Mortgage Corporation also established offices at several of the banks and provides the banks with the ability to use an enhanced loan origination and documentation system. This allows Wintrust Mortgage Corporation and the banks to better utilize existing operational capacity and improve the product offering for the banks' customers. In December 2008, Wintrust Mortgage Corporation acquired certain assets and assumed certain liabilities of the mortgage banking business of Professional Mortgage Partners.

We also offer several niche lending products through the banks. These include Barrington Bank's Community Advantage program which provides lending, deposit and cash management services to condominium, homeowner and community associations, Hinsdale Bank's mortgage warehouse lending program which provides loan and deposit services to mortgage brokerage companies located predominantly in the Chicago metropolitan area, Crystal Lake Bank's North American Aviation Financing division which provides small aircraft lending and Lake Forest Bank's franchise lending program which provides lending primarily to restaurant franchisees. Hinsdale Bank operated an indirect auto lending program which originated new and used automobile loans that were purchased by the banks. In the third quarter of 2008, we exited this business due to competitive pricing pressures, the current economic environment and the retirement of the founder of this niche business. Changes in the economic environment in the fourth quarter of 2010 led Hinsdale Bank to restart its indirect auto lending program. The loans are generated through a network of automobile dealers located in the Chicago area, secured by new and used vehicles and diversified among many individual borrowers.

### *Specialty Finance*

We conduct our specialty finance businesses through indirect non-bank subsidiaries. Our wholly owned subsidiary, FIFC engages in the premium finance receivables business, our most significant specialized lending niche, including

commercial insurance premium finance and life insurance premium finance.

FIFC makes loans to businesses to finance the insurance premiums they pay on their commercial insurance policies. Approved medium and large insurance agents and brokers located throughout the United

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States assist FIFC in arranging each commercial premium finance loan between the borrower and FIFC. FIFC evaluates each loan request according to its underwriting criteria including the down payment amount, the term of the loan, the credit quality of the insurance company providing the financed insurance policy, the interest rate, the borrower's previous payment history, if any, and other factors deemed necessary. Upon approval of the loan by FIFC, the borrower makes a down payment on the financed insurance policy, which is generally done by providing payment to the agent or broker, who then forwards it to the insurance company. FIFC may either forward the financed amount of the remaining policy premiums directly to the insurance carrier or to the agent or broker for remittance to the insurance carrier on FIFC's behalf. In some cases, the agent or broker may hold our collateral, in the form of the proceeds of the unearned insurance premium from the insurance company, and forward it to FIFC in the event of a default by the borrower. Because the agent or broker is the primary contact to the ultimate borrowers who are located nationwide and because proceeds and our collateral may be handled by the agent or brokers during the term of the loan, FIFC may be more susceptible to third party (i.e., agent or broker) fraud. The Company performs ongoing credit and other reviews of the agents and brokers, and performs various internal audit steps to mitigate against the risk of any fraud. However, in the second quarter of 2010, fraud perpetrated against a number of premium finance companies in the industry, including the property and casualty division of our premium financing subsidiary, increased both the Company's net charge-offs and provision for credit losses by \$15.7 million. Actions have been taken by the Company to decrease the likelihood of this type of loss from recurring in this line of business for the Company. The Company has conducted a thorough review of the premium finance commercial portfolio and found no signs of similar situations.

In 2007, FIFC expanded and began financing life insurance policy premiums for high net-worth individuals. These loans are originated directly with the borrowers with assistance from life insurance carriers, independent insurance agents, financial advisors and legal counsel. The life insurance policy is the primary form of collateral. In addition, these loans often are secured with a letter of credit, marketable securities or certificates of deposit. In some cases, FIFC may make a loan that has a partially unsecured position. In 2009, FIFC significantly expanded its life insurance premium finance business by purchasing a portfolio of domestic life insurance premium finance loans with an aggregate unpaid principal balance of approximately \$1.0 billion and certain related assets, for an aggregate purchase price of approximately \$745.9 million.

Through our wholly owned subsidiary, Tricom, we provide high-yielding, short-term accounts receivable financing and value-added, outsourced administrative services, such as data processing of payrolls, billing and cash management services to the temporary staffing industry. Tricom's clients, located throughout the United States, provide staffing services to businesses in diversified industries.

*Wealth Management Activities*

We currently offer a full range of wealth management services through three separate subsidiaries, including trust and investment services, asset management and securities brokerage services. We acquired WHI and WCM, which are headquartered in Chicago, in February 2002. To further expand our wealth management business, in February 2003, we acquired Lake Forest Capital Management Company, a registered investment adviser with approximately \$300 million of assets under management at the time of acquisition. Lake Forest Capital Management Company was merged into WCM. In April 2009, WCM purchased certain assets and assumed certain liabilities of Advanced Investment Partners, LLC (AIP). AIP specializes in the active management of domestic equity investment strategies and expands WCM's institutional investment business.

CTC, our trust subsidiary, offers trust and investment management services to clients through offices located in downtown Chicago and at various banking offices of our fifteen banks. CTC is subject to regulation, supervision and regular examination by the OCC.

WHI, our registered broker/dealer subsidiary, has been in operations since 1931. Through WHI, we provide a full range of private client and securities brokerage services to clients located primarily in the Midwest. WHI is headquartered in downtown Chicago, operates an office in Appleton, Wisconsin, and as of September 30, 2010, established branch locations in offices at a majority of our banks. WHI also provides a

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full range of investment services to clients through a network of relationships with community- based financial institutions primarily located in Illinois.

WCM, a registered investment adviser, provides money management services and advisory services to individuals, mutual funds and institutional municipal and tax-exempt organizations. WCM also provides portfolio management and financial supervision for a wide range of pension and money management and advisory services to CTC.

### ***Strategy and Competition***

Historically, we have executed a growth strategy through branch openings and *de novo* bank formations, expansion of our wealth management and premium finance business, development of specialized earning asset niches and acquisitions of other community-oriented banks or specialty finance companies. However, beginning in 2006, we made a decision to slow our growth due to unfavorable credit spreads, loosened underwriting standards by many of our competitors, and intense price competition. In August 2008, we raised \$50 million of private equity. This investment was followed shortly by an investment by the U.S. Treasury of \$250 million through the CPP. The CPP investment was not necessary for our short- or long-term health. However, the CPP investment presented an opportunity for the Company. By providing us with a significant source of relatively inexpensive capital, the Treasury's CPP investment allowed us to accelerate our growth cycle, expand lending and meet former Treasury Secretary Paulson's stated purpose for the program, which was designed to attract broad participation by healthy institutions that have plenty of capital to get through this period, but are not positioned to lend as widely as is necessary to support our economy.

With this additional \$300 million of additional capital, we began to increase our lending and deposits in late 2008 and into 2009. This additional capital allowed us to be in a position to take advantage of opportunities in a disrupted marketplace during 2009 by increasing our lending as other financial institutions pulled back and to hire quality lenders and other staff away from larger and smaller institutions that may have substantially deviated from a customer-focused approach or who may have substantially limited the ability of their staff to provide credit or other services to their customers.

In March 2010, we further strengthened our capital position through a public offering of 6,670,000 shares of our common stock at \$33.25 per share. Our net proceeds totaled \$210.4 million.

Our strategy and competitive position for each of our business segments is summarized in further detail, below.

#### ***Community Banking***

We compete in the commercial banking industry through our banks in the communities they serve. The commercial banking industry is highly competitive and the banks face strong direct competition for deposits, loans, and other financial related services. The banks compete with other commercial banks, thrifts, credit unions and stockbrokers. Some of these competitors are local, while others are statewide or nationwide.

As a mid-size financial services company, we expect to benefit from greater access to financial and managerial resources than our smaller local competitors while maintaining our commitment to local decision-making and to our community banking philosophy. In particular, we are able to provide a wider product selection and larger credit facilities than many of our smaller competitors, and we believe our service offerings help us in recruiting talented staff. Additionally, we have access to public capital markets whereas many of our local competitors are privately held and may have limited capital raising capabilities.

We also believe we are positioned to compete more effectively with other larger and more diversified banks, bank holding companies and other financial services companies due to the multi-chartered approach that pushes accountability for building a franchise and a high level of customer service down to each of our banking franchises. Additionally, we believe that we provide a relatively complete portfolio of products that is responsive to the majority of our customers' needs through the retail and commercial operations supplied by our banks, and through our mortgage and wealth management operations. The breadth of our product mix allows us to compete effectively with our larger competitors while our multi-chartered approach with local and

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accountable management provides for what we believe is superior customer service relative to our larger and more centralized competitors.

However, some of the financial institutions and financial services organizations with which the banks compete are not subject to the same degree of regulation as imposed on financial holding companies, Illinois or Wisconsin state banks and national banking associations. In addition, the larger banking organizations have significantly greater resources than those available to the banks. As a result, such competitors have advantages over the banks in providing certain non-deposit services. Management views technology as a great equalizer to offset some of the inherent advantages of its significantly larger competitors.

Wintrust Mortgage Corporation, as well as the mortgage banking functions within the banks, competes with large mortgage brokers as well as other banking organizations. The mortgage banking business is very competitive and significantly impacted by changes in mortgage interest rates. We believe that mortgage banking revenue will be a continuous source of revenue, but the level of revenue will be impacted by changes in and the general level of mortgage interest rates.

### *Specialty Finance*

FIFC encounters intense competition from numerous other firms, including a number of national commercial premium finance companies, companies affiliated with insurance carriers, independent insurance brokers who offer premium finance services, and other lending institutions. Some of its competitors are larger and have greater financial and other resources. FIFC competes with these entities by emphasizing a high level of knowledge of the insurance industry, flexibility in structuring financing transactions, and the timely funding of qualifying contracts. We believe that our commitment to service also distinguishes us from our competitors. Additionally, we believe that FIFC's acquisition of a large life insurance premium finance portfolio and related assets in 2009 will enhance our ability to market and sell life insurance premium finance products.

Tricom competes with numerous other firms, including a small number of similar niche finance companies and payroll processing firms, as well as various finance companies, banks and other lending institutions. Tricom's management believes that its commitment to service distinguishes it from competitors. To the extent that other finance companies, financial institutions and payroll processing firms add greater programs and services to their existing businesses, Tricom's operations could be negatively affected.

### *Wealth Management Activities*

Our wealth management companies (CTC, WHI and WCM) compete with larger wealth management subsidiaries of other larger bank holding companies as well as with other trust companies, brokerage and other financial service companies, stockbrokers and financial advisors. We believe we can successfully compete for trust, asset management and brokerage business by offering personalized attention and customer service to small to midsize businesses and affluent individuals. We continue to recruit and hire experienced professionals from the larger Chicago area wealth management companies, which is expected to help in attracting new customer relationships.

### ***Recent Developments – Acquisition of Lincoln Park Savings Bank, Wheatland Bank and Ravenswood Bank***

We recently acquired the banking operations of three entities in FDIC-assisted transactions. On April 23, 2010, Northbrook Bank assumed certain deposits and acquired certain assets and the banking operations of Lincoln Park Savings Bank ( Lincoln Park Bank ) pursuant to the terms of a purchase and assumption agreement entered into by Northbrook Bank and the FDIC. Northbrook Bank acquired approximately \$157 million in assets, including

\$103 million of loans, along with liabilities of \$192 million, including \$163 million of deposits of Lincoln Park Bank. Pursuant to the terms of the loss sharing agreements with Northbrook Bank, the FDIC's obligation to reimburse Northbrook Bank for losses with respect to Lincoln Park Bank covered assets begins with the first dollar of loss incurred. The FDIC will reimburse Northbrook Bank for 80% of losses with respect to certain of the Lincoln Park Bank covered assets. The loss sharing

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agreements applicable to single family residential mortgage loans provides for FDIC loss sharing for ten years, and the loss sharing agreements applicable to commercial loans provides for FDIC loss sharing for five years.

Also on April 23, 2010, Wheaton Bank assumed certain deposits and acquired certain assets and the banking operations of Wheatland Bank pursuant to the terms of a purchase and assumption agreement entered into by Wheaton Bank and the FDIC. Wheaton Bank acquired approximately \$344 million in assets, including \$175 million of loans, along with liabilities of \$416 million, including \$409 million of deposits of Wheatland Bank. Pursuant to the terms of the loss sharing agreements with Wheaton Bank, the FDIC's obligation to reimburse Wheaton Bank for losses with respect to Wheatland Bank covered assets begins with the first dollar of loss incurred. The FDIC will reimburse Wheaton Bank for 80% of losses with respect to certain of the Wheatland Bank covered assets. The loss sharing agreements applicable to single family residential mortgage loans provides for FDIC loss sharing for ten years, and the loss sharing agreements applicable to commercial loans provides for FDIC loss sharing for five years.

On August 6, 2010, Northbrook Bank assumed certain deposits and acquired certain assets and the banking operations of Ravenswood Bank ( Ravenswood Bank ) pursuant to the terms of a purchase and assumption agreement entered into by Northbrook Bank and the FDIC. Northbrook Bank acquired approximately \$172 million in assets, including \$94 million of loans, along with liabilities of \$123 million, including \$121 million of deposits of Ravenswood Bank. Pursuant to the terms of the loss sharing agreements with Northbrook Bank, the FDIC's obligation to reimburse Northbrook Bank for losses with respect to Ravenswood Bank covered assets begins with the first dollar of loss incurred. The FDIC will reimburse Northbrook Bank for 80% of losses with respect to certain of the Ravenswood Bank covered assets. The loss sharing agreements applicable to single family residential mortgage loans provides for FDIC loss sharing for ten years, and the loss sharing agreements applicable to commercial loans provides for FDIC loss sharing for five years.

The above reimbursable losses and recoveries are based on the book value of the relevant loans and other assets as determined by the FDIC as of the effective date of the acquisitions. The amount that the acquiring banks realize on these assets could differ materially from the carrying value that will be reflected in any financial statements, based upon the timing and amount of collections and recoveries on the covered assets in future periods.

***Concurrent Offering***

Concurrently with this offering, we are offering 3,205,128 shares of our common stock (or 3,685,897 shares if the underwriters of that offering exercise their overallotment option in full) (the common stock offering ). We estimate that the net proceeds of the common stock offering will be approximately \$91.1 million plus net proceeds of up to an additional \$13.7 million if the underwriters' overallotment option is exercised in full (in both cases based on a public offering price of \$30.00 per share, and after deducting underwriting discounts and commissions and expenses payable by us), although there can be no assurance that the common stock offering will be completed. See Concurrent Offering.

The common stock is being offered by means of a separate prospectus supplement and not by means of this prospectus supplement. Neither of the offerings is conditioned upon the consummation of the other offering.

\* \* \* \* \*

Our common stock is traded on the NASDAQ Global Select Market under the ticker symbol WTFC. Our principal executive office is located at 727 North Bank Lane, Lake Forest, Illinois 60045, telephone number: (847) 615-4096.

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**THE OFFERING**

Issuer	Wintrust Financial Corporation
Number of tangible equity units offered	4,000,000 tangible equity units (or 4,600,000 tangible equity units if the underwriters exercise their overallotment option in full).
Stated amount and initial offering price	\$50 for each tangible equity unit.
Components of each tangible equity unit	Each tangible equity unit is a unit composed of two parts:  <div style="padding-left: 40px;">a prepaid stock purchase contract (a purchase contract ); and</div> <div style="padding-left: 40px;">a junior subordinated amortizing note issued by Wintrust (an amortizing note ).</div>

Each purchase contract will automatically settle on December 15, 2013 (the mandatory settlement date ), and Wintrust will deliver not more than 1.6666 shares and not less than 1.3333 shares of its common stock, subject to adjustment, based upon the applicable settlement rate and applicable market value of its common stock, as described below under Description of the Purchase Contracts Delivery of Common Stock.

The purchase contract holders will not receive any cash distributions.

Each amortizing note will have an initial principal amount of \$9.728182, bear interest at the rate of 9.50% per annum and have a scheduled final installment payment date of December 15, 2013. On each March 15, June 15, September 15 and December 15, commencing on March 15, 2011, Wintrust will pay equal quarterly installments of \$0.9375 on each amortizing note. The quarterly installment payable on March 15, 2011, however, will be \$0.989583. Each installment will constitute a payment of interest and a partial repayment of principal, allocated as set forth on the amortization schedule set forth under Description of the Amortizing Notes Amortization Schedule. Wintrust will have the right to defer installment payments at any time and from time to time under the circumstances, and subject to the conditions, described herein, so long as such deferral period does not extend beyond December 15, 2015.

The return to an investor on a tangible equity unit will depend upon the return provided by each component. The overall return will consist of the value of the shares of Wintrust common stock d