

Wintrust Financial Corp.

Full Rating Report

Ratings

Wintrust Financial Corporation

Long-Term IDR	BBB+
Short-Term IDR	F2
Viability	bbb+
Support	5

Subsidiary Banks

Long-Term IDR	BBB+
Short-Term IDR	F2
Individual	bbb+
Support	5

Rating Outlook

Long-Term IDR	Stable
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Financial Data

Wintrust Financial Corp.

	3/31/18	12/31/17
Total Assets (\$ Mil.)	28,457	27,916
Equity (\$ Mil.)	3,031	2,977
Net Income (\$ Mil.)	82	258
ROAA (%)	1.20	0.96
Loan to Dep. (%)	95.45	93.74
NPAs/Lns+OREO (%)	0.77	0.63
TCE/TA (%)	8.32	8.4

Source: Company filings.

Amendment

The data in the Financial Data table on page 1 of the previously published report, dated July 24, 2018, were incorrect. The correct numbers have been updated.

Related Research

[U.S. Banking Quarterly Comment: 1Q18 \(May 2018\)](#)

[U.S. Midtier Regional Bank Periodic Review \(January 2018\)](#)

[Wintrust Financial Corporation - Ratings Navigator \(January 2018\)](#)

[Shock Scenarios: U.S. Bank Deposits \(Rise in Retail Bank Deposit Rates Would Dampen Bank Profitability\) \(November 2017\)](#)

[Fitch Upgrades Wintrust Financial to 'BBB+'; Outlook Stable \(December 2017\)](#)

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Key Rating Drivers

Ratings Recently Upgraded: Wintrust Financial Corp.'s (WTFC) ratings reflect its consistent earnings performance, conservative risk culture and strategic execution. The Stable Outlook reflects Fitch Ratings' expectation that asset growth will continue to be supported by capital retention, and that asset quality will remain strong relative to peers.

Asset Quality Remains Strong: Fitch believes that WTFC's relatively strong asset quality reflects management's conservative credit risk management philosophy. Nonperforming assets (NPAs), as a percentage of loans and real estate owned (REO), have remained stable at historical lows and remain favorable compared to similarly rated peers.

Unique Premium Finance Franchise: WTFC enjoys a leading franchise in the insurance premium finance loan space, which has generated extremely low levels of credit losses. Fitch views this as credit positive, both due to the lower credit risk and the balance sheet diversity it provides.

Geographic Concentration a Constraint: Fitch views WTFC's concentration in Illinois and the Chicagoland area specifically as a ratings constraint. The Chicago banking market is saturated, leading to elevated competition. Despite limited attempts to expand beyond the Chicagoland area, WTFC's current rating and Outlook reflect Fitch's belief that the company will remain concentrated there over the near- and mid-term.

Solid Earnings: WTFC's earnings profile has continued to improve over the past year, with a 1Q18 annualized return on average assets (ROAA) of 120bps. This is directly in line with the peer group median. The company's traditionally higher cost structure, along with expected higher deposit costs, could temper further improvement in earnings. However, Fitch expects WTFC's earnings volatility to remain low, supported by its aforementioned strong credit culture. This expectation was reflected in the December 2017 upgrade.

Capital is Adequate: WTFC's capital levels are adequate, compared to its peer group and relative to its risk profile. WTFC's ratings reflect its capability to maintain adequate capital throughout the financial crisis, as well as its ability to raise additional capital in the private and public markets.

Rating Sensitivities

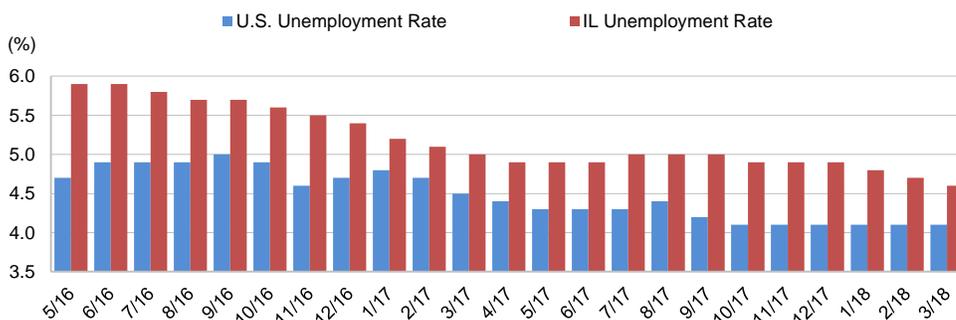
Asset Quality Deterioration Could Pressure Ratings Downward: Although not expected, deterioration in WTFC's asset quality, especially surrounding the premium finance book, could result in downward rating pressure. While some reversal of unsustainable low levels of NPAs is to be expected, losses in the premium finance line would likely be the result of fraud and/or failed controls. If material capital deterioration occurs, this could prompt negative rating action.

Continued Improvement in Earnings Could Lift Ratings: Fitch views WTFC's ratings as solidly situated at their current rating level. Further upside would be predicated on earnings performance in line with those banks in the 'A' rating category while upholding a conservative risk appetite. This would also depend on WTFC maintaining strong asset quality over time.

Operating Environment

WTFC operates in an “aa” operating environment, consisting of a strong sovereign rating, a stable economy, a developed and transparent regulatory framework and advanced financial markets. WTFC has significant exposure to the economic activity in and around the city of Chicago. Fitch views this exposure as a rating constraint over the near- to medium term. Three-fourths of WTFC’s core loan book (excluding First Insurance Funding Company (FIFC) loans) is located in the state of Illinois, with the majority concentrated in the greater Chicagoland area. Fitch views the Chicago market as the economic hub for the Midwestern region of the U.S., but it carries a high and growing long-term liability burden and constrained expenditure flexibility. This also means that the area is densely populated with banks. While Chicago’s financial profile is improving, the state of Illinois has lagged that of the U.S. as a whole.

National and Illinois Unemployment Rate Gap Widening

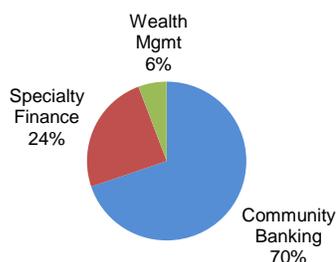


Source: Federal Reserve Bank of St. Louis.

While unemployment rates in Illinois have been trending downward over the prior two years, they remain significantly higher than the national average.

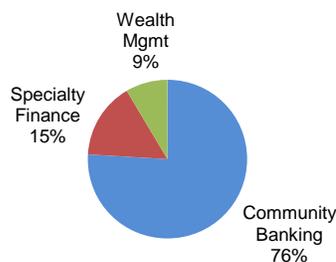
Fitch recognizes that WTFC has attempted to diversify its geographic footprint through acquisitions of community banks in southeastern Wisconsin and the continued buildout of its mortgage banking operation. Still, WTFC’s ratings incorporate Fitch’s view that the company will remain concentrated in the Chicagoland area.

Earnings Mix (Through 1Q18)



Source: Company reports.

Net Revenue Mix (Through 1Q18)



Source: Company reports.

Company Profile

Community Bank Focused, with Ancillary Businesses Providing Diversity

WTFC is an Illinois-based financial services holding company with \$28.46 billion in assets as of March 31, 2018.

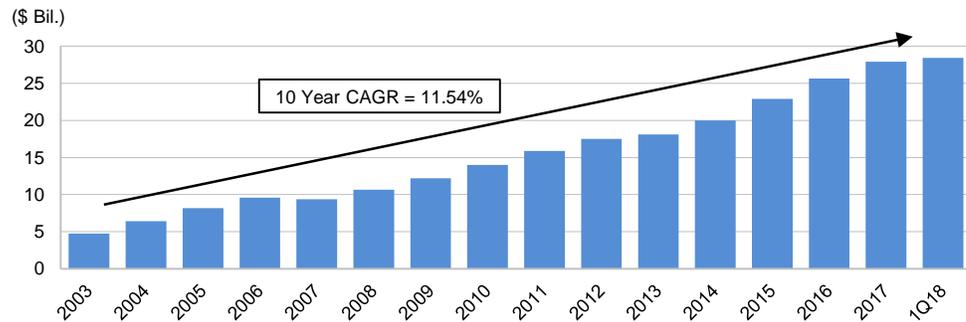
Publically traded since 1997, the company conducts business through three primary channels: community banking, specialty finance and wealth management. Revenue diversity is comparable to peers and similarly rated banks. Revenue is split approximately 70%/30% between net interest income and non-interest income. Non-interest income was stable, despite decreases in mortgage origination as interest rates rise.

As of June 30, 2017, WTFC was the fifth largest bank in the Chicago area by deposits, at 5.39% market share, with 93% of total deposits located within the Chicagoland area.

Operating under 15 separately chartered banks, WTFC offers traditional banking services for consumers and businesses. Beginning with one charter and a single office in 1991, the company expanded to three additional de novo charters located in high net worth areas of Chicago. In 1996, the company went public to raise additional capital to fuel growth. Since then, WTFC has grown to over 150 locations around the Chicago metro area and southeastern

Wisconsin, using both de novo charters and acquisitions. For financial information on WTFC's individual charters, see Appendix 1.

Steady Growth Over the Years



Source: FIS, Regulatory Filings.

Since 2003, much of WTFC's growth has been through acquisitions, purchasing over 20 banks split between whole bank purchases and FDIC-assisted deals. FDIC-related deals have totaled \$936 million in loans (fair value) and \$2.3 billion in deposits. These transactions resulted in almost \$80 million in bargain purchase gains, which resulted in a positive impact on the bottom line, but were partially offset by future collection costs related to problem loans. For more information on WTFC's acquisitions over the years, see Appendix 2.

FDIC Deposit Market Share

(As of June 30, 2017)

Institution Name	State (Headquarters)	No. of Offices	Deposits (\$000)	Market Share (%)
JPM	NY	376	86,946,356	22.01
BMO	CAD	214	45,470,792	11.51
BOA	NC	157	43,213,188	10.94
NTRS	IL	10	25,442,184	6.44
WTFC	IL	132	21,283,548	5.39
CIBC	CAD	22	17,257,008	4.37
CITI	NY	61	14,366,000	3.64
MBFI	IL	96	14,281,176	3.62
PNC	PA	147	12,983,406	3.29
USB	MN	174	12,357,802	3.13

Source: FDIC.

Fitch views WTFC's track record of successful acquisitions as a positive, as it has strengthened the community bank franchise in targeted markets.

WTFC also originates or purchases residential mortgages through Wintrust Mortgage, a division within WTFC's community bank segment. During 2017, Wintrust Mortgage originated \$3.7 billion in mortgage loans, down slightly from \$4.4 billion in 2016. Purchase transactions made up 75% of originations, while refinances accounted for the remaining 25%. Fitch expects the shift away from refinance transactions to continue as interest rates rise.

Lastly, WTFC offers niche lending products through its community bank charters, including homeowner or condo association lending, mortgage warehouse lending and franchise lending. In August 2016, WTFC, through the wholly owned subsidiary Lake Forest Bank, acquired approximately \$561.4 million in performing franchise loans from an affiliate of GE Capital Finance, growing the franchise lending business.

Specialty Finance

WTFC also operates a nationwide, premium finance business. In conjunction with the 1997 IPO, WTFC merged with FIRST Insurance Funding Company, a premium finance lending company with a national network of independent brokers and agents. The two main products are property and casualty (P&C) premium financing and life insurance premium financing. With the two combined, WTFC is among the top three premium finance lenders in the U.S.

P&C loans are primarily given to small and mid-sized companies to finance upfront insurance premiums for property and casualty coverage. These loans typically carry a nine- to 10-month term and the borrower contributes a 20% downpayment. Collateral on these loans comprises the unearned insurance premium held by the insurance carrier, which leaves FIFC well-collateralized throughout the life of the loan.

Loans related to life insurance policies are extended to high net worth clients for estate planning purposes. These loans are secured by the cash surrender value (CSV) of the related policy, as well as cash and/or marketable securities margined at 50%, and typically carry a five-year term.

Fitch views WTFC's premium finance lending as a unique business line relative to peer banks and was a key consideration in the upgrade in December 2017. Fitch believes this business provides WTFC with an extra layer of credit diversification, strong revenue generation and relatively low usage of capital over time. Given the structure of both types of premium finance loans, Fitch expects credit losses in this segment to remain relatively well contained.

In an effort to diversify and promote margin growth, WTFC expanded its leasing division in 2015 with the addition of Texas-based Wintrust Commercial Finance, under the Wintrust Asset Finance umbrella. This group focuses on equipment financing, offering loan and lease products to companies throughout the U.S. and Canada in industries that include transportation, construction, manufacturing, technology, energy and aviation.

WTFC's leasing business has grown considerable over the past two years, both in absolute terms and a percentage of non-interest income. As of March 31, 2018, operating lease revenue for the quarter was \$9.7 million, representing 11.3% of non-interest income, compared to \$2.8 million and 4.0%, respectively, for 1Q2016. During the same period, outstandings continued to grow but have not kept pace with growth in the loan portfolio. As a percentage of total commercial loans, capital leases fell to 3% in 1Q2018 from 5.1% at the end of 1Q2016.

Wintrust Leasing Operations

(\$ Mil.)	4Q14	1Q15	2Q15	3Q15	4Q15	1Q16	2Q16	3Q16	4Q16	1Q17	2Q17	3Q17	4Q17	1Q18
Operating Leases														
Revenue (\$000)	67	65	77	613	1,973	2,806	4,005	4,459	5,171	5,782	6,805	8,461	8,598	9,691
% of Total Non-Interest Income	0	0	0	1	3	4	5	5	6	8	8	11	11	11
Capital Leases														
(\$ Mil.)	160	172	188	206	226	249	268	295	295	320	357	381	413	414
% of Total Commercial Loans	4	4	4	5	5	5	2	2	2	3	3	3	3	3

Source: Company filings.

Fitch recognizes and positively views WTFC's effort to diversify the company's revenue base. Fitch expects the company to operate the leasing business with the same strong underwriting discipline and conservative credit risk management philosophy with which WTFC has historically operated. Although currently viewed as unlikely, outsized losses within the leasing portfolio or evidence of loosening underwriting standards may lead to ratings pressure.

Wealth Management

WTFC offers a full range of wealth management services through three separate subsidiaries. Great Lakes Advisors offers money management and advisory services to individuals and institutional investors. The Chicago Trust Company offers trust and investment management services to high net worth individuals. Lastly, Wayne Hummer Investments is WTFC's registered broker/dealer. In 1Q2018, the wealth management segment generated \$27.4 million in net revenues, or 9% of consolidated net revenues, an increase from \$25.8 million in 1Q2017.

Management and Strategy

Stable, Long-Tenured Team with Consistent, Clear Strategy

Management quality is good, given WTFC's size and complexity. Senior management is long tenured, and all originated from community banking backgrounds, which has molded and reinforced WTFC's community-bank-centric business model and risk appetite. Fitch views the stability of senior management positively, especially given that the team has remained intact over a long period and several business cycles. This has instilled a culture of consistency and openness throughout the organization. Consistency in strategy and the conservative risk culture in the company have led to relatively lower credit costs over time. Strategic objectives are well communicated; management has employed a consistent and proven strategy of acquiring community banks in and around Chicago, as well as southeastern Wisconsin, typically ranging from \$100 million to \$500 million in asset size, to expand WTFC's community banking presence.

At the same time, WTFC has defended its strong, profitable national lending platforms. Management has communicated its desire to grow its mortgage business by acquiring smaller mortgage production businesses that might struggle with compliance and regulatory burdens. Fitch generally believes these acquisitions may be added onto WTFC's existing mortgage platforms without presenting much complexity, result in greater efficiencies and produce incrementally larger volume.

Management has consistently communicated its strategy to avoid significant credit risk in the company's balance sheet. In the lead up to the 2008–2010 financial crisis, management indicated in earnings calls that WTFC would be pulling back from various asset classes due to underwriting red flags it was seeing in the market. Fitch observed that actual results illustrated this strategy in action, with assets shrinking in 2007 and nominally growing in 2008. Fitch believes that management has maintained this strategy, which is communicated to both loan officers and other stakeholders.

Risk Appetite

Conservative Risk Appetite and Underwriting are Ratings Strengths

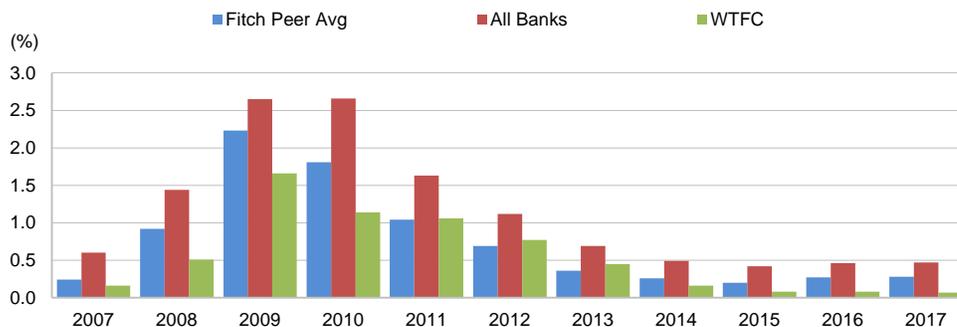
Fitch views WTFC's risk management practices and risk appetite as a ratings strength. Underwriting is solid, as evidenced by superior asset quality and credit loss performance through the cycle relative to peer. While WTFC experienced noticeable asset quality deterioration during the financial crisis, Fitch believes this was primarily a function of the company's local operating environment's extended downturn and slow recovery.

Management Tenure

Name	Age	Title	Joined Wintrust
Edward J. Wehmer	63	Pres/CEO	Founder
David A. Dykstra	57	COO	1995
Richard B. Murphy	57	CCO	1993
David L. Stoehr	57	CFO	2002

Source: Company filings, Fitch Ratings.

Conservative Underwriting, Loan Portfolio Structure has Led to Lower NCOs



Source: Company Regulatory Filings, St. Louis Federal Reserve.

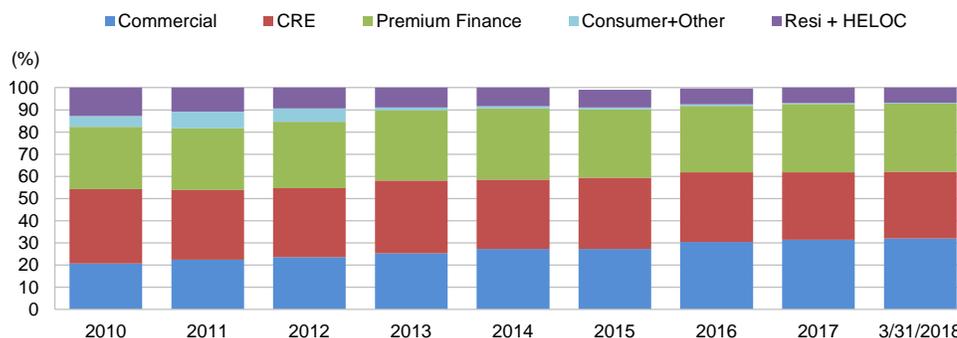
The company's ability and willingness to rein in loan growth in the lead up to the crisis reflects a more conservative risk appetite than that of its peers. Fitch also positively views WTFC's ability to announce and close on M&A transactions quickly and efficiently. While some of the M&A success reflects the typical size of their acquisition targets, in Fitch's view, it also illustrates adequate risk controls and systems WTFC has in place, particularly those to comply with regulations related to the Bank Secrecy Act and Anti-Money Laundering (BSA/AML), which have caused other bank acquisitions to stumble.

Moderate Growth

After several years of high loan growth, both organic and through acquisition, growth moderated slightly over the past 12 months. For the 12 months between the end of 1Q2017 and 1Q2018, WTFC continued to focus on C&I lending growth, which finally surpassed CRE as a percentage of total loans in 2017, growing 16.1%, year over year. Management attributes much of the loan growth to increased marketing spend during the period.

Total loans grew by 10.4% over the prior 12 months. In addition to C&I, premium finance lending represented the other area of significant growth at 12% year over year. Growth in these two categories surpassing growth in CRE has led to a shift in the overall portfolio mix, continuing the trend that has been under way since the financial crisis.

Loan Mix Heavy in Commercial+Premium Finance



Source: Company reports.

Asset Sensitivity Driven by Non-Interest Bearing Deposits

Given the short-term nature of the balance sheet, WTFC aims to continue benefiting from increasing interest rates. In a 200-bp ramp over a 12-month period, the company projects net interest income would increase by 9%. As of 1Q2018, approximately 80% of the loan portfolio

(including premium finance loans) were variable rate or scheduled to reprice within one year. The portfolio has already benefited from rate hikes, as the yield on loans increased 34bps year over year, in line with the change in the peer group average, which increased by 36bps.

Fitch notes that, in general, most banks' net interest income simulation models are likely directionally sound when they show the majority of the balance sheet as asset sensitive. However, the magnitude of net interest income changes could vary from model projections, depending on depositor and borrower behavior. The unprecedented tenure of low interest rates and the current lag in deposit betas make numerically accurate projections difficult.

Historically, WFTFC was heavily reliant on CD funding, a function of its target customer and operating footprint. This led to a higher cost of deposits over that of peers. However, the company has experienced a significant shift in the deposit mix over time, which may impact deposit pricing in a rising rate environment.

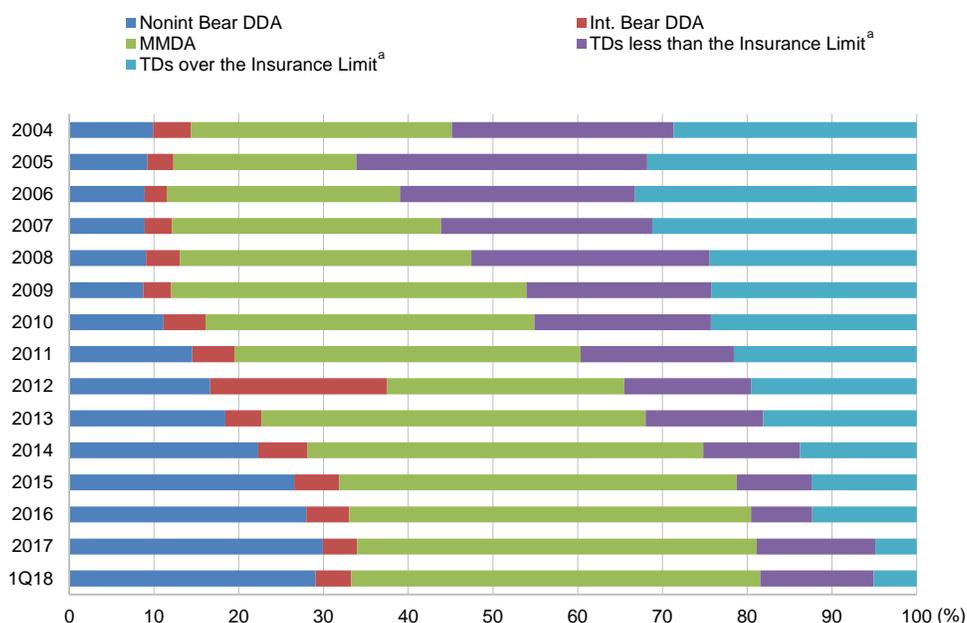
Net Interest Income Simulation

(%)

Ramp Scenarios	200bps	100bps (100bps)	
March 2018	9.00	4.60	(4.80)
Dec. 2017	8.90	4.60	(5.10)
Dec. 2016	7.60	4.00	(5.00)
Dec. 2015	7.30	3.90	(4.40)

Source: Company filings.

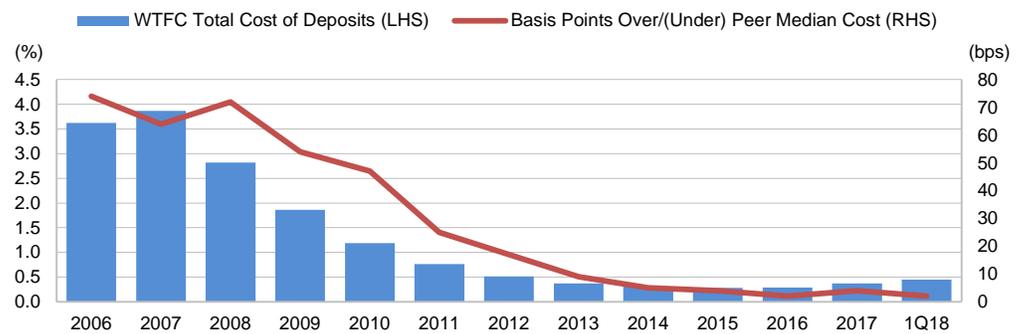
Continued Shift Toward Nonmaturity Deposits, Anticipating Rate Changes



^aStarting in 1Q2017, time deposits were categorized as above and below the increased insurance limit of \$250,000. Source: Regulatory filings.

While some the shift to non-interest bearing deposits is attributable to strategic initiatives and M&A activities, much of the change is likely due to sustained low rate environment, which has led depositors to park excess funds in non-maturity accounts for the flexibility to move money quickly, in preparation for further increases in interest rates. Unlike in prior tightening cycles, Fitch expects WTFC to more closely adhere to the peer group median during this cycle. Fitch will continue to monitor WTFC's deposit mix to determine whether the company maintains its non-interest bearing deposits as rates increase, likely leading to an improved net interest margin.

Deposit Costs Now More in Line with Median



Source: Company filings.

Financial Profile

Asset Quality

Asset Quality Remains Solid

Asset Quality Trends

(\$ Mil.)	3/31/18	12/31/17	12/31/16	12/31/15	12/31/14
NPLs	90	90	87	84	79
OREO	37	41	40	44	46
Acc TDRs	40	40	30	43	70
Total NPAs (noncovered)	167	171	157	171	186
NPAs/Total Lns+OREO (%)	0.76	0.79	0.79	0.99	1.29
ALLL/NPLs	1.54	1.52	1.43	1.26	1.16

Source: Company filings.

WTFC continues to have strong asset quality relative to similarly rated peers, which Fitch believes reflects management's consistent conservative credit risk philosophy. However, even with absolute and relative levels of NPAs below peer average, Fitch views WTFC's concentration within the Chicagoland marketplace as a rating constraint. Fitch views the Chicago market as densely populated with banks and economically challenged. This geographic concentration could result in prolonged periods of tepid earnings and elevated NPAs relative to peers through the credit cycle. The was illustrated from 2009 to 2012, when the company's level of NPAs and NCOs remained elevated compared to higher rated peers, in spite of what Fitch considers a conservative risk appetite.

Fitch also recognizes management's strategy to operate with one-third of the loan portfolio in insurance premium finance loans originated through FIFC. These loans have extremely low historical losses, as illustrated in the table? below.

Premium Finance Credit Trends

(Years Ended Dec. 31)

	NCO 15-Qtr										
	Avg	1Q18	4Q17	3Q17	2Q17	1Q17	2016	2015	2014	2013	2012
Period-end loans – P&C (\$ Mil.)		2,576	2,635	2,665	2,648	2,447	2,479	2,375	2,351	2,378	2,379
NCOs – P&C (%)	0.26	0.68	0.26	0.18	0.23	0.13	0.24	0.41	0.19	0.19	0.16
Period-end loans – Life (\$ Mil.)		4,190	4,035	3,795	3,719	3,594	3,470	2,961	2,278	2,134	2,052
NCOs – Life (%)	0.00	—	—	—	—	—	—	—	—	—	—

Source: Company reports.

Material losses relating to P&C insurance loans typically result from fraud on the part of the broker or agent. NPLs in this category increased by \$4.5 million in 1Q2018, due to three one-time events. First, a \$1.5 million agency fraud was not detected early, though recoveries are expected to be minimal. Management indicated that a review of the portfolio showed this to be an isolated incident and controls have been modified accordingly. The other two incidents were related to bankruptcies at two small casualty insurance companies. Recovery is expected through the liquidation process but could take a substantial amount of time. If losses or problem assets in this segment were to continue to trend upward due to relaxed underwriting or lack of adequate internal controls, Fitch could take negative rating action.

CRE non-accruals jumped in 1Q2018, driven by a single borrower — a shopping center losing its anchor tenant. Management proactively moved the \$12 million relationship to non-accrual. In doing so, the plan is to recognize the problem assets and quickly move the credit into resolution.

Earnings Trends

(%, Years Ended Dec. 31)	1Q18	2017	2016	2015	2014	2013	2012	2011	2010	2009
Net Income (\$000)	81,981	257,682	206,875	156,749	151,398	137,210	111,196	77,575	63,329	73,069
Return on Average Assets	1.20	0.96	0.85	0.75	0.81	0.79	0.67	0.52	0.47	0.64
Return on Average Equity	11.29	9.08	8.10	7.03	7.62	7.42	6.53	5.22	4.71	6.72
Net Interest Margin ^a	3.54	3.42	3.33	3.36	3.53	3.50	3.49	3.42	3.37	3.01
Noninterest Income/ Average Assets	1.25	1.19	1.31	1.29	1.15	1.27	1.37	1.27	1.42	2.78
Number of FTEs	4,454	4,075	3,878	3,770	3,491	3,413	3,269	2,933	2,331	2,381

^aNot adjusted for purchase accounting.
Source: Regulatory filings, FIS.

Earnings and Profitability

Earnings Profile Improving

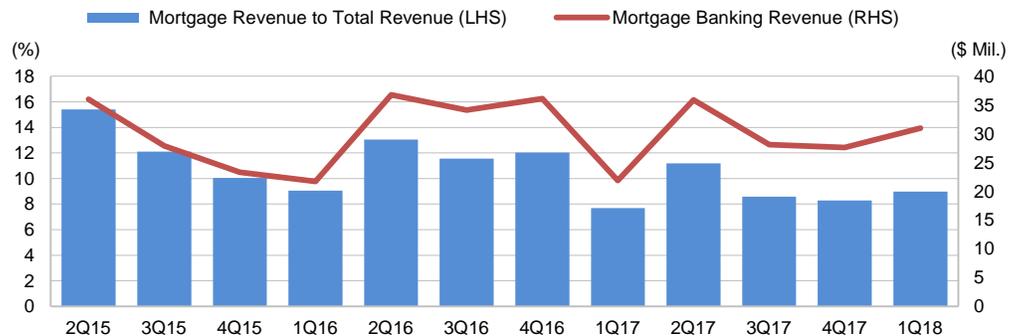
WTFC's earnings in the context of balance sheet risk are reasonable and have trended upward, even without the benefit of reserve releases. Fitch expects WTFC's earnings volatility to remain low, supported by its aforementioned strong credit culture, an expectation that was reflected in the recent upgrade and Outlook Stable.

Earnings performance has been steadily improving over the past three years, as the return on average assets (ROAA) grew to 1.20%, annualized, for 1Q2018 from 0.75% as the end of 2015. Some of the most recent improvement is attributable to a reduction in the company's effective tax rate to 24.1% in 1Q2018 from 33.7% in 1Q2017, but the primary driver was the increase in net interest income as the margin continued to widen throughout the period. In Fitch's opinion, WTFC's cost structure remains elevated, driven by operating under separate charters.

WTFC's 1Q2018 ROAA of 120bps was supported by strong asset quality and improved mortgage banking operations. Mortgage banking revenue for 1Q2018 was \$31 million, compared to \$21 million for the same period in 2017. The growth was driven by a combination

of increased origination and a \$4 million increase in the fair market value of the MSRs. As a percentage of total revenue, mortgage revenue has been trending downward due to increasing interest rates, but has been relatively stable over the past year, at 9% in the 1Q2018 versus 8% a year ago.

Mortgage Operations Trends



Source: Company filings.

Management had previously indicated it was committed to modest expansion of the mortgage banking business. In February of 2017, WTFC acquired American Homestead Mortgage, LLC and, in January of 2018, Veterans First. The latter acquisition is credited with being the primary driver in increasing first quarter originations from \$722.5 million to \$778.9 million year over year.

Historically, management targeted a ROAA of 110bps and 120bps, which it regarded as obtainable in a higher rate environment. With the boost to net income from the Tax Cuts and Jobs Act, WTFC’s earnings reached the top of this range in 1Q2018. The change in the effective tax rate resulted in an approximately 16-bp improvement in ROAA. Removing this impact, WTFC fell slightly short of this goal but still showed improvement over prior quarters, at approximately 104bps.

WTFC Capital Ratios

(%)	3/31/2018	12/31/2017	12/31/2016	12/31/2015	12/31/2014
Tangible Common Equity/Tangible Assets	8.5	8.5	7.7	7.2	7.8
Leverage Ratio	9.4	9.3	8.9	9.1	10.2
Common equity Tier 1 capital Ratio	9.5	9.4	8.6	8.4	9.4
Tier 1 Risk-based Capital Ratio	10.0	9.9	9.7	10.0	11.7
Total Risk-based Capital Ratio	12.0	12.0	11.9	12.2	13.1

Source: Company reports, Regulatory filings.

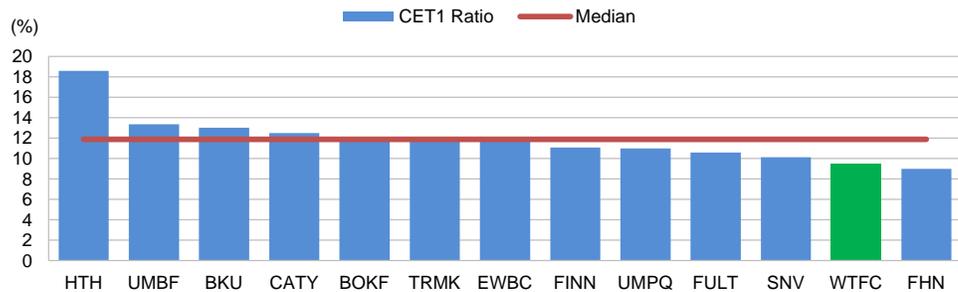
Capitalization and Leverage

Capital Management In Line with Expectations and Rating

With a Fitch core capital ratio to risk-weighted assets ratio of 9.05% at the end of 1Q2018, Fitch considers WTFC’s capital to be adequate, relative to others in the midtier regional peer group and the company’s overall risk profile. Regulatory capital ratios are ample, with a total risk-weighted capital ratio of 12%. WTFC’s ratings reflect its ability to maintain an adequate capital base throughout the cycle, as well as its proven capability to raise capital in the private and public markets. This was demonstrated most recently in June 2016, when WTFC issued \$156 million in common stock.

Common Equity Tier 1 Ratio

(As of March 31, 2018)



Source: Regulatory filings.

Fitch believes the company will maintain a very modest payout ratio, between 10% and 20% of the previous year's earnings, given its acquisitive nature. Furthermore, Fitch expects that, in the event of any meaningful acquisition or merger by WTFC, commensurate capital would be raised to maintain adequate capital levels.

Funding and Liquidity

Liquidity Managed Conservatively and Consistently

Fitch considers WTFC's funding to be sound, owing to its reliance on relatively stable deposits. Although WTFC has a slightly higher mix of CDs than most other banks in the md-tier peer group, the level has steadily fallen from its peak over the past 10 years, as the deposit base shifted from time deposits to non-maturity deposits. At the end of 2007, CDs made up over 50% of total deposits but fell to 18.8% by the end of 2017. Non-interest deposits and money market demand accounts (MMDAs) saw the most growth during this shift. As the prior use of CDs matched the company's operating footprint and historical strategy, Fitch would likely not consider a reversion to more reliance on local CDs as a reason to downgrade, given the bank's proven ability to earn reasonable returns in such a scenario.

Liquidity Profile

(%, Years Ended Dec.31)	1Q18	2017	2016	2015
Loans/Customer Deposits	95.45	93.74	92.24	93.87
Non-interest Bearing Deposits/Total Deposits	29.29	30.10	28.18	26.73
Short Term Wholesale Funding/Total Funding	2.35	1.70	1.24	2.68

Source: Regulatory filings.

Similar to other areas of the company, liquidity and funding are managed conservatively. The loan to deposit ratio was 95.45% at the end of 1Q2018, directly in line with the median of Fitch's midtier regional bank peer group. Even so, this is above WTFC's target range of 85% to 90%. In an effort to bring this back in line, the company is conducting a marketing effort to attract deposits. The stated goal of this campaign is for deposit growth to outpace loan growth over the near term. The primary source of funding and liquidity for WTFC comes from the local deposit markets in the surrounding Chicagoland area. Any excess deposits drawn into the bank will be used to purchase securities for the laddered investment portfolio, effectively reducing the bank's asset sensitivity.

The securitization of WTFC's P&C premium finance loans can potentially serve as a secondary source of liquidity. This is an avenue WTFC has taken in the past, specifically in its 2009 securitization of \$600 million in premium finance loans in conjunction with the Term Asset-

Backed Securities Loan Facility (TALF). Fitch believes the company could conduct a similar transaction if current market conditions persist and investors remain hungry for yield.

Holding company liquidity is sufficient. The holding company held \$55 million in cash at the end of 1Q2018, with no debt maturing in the next year. The holding company has minimal liabilities and cash flow needs.

Peer Analysis

Selected Financial Ratios

(For Three Months Ended March 31, 2018)

City	ST	Total Assets (\$)	ROAA(%)	ROAE (%)	NIM (%)	Non-Interest Income as % of Total Revenue – March 2018 (YTD)	Efficiency Ratio (%)	Fitch NPA (%)	NPAs/Total Assets (%)	
BKU	Miami Lakes	FL	30,432,536	1.12	11.25	3.59	9.71	57.50	1.23	0.87
BOKF	Tulsa	OK	33,441,758	1.28	12.08	3.00	39.60	63.60	1.94	0.93
CATY	Los Angeles	CA	15,882,337	1.62	12.82	3.70	6.40	42.43	1.08	0.37
EWBC	Pasadena	CA	37,693,158	2.00	19.13	3.68	18.36	42.49	0.61	0.37
FHN	Memphis	TN	40,465,940	0.90	8.61	3.37	30.45	71.32	1.54	0.57
FINN	Omaha	NE	19,950,623	1.18	12.08	6.42	25.12	56.34	1.38	0.62
FULT	Lancaster	PA	19,890,655	0.99	8.86	3.32	23.27	68.31	1.34	0.73
HTH	Dallas	TX	13,346,126	0.73	5.10	3.92	69.44	90.91	2.22	1.30
SNV	Columbus	GA	31,501,028	1.32	13.95	3.72	19.44	57.04	1.06	0.43
TRMK	Jackson	MS	13,463,439	1.08	9.38	3.43	31.26	67.29	1.65	1.10
UMBF	Kansas City	MO	20,987,904	1.08	10.58	3.05	41.60	68.07	0.66	0.36
UMPQ	Portland	OR	25,875,643	1.20	7.74	3.97	25.47	61.32	0.64	0.37
WTFC	Rosemont	IL	28,456,772	1.16	10.92	3.49	27.10	61.93	0.93	0.61
Median				1.16	10.92	3.59	25.47	61.93	1.23	0.61

Note: Short-term wholesale funding defined as: Fed funds purchased, repurchase agreements, CP, trading liabilities, and borrowings with a maturity less than one year. Data not adjusted for purchase accounting or covered loans. *Continued below.*
Source: Financial Information Systems.

Selected Financial Ratios (Continued)

(%, For Three Months Ended March 31, 2018)

City	ST	NCOs/Ave. Loans	ALLL/Total Loans	Tangible equity capital/Tangible assets [March 2018 (YTD)]	CET1 Ratio	Div. Payout	LTD	STWF/Total Funding	Noninterest Bearing Deposits / Total Deposits	
BKU	Miami Lakes	FL	0.19	0.64	9.73	13.02	26.91	96.41	15.43	15.71
BOKF	Tulsa	OK	0.03	1.28	9.16	12.06	27.65	78.83	22.57	9.60
CATY	Los Angeles	CA	(0.06)	0.94	10.52	12.51	30.51	100.09	2.76	21.07
EWBC	Pasadena	CA	0.13	1.00	9.39	11.89	15.65	90.85	0.55	36.13
FHN	Memphis	TN	0.02	0.67	6.95	8.98	43.79	90.91	9.53	25.95
FINN	Omaha	NE	2.15	2.74	9.26	11.10	11.64	90.05	0.13	28.87
FULT	Lancaster	PA	0.10	1.04	8.80	10.59	42.54	101.65	7.85	27.73
HTH	Dallas	TX	(0.07)	0.81	12.53	18.60	27.49	97.96	14.41	32.24
SNV	Columbus	GA	0.07	1.03	9.19	10.13	29.50	95.00	0.81	28.11
TRMK	Jackson	MS	(0.03)	0.96	9.00	12.05	42.52	81.03	5.97	27.37
UMBF	Kansas City	MO	0.36	0.87	9.48	13.36	25.16	66.58	7.29	35.09
UMPQ	Portland	OR	0.25	0.72	9.13	10.98	56.84	97.55	2.08	33.32
WTFC	Rosemont	IL	0.12	0.62	8.94	9.49	13.34	95.45	2.35	29.29
Median			0.10	0.94	9.19	11.89	27.65	95.00	5.97	28.11

Note: Short-term wholesale funding defined as: Fed funds purchased, repurchase agreements, CP, trading liabilities, and borrowings with a maturity less than one year. Data not adjusted for purchase accounting or covered loans.
Source: Financial Information Systems.

Balance Sheet — Wintrust Financial Corporation

(\$ Mil., Years Ended Dec. 31)	3/31/2018	2017	2016	2015	2014	2013
Assets						
Loans						
Residential Mortgage Loans	3,103.8	2,052.0	2,057.6	2,162.6	1,915.0	1,871.5
Other Mortgage Loans	5,595.1	6,482.6	6,169.3	5,441.5	4,550.0	4,289.3
Other Consumer/ Retail Loans	3,597.7	3,461.8	2,965.7	2,469.1	1,945.0	1,711.0
Corporate & Commercial Loans	9,820.3	9,593.7	8,614.1	7,315.3	6,223.8	5,577.3
Other Loans	381.3	390.8	398.2	294.1	377.8	159.6
Less: Reserves for Impaired Loans/ NPLs	139.5	137.9	123.6	108.4	93.8	107.0
Net Loans	22,358.7	21,842.9	20,081.3	17,574.0	14,917.8	13,501.6
Gross Loans	22,498.2	21,980.8	20,204.9	17,682.5	15,011.6	13,608.6
Memo: Impaired Loans (given amount) included above	38.3	99.9	104.6	115.1	139.7	179.4
Memo: NPLs + TDRs included above	38.3	99.9	104.6	115.1	139.7	179.4
Memo: Specific Loan Loss Allowances	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Earning Assets						
Loans and Advances to Banks	980.4	1,063.2	980.5	646.2	998.4	495.6
Reverse Repos and Securities Borrowing	N.A.	N.A.	N.A.	N.A.	N.A.	1.0
Derivatives	59.0	37.2	48.4	51.0	45.5	42.7
Trading Securities and at FV through Income	31.4	1.0	2.0	0.4	1.2	0.5
Available for Sale Securities	1,895.7	1,795.6	1,716.6	1,708.3	1,784.6	2,168.8
Held to Maturity Securities	892.9	826.4	635.7	884.8	N.A.	N.A.
Other Securities	0.1	N.A.	N.A.	N.A.	N.A.	N.A.
Total Securities	2,820.1	2,623.0	2,354.3	2,593.6	1,785.8	2,169.3
Memo: Government Securities included Above	1,243.9	1,302.9	1,130.1	1,410.6	1,336.7	1,441.7
Memo: Total Securities Pledged	1,345.9	1,592.1	1,317.6	1,209.6	1,066.3	1,169.3
Equity Investments in Associates	8.1	8.1	8.1	8.1	7.5	7.5
Investments in Property	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Insurance Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Earning Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Earning Assets	26,226.2	25,574.5	23,472.5	20,872.9	17,755.0	16,217.7
Non-Earning Assets						
Cash and Due From Banks	231.4	277.6	270.0	237.3	230.7	262.8
Memo: Mandatory Reserves included above	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Foreclosed Assets	36.6	40.6	45.6	65.3	87.9	136.3
Fixed Assets	626.3	622.0	599.5	599.3	554.4	531.1
Goodwill	511.5	501.9	498.6	471.8	405.6	374.5
Mortgage Servicing Rights	54.6	33.7	19.1	9.1	8.4	8.9
Other Intangibles	22.4	17.6	21.9	24.2	18.8	19.2
Current Tax Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Deferred Tax Assets	N.A.	N.A.	59.9	55.0	31.6	76.9
Discontinued Operations	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Assets	747.7	847.0	685.5	591.4	939.9	470.3
Total Assets	28,456.8	27,914.9	25,672.4	22,926.3	20,032.4	18,097.8

N.A. – Not applicable. *Continued on next page.*
 Source: Company filings and Fitch Ratings.

Balance Sheet — Wintrust Financial Corporation (continued)

(\$ Mil., Years Ended Dec.31)	3/31/2018	2017	2016	2015	2014	2013
Liabilities and Equity						
<i>Interest-Bearing Liabilities</i>						
Total Customer Deposits	23,570.7	23,448.9	21,904.5	18,838.0	16,467.6	14,812.0
Deposits from Banks	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Repos and Securities Lending	18.0	17.2	61.8	58.9	48.6	235.3
Commercial Paper and Short-term Borrowings	504.0	355.4	174.8	430.6	680.6	90.6
Customer Deposits and Short-term Funding	24,092.7	23,821.5	22,141.0	19,327.5	17,196.8	15,138.0
Senior Unsecured Debt	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Subordinated Borrowing	139.1	139.1	139.0	140.0	140.0	N.A.
Covered Bonds	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Long-term Funding	640.1	453.2	179.7	636.4	200.3	346.9
Total LT Funding	779.2	592.3	318.7	776.4	340.3	346.9
Memo: o/w matures in less than 1 year	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Trading Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Total Funding	24,871.9	24,413.8	22,459.8	20,103.9	17,537.1	15,484.9
Derivatives	55.7	35.7	39.8	44.2	39.2	34.1
Total Funding and Derivatives	24,927.6	24,449.4	22,499.6	20,148.1	17,576.3	15,519.0
<i>Non-Interest Bearing Liabilities</i>						
Fair Value Portion of Debt	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Credit impairment reserves	1.2	1.3	1.7	0.9	0.8	0.7
Reserves for Pensions and Other	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Current Tax Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Deferred Tax Liabilities	6.6	15.3	N.A.	N.A.	N.A.	N.A.
Other Deferred Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Discontinued Operations	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Insurance Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Liabilities	236.5	218.4	222.0	156.4	136.1	427.8
Total Liabilities	25,172.0	24,684.4	22,723.2	20,305.4	17,713.1	15,947.5
<i>Hybrid Capital</i>						
Pref. Shares and Hybrid Capital accounted for as Debt	253.6	253.6	253.6	268.6	249.5	249.5
Pref. Shares and Hybrid Capital accounted for as Equity	125.0	125.0	251.3	251.3	126.5	126.5
<i>Equity</i>						
Common Equity	2,979.3	2,893.8	2,509.7	2,163.7	1,980.7	1,837.1
Non-controlling Interest	N.A.	N.A.	N.A.	N.A.	N.A.	0.2
Securities Revaluation Reserves	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Foreign Exchange Revaluation Reserves	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Fixed Asset Revaluations and Other Accumulated OCI	(73.1)	(41.8)	(65.3)	(62.7)	(37.3)	(63.0)
Total Equity	2,906.3	2,851.9	2,444.4	2,101.0	1,943.4	1,774.3
Memo: Equity plus Pref. Shares and Hybrid Capital accounted for as Equity	3,031.3	2,976.9	2,695.6	2,352.3	2,069.8	1,900.8
Total Liabilities and Equity	28,456.8	27,914.9	25,672.4	22,926.3	20,032.4	18,097.8
Memo: Fitch Core Capital	2,317.8	2,298.8	1,904.8	1,595.9	1,510.5	1,371.6
Memo: Fitch Tangible Common Equity	2,372.3	2,332.4	1,923.9	1,605.0	1,518.9	1,380.6

N.A. – Not applicable.

Source: Company filings and Fitch Ratings.

Income Statement — Wintrust Financial Corporation

(\$ Mil., Years Ended Dec. 31)	3/31/2018	2017	2016	2015	2014	2013
Interest Income on Loans	238.0	869.5	741.8	652.6	613.8	589.2
Other Interest Income	23.2	77.0	70.6	65.8	57.4	41.5
Dividend Income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Gross Interest and Dividend Income	261.2	946.5	812.5	718.5	671.3	630.7
Interest Expense on Customer Deposits	26.5	83.3	58.4	48.9	48.4	53.2
Other Interest Expense	9.6	31.1	31.9	28.1	24.3	26.9
Total Interest Expense	36.1	114.4	90.3	76.9	72.7	80.1
Net Interest Income	225.1	832.1	722.2	641.5	598.6	550.7
Net Fees and Commissions	27.1	53.0	51.1	49.2	48.4	43.1
Net Gains/ (Losses) on Trading and Derivatives	4.7	5.3	16.9	11.5	3.5	18.3
Net Gains/ (Losses) on Assets at FV through Income Statement	14.7	71.4	101.4	102.2	71.1	76.3
Net Gains/ (Losses) on Other Securities	(1.0)	0.0	7.6	0.3	(0.5)	(3.0)
Net Insurance Income	0.6	2.1	2.7	2.9	2.5	2.6
Other Operating Income	37.1	187.2	146.5	106.7	92.5	85.7
Total Non-Interest Operating Income	83.3	319.0	326.3	272.8	217.6	223.1
Total Operating Income	308.4	1,151.1	1,048.5	914.3	816.1	773.7
Personnel Expenses	112.2	429.2	404.0	381.3	334.9	308.4
Other Operating Expenses	79.8	302.1	279.3	248.5	214.3	194.2
Total Non-Interest Expenses	191.9	731.3	683.2	629.8	549.2	502.6
Equity-accounted Profit/ Loss - Operating	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pre-Impairment Operating Profit	116.4	419.8	365.2	284.6	266.9	271.1
Loan Impairment Charge	8.4	29.8	33.4	32.8	20.5	46.7
Securities and Other Credit Impairment Charges	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Operating Profit	108.1	390.0	331.9	251.8	246.4	224.4
Equity-accounted Profit/ Loss - Non-operating	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Goodwill Impairment	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Non-recurring Income	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Non-recurring Expense	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Change in Fair Value of Own Debt	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Other Non-operating Income and Expenses	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Pre-tax Profit	108.1	390.0	331.9	251.8	246.4	224.4
Tax expense	26.1	132.3	125.0	95.0	95.0	87.2
Profit/Loss from Discontinued Operations	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Income	82.0	257.7	206.9	156.7	151.4	137.2
Change in Value of AFS Investments	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Revaluation of Fixed Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Currency Translation Differences	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Remaining OCI Gains/(losses)	(26.4)	23.5	(2.6)	(25.4)	25.7	(70.7)
Fitch Comprehensive Income	55.6	281.2	204.3	131.4	177.1	66.5
Memo: Profit Allocation to Noncontrolling Interests	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Memo: Net Inc after Alloc to Noncontrolling Interests	82.0	257.7	206.9	156.7	151.4	137.2
Memo: Common Dividends Relating to the Period	10.7	30.8	24.1	21.1	18.6	6.9
Memo: Preferred Dividends and Interest on Hybrid Capital Accounted for as Equity Related to the Period	2.1	9.8	14.5	10.9	6.3	8.3
Memo: Gross Chargeoffs	9.3	23.2	26.1	26.3	37.6	77.5

N.A. – Not applicable.

Source: Company filings and Fitch Ratings.

Summary Analytics — Wintrust Financial Corporation

(%, Years Ended Dec. 31)	3/31/2018	2017	2016	2015	2014	2013
Interest Ratios						
Interest Income/ Average Earning Assets ^a	4.09	3.86	3.66	3.72	3.78	3.90
Interest Income on Loans/ Average Gross Loans ^a	4.34	4.12	3.92	3.99	4.16	4.38
Interest Expense on Customer Deposits/ Average Customer Deposits ^a	0.46	0.37	0.29	0.28	0.31	0.37
Interest Expense/ Average Interest-bearing Liabilities ^a	0.59	0.49	0.42	0.41	0.55	0.62
Net Interest Income/ Average Earning Assets ^a	3.52	3.39	3.26	3.32	3.37	3.41
Net Int. Inc Less Loan Impairment Charges/ Av. Earning Assets ^a	3.39	3.27	3.11	3.15	3.26	3.12
Net Interest Inc Less Preferred Stock Dividend/ Average Earning Assets ^a	3.49	3.35	3.19	3.27	3.34	3.35
Other Operating Profitability Ratios						
Operating Profit / Risk Weighted Assets ^a	1.71	1.55	1.44	1.27	1.47	1.49
Non-Interest Expense/ Gross Revenues	62.24	63.53	65.17	68.88	67.30	64.96
Loans and securities impairment charges/ Pre-impairment Op. Profit	7.19	7.11	9.13	11.53	7.67	17.22
Operating Profit/ Average Total Assets ^a	1.55	1.46	1.37	1.17	1.27	1.26
Non-Interest Income/ Gross Revenues	27.01	27.71	31.12	29.84	26.66	28.83
Non-Interest Expense/ Average Total Assets ^a	2.76	2.73	2.81	2.93	2.83	2.82
Pre-impairment Op. Profit/ Average Equity ^a	15.72	14.80	14.47	12.87	13.44	14.63
Pre-impairment Op. Profit/ Average Total Assets ^a	1.68	1.57	1.50	1.32	1.38	1.52
Operating Profit/ Average Equity ^a	14.59	13.75	13.15	11.39	12.41	12.11
Other Profitability Ratios						
Net Income/ Average Total Equity ^a	11.07	9.09	8.20	7.09	7.63	7.41
Net Income/ Average Total Assets ^a	1.18	0.96	0.85	0.73	0.78	0.77
Fitch Comprehensive Income/ Average Total Equity ^a	7.50	9.91	8.09	5.94	8.92	3.59
Fitch Comprehensive Income/ Average Total Assets ^a	0.80	1.05	0.84	0.61	0.91	0.37
Adjusted Net Income/ Average Total Equity ^a	10.92	9.09	8.20	7.09	7.63	7.41
Adjusted Net Income/ Average Total Assets ^a	1.16	0.96	0.85	0.73	0.78	0.77
Taxes/ Pre-tax Profit	24.14	33.93	37.66	37.74	38.56	38.87
Net Income/ Risk Weighted Assets ^a	1.30	1.03	0.90	0.79	0.90	0.91
Capitalization						
FCC/FCC-Adjusted Risk Weighted Assets	9.05	9.16	8.27	8.03	9.03	9.13
Tangible Common Equity/ Tangible Assets	8.50	8.51	7.65	7.16	7.75	7.80
Equity/ Total Assets	10.21	10.22	9.52	9.16	9.70	9.80
Basel Leverage Ratio	9.35	9.33	8.91	9.09	N.A.	N.A.
Common Equity Tier 1 Capital Ratio	9.49	9.44	8.64	8.39	N.A.	N.A.
Fully Loaded Common Equity Tier 1 Capital Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Tier 1 Capital Ratio	9.98	9.94	9.72	9.97	11.56	12.18
Total Capital Ratio	12.03	12.03	11.94	12.21	12.98	12.90
Impaired loans less Reserves for Impaired Loans/ Fitch Core Capital	(4.37)	(1.65)	(1.00)	0.42	3.03	5.28
NPLs + TDRs less Reserves for Imp Loans/ Fitch Core Capital	(4.37)	(1.65)	(1.00)	0.42	3.03	5.28
Impaired Loans less Reserves for Impaired Loans/ Equity	(3.48)	(1.33)	(0.78)	0.32	2.36	4.08
NPLs + TDRs less Reserves for Imp Loans/ Equity	(3.48)	(1.33)	(0.78)	0.32	2.36	4.08
Cash Dividends Paid & Declared/ Net Income	15.51	15.73	18.64	20.38	16.47	11.10
Risk Weighted Assets/ Total Assets	90.04	89.90	89.71	86.74	83.53	83.03
Risk Weighted Assets - Standardized/ Risk Weighted Assets	100.00	100.00	100.00	100.00	N.A.	N.A.
Risk Weighted Assets - Advanced Method/ Risk Weighted Assets	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

^aQuarterly income data annualized. N.A. – Not applicable. *Continued on next page.*
 Source: Company filings and Fitch Ratings.

Summary Analytics — Wintrust Financial Corporation (continued)

(%, Years Ended Dec. 31)	3/31/2018	2017	2016	2015	2014	2013
Loan Quality						
Impaired Loans/ Gross Loans	0.17	0.45	0.52	0.65	0.93	1.32
Growth of Gross Loans	2.35	8.79	14.27	17.79	10.31	6.10
Reserves for Impaired Loans/ Impaired Loans	364.69	138.00	118.16	94.17	67.18	59.65
Reserves for Impaired Loans/ NPLs + TDRs	364.69	138.00	118.16	94.17	67.18	59.65
Loan Impairment Charges/ Average Gross Loans ^a	0.15	0.14	0.18	0.20	0.14	0.35
Growth of Total Assets	1.94	8.73	11.98	14.45	10.69	3.30
NPLs + TDRs/ Gross Loans	0.17	0.45	0.52	0.65	0.93	1.32
Reserves for Impaired Loans/ Gross loans	0.62	0.63	0.61	0.61	0.63	0.79
Net Charge-offs/ Average Gross Loans ^a	0.12	0.07	0.08	0.08	0.16	0.45
Impaired Loans + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.33	0.64	0.74	1.02	1.51	2.30
NPLs + TDRs + Foreclosed Assets/ Gross Loans + Foreclosed Assets	0.33	0.64	0.74	1.02	1.51	2.30
Funding and Liquidity						
Loans/ Customer Deposits	95.45	93.74	92.24	93.87	91.16	91.88
Liquidity Coverage Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Customer Deposits/ Total Funding (excluding derivatives)	93.35	94.58	95.38	91.34	91.93	93.39
Interbank Assets/ Interbank Liabilities	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Net Stable Funding Ratio	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
Growth of Total Customer Deposits	0.52	7.05	16.28	14.39	11.18	2.36
Net Loans/ Customer Deposits	94.86	93.15	91.68	93.29	90.59	91.15
Net Loans/ Total Assets	78.57	78.25	78.22	76.65	74.47	74.60

^aQuarterly income data annualized. N.A. – Not applicable.
Source: Company filings and Fitch Ratings.

Fitch Core Capital — Wintrust Financial Corporation

(\$ Mil., Years Ended Dec.31)	3/31/2018	2017	2016	2015	2014	2013
Shareholder Equity Components						
Issued And Fully Paid-Up Common Share Capital	56.4	56.1	52.0	48.5	46.9	46.2
Issued And Fully Paid-Up Preference Share Capital	125.0	125.0	251.3	251.3	126.5	126.5
Share Premium / Capital Surplus	1,540.7	1,529.0	1,365.8	1,191.0	1,134.0	1,117.0
Treasury Shares (-)	0.0	0.0	0.0	0.0	0.0	0.0
Retained Earnings	1,387.7	1,313.7	1,096.5	928.2	803.4	676.9
Other General and Statutory Reserves	(5.4)	(5.0)	(4.6)	(4.0)	(3.5)	(3.0)
Non-Controlling Interests	0.0	0.0	0.0	0.0	0.0	0.2
(+/-) Unrealized Gains/Losses	0.0	0.0	0.0	0.0	0.0	0.0
(+/-) FX Valuation Reserves	0.0	0.0	0.0	0.0	0.0	0.0
(+/-) Derivative Cash Flow Hedges	0.0	0.0	0.0	0.0	0.0	0.0
Stock Options To Be Settled as Equity	0.0	0.0	0.0	0.0	0.0	0.0
(+/-) Other Income/Losses Direct to Equity	(73.1)	(41.8)	(65.3)	(62.7)	(37.3)	(63.0)
Total Fitch Shareholder Equity	3,031.3	2,976.9	2,695.6	2,352.3	2,069.8	1,900.8
Adjustments						
Hybrid Capital Reported As Equity	(125.0)	(125.0)	(251.3)	(251.3)	(126.5)	(126.5)
Noncontrolling Interests Reported Outside Pub'd Equity	0.0	0.0	0.0	0.0	0.0	0.0
Noncontrolling Interests Non Loss-absorbing	0.0	0.0	0.0	0.0	0.0	0.0
DTAs Related to Losses Carried Forward (Last Reported)	0.0	0.0	0.0	0.0	0.0	0.0
Goodwill	(511.5)	(501.9)	(498.6)	(471.8)	(405.6)	(374.5)
Other Intangibles (Including Mortgage Servicing Rights)	(77.0)	(51.3)	(41.0)	(33.3)	(27.2)	(28.2)
FV Adjustment for Own Credit Risk	0.0	0.0	0.0	0.0	0.0	0.0
Embedded Value of Insurance Business	0.0	0.0	0.0	0.0	0.0	0.0
Equity Interests / Net Assets in Affiliated Companies	0.0	0.0	0.0	0.0	0.0	0.0
First Loss Tranches of Securitization	0.0	0.0	0.0	0.0	0.0	0.0
Total Adjustments	(713.5)	(678.2)	(790.8)	(756.3)	(559.3)	(529.2)
Total Fitch Core Capital	2,317.8	2,298.8	1,904.8	1,595.9	1,510.5	1,371.6
Risk-Weighted Assets (RWA)	25,621.9	25,094.8	23,030.4	19,886.1	16,733.2	15,027.1
Average Assets (Aa)	28,185.8	26,793.7	24,299.4	21,479.4	19,407.3	17,836.0
Total Assets	28,456.8	27,914.9	25,672.4	22,926.3	20,032.4	18,097.8
Tangible Assets	27,922.9	27,395.4	25,152.0	22,430.3	19,608.0	17,704.0
Fitch Core Capital to RWA (%)	9.05	9.16	8.27	8.03	9.03	9.13
Fitch Core Capital to AA (%)	8.22	8.58	7.84	7.43	7.78	7.69
Fitch Core Capital to Total Assets (%)	8.14	8.23	7.42	6.96	7.54	7.58
Fitch Core Capital to Tangible Assets (%)	8.30	8.39	7.57	7.12	7.70	7.75

N.A. – Not applicable.

Source: Company filings and Fitch Ratings.

Appendix 1

Wintrust Financial Corp. - Bank Subsidiary Summary

(% , As of March 31, 2018)

	Total Assets (\$000)	Tangible Equity Capital/Tangible Assets	Return on Average Assets	Total Loans/ Deposit	Non-Accruing Loans and Leases/ Total loans	Net Chargeoffs/ Avg Total Loans	Tier 1 Leverage Ratio	Tier 1 Capital Ratio	Total Capital Ratio
Barrington Bank & Trust Company, National Association	2,212,275	10.49	1.40	123.55	0.34	0.04	11.39	10.94	11.22
Beverly Bank & Trust Company, National Association	1,245,763	10.03	1.32	94.71	0.10	0.02	10.33	11.07	11.52
Crystal Lake Bank and Trust Company, National Association	994,796	9.19	1.06	93.92	0.18	0.03	9.50	10.86	11.38
Hinsdale Bank & Trust Company	2,268,369	9.88	1.52	93.54	0.33	0.03	10.35	11.14	11.70
Lake Forest Bank & Trust Company, National Association	3,580,282	10.68	2.15	96.25	0.70	0.50	10.84	11.84	12.42
Libertyville Bank & Trust Company	1,492,678	9.15	1.19	94.15	0.44	0.03	9.77	10.66	11.27
Northbrook Bank and Trust Company	2,319,897	8.97	1.67	90.66	0.34	(0.18)	9.35	10.25	11.44
Old Plank Trail Community Bank, National Association	1,461,798	9.35	1.00	84.14	0.47	0.09	9.85	10.82	11.26
Schaumburg Bank & Trust Company, National Association	1,078,161	9.39	1.28	92.59	0.81	0.12	9.88	10.83	11.49
St. Charles Bank & Trust Company	1,109,160	9.21	1.01	91.19	0.21	0.11	9.59	10.95	11.35
State Bank of the Lakes	1,106,968	9.11	0.92	91.20	0.41	0.09	9.42	10.45	11.32
Town Bank	1,931,362	9.50	0.93	94.08	0.17	0.12	9.94	11.07	11.56
Village Bank and Trust	1,416,543	9.14	1.20	92.90	0.53	(0.05)	9.38	10.56	11.28
Wheaton Bank & Trust	1,527,917	9.31	1.40	92.80	0.16	0.08	9.53	10.53	11.52
Wintrust Bank	4,938,317	9.24	1.69	94.03	0.21	0.22	9.48	9.88	11.42

Source: Regulatory filings.

Appendix 2

Acquisitions

Entities		Announcement Date	Purchase Price (\$ Mil.)	Target Total Assets (\$000)
Chicago Shore Corporation ^a	IL	5/2/2018		245,000
First Community Financial Corp.	IL	11/18/2016		187,300
Generations Bancorp, Inc.	WI	1/14/2016	30	124,901
Suburban Illinois Bancorp, Inc.	IL	4/2/2015	12.5	470,549
North Bank	IL	3/30/2015	17	107,911
Community Financial Shares, Inc.	IL	3/2/2015	42.38	343,012
Delavan Bancshares, Inc.	WI	10/14/2014	38	205,936
Diamond Bancorp, Inc.	IL	7/31/2013	3.62	164,162
First Lansing Bancorp, Inc.	IL	1/22/2013	38.45	371,253
HPK Financial Corporation	IL	9/18/2012	27.5	389,772
Elgin State Bancorp, Inc.	IL	7/26/2011	15.46	288,346
Hinsbrook Bancshares, Incorporated	IL	12/5/2005	122.78	506,212
First Northwest Bancorp, Incorporation	IL	11/17/2004	45.06	236,334
Antioch Holding Company	IL	10/15/2004	95	438,197
Town Bankshares, Ltd	WI	6/14/2004	41.44	216,616
Northview Financial Corporation	IL	5/10/2004	47.79	338,320
Village Bancorp, Inc.	IL	8/7/2003	9	71,647
Advantage National Bancorp	IL	7/2/2003	21.51	104,333
Branch Acquisitions			Number of Branches	Deposits Purchased (\$000)
Talmer Bancorp, Inc.	WI	4/9/2014	12	354,800
Triumph Consolidated Cos., LLC	WI	4/7/2014	1	36,326
Urban Partnership Bank	IL	3/15/2014	1	5,400
EB Financial Group, Inc.	IL	12/3/2013	1	15,000
Suburban Illinois Bancorp, Inc.	IL	1/13/2012	1	52,000
1st Brookfield, Inc.	IL	8/17/2010	1	23,000
FDIC-Assisted Acquisitions			Fair Value of Assets (\$000)	Fair Value of Liabilities (\$000)
First United Bank	IL	9/28/2012	328,142	321,522
Second Federal Savings and Loan Association of Chicago	IL	7/20/2012	171,625	171,582
Charter National Bank & Trust	IL	2/10/2012	92,409	91,570
First Chicago Bank & Trust	IL	7/8/2011	768,873	741,508
Bank of Commerce	IL	3/25/2011	173,986	168,472
Community First Bank- Chicago	IL	2/4/2011	50,891	49,779
Ravenswood Bank	IL	8/6/2010	173,919	122,943
Wheatland Bank	IL	4/23/2010	343,870	415,560
Lincoln Park Savings Bank	IL	4/23/2010	157,078	192,018
Other			MSRs on OS Principal (\$ Mil.)	
Veterans First		1/4/2018	1,400	
American Homestead Mortgage, LLC		2/14/2017	1,000	

^aAcquisition announced but not yet completed. Source: Company filings.

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