

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 10-Q

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D)
OF THE SECURITIES EXCHANGE ACT OF 1934**

FOR THE QUARTERLY PERIOD ENDED MARCH 31, 2003
Commission File Number 0-21923

WINTRUST FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Illinois	36-3873352
-----	-----
(State of incorporation or organization)	(I.R.S. Employer Identification No.)

727 North Bank Lane
Lake Forest, Illinois 60045
(Address of principal executive offices)

(847) 615-4096

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act.) Yes ☐ No ☒

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock - no par value, 17,398,580 shares, as of May 5, 2003

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PART I

ITEM 1. FINANCIAL STATEMENTS

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF CONDITION

(In thousands)	(UNAUDITED) MARCH 31, 2003	December 31, 2002	(Unaudited) March 31, 2002
ASSETS			
Cash and due from banks	\$ 78,858	\$ 105,671	\$ 55,793
Federal funds sold and securities purchased under resale agreements	331,640	151,251	97,287
Interest-bearing deposits with banks	4,870	4,418	1,028
Available-for-sale securities, at fair value	504,190	547,679	365,540
Trading account securities	5,777	5,558	5,298
Brokerage customer receivables	35,405	37,592	64,765
Mortgage loans held-for-sale	96,350	90,446	31,723
Loans, net of unearned income	2,628,480	2,556,086	2,167,550
Less: Allowance for loan losses	19,773	18,390	14,697
Net loans	2,608,707	2,537,696	2,152,853
Premises and equipment, net	121,068	118,961	104,780
Accrued interest receivable and other assets	95,939	95,852	50,059
Goodwill	29,515	25,266	25,935
Other intangible assets	2,676	1,165	92
Total assets	\$ 3,914,995	\$ 3,721,555	\$ 2,955,153
LIABILITIES AND SHAREHOLDERS' EQUITY			
Deposits:			
Non-interest bearing	\$ 313,207	\$ 305,540	\$ 242,966
Interest bearing	2,957,088	2,783,584	2,174,349
Total deposits	3,270,295	3,089,124	2,417,315
Notes payable	46,975	44,025	66,125
Federal Home Loan Bank advances	140,000	140,000	90,000
Subordinated note	25,000	25,000	--
Other borrowings	41,668	46,708	113,624
Long-term debt - trust preferred securities	51,004	50,894	51,050
Accrued interest payable and other liabilities	101,148	98,802	53,518
Total liabilities	3,676,090	3,494,553	2,791,632
Shareholders' equity:			
Preferred stock	--	--	--
Common stock	17,371	17,216	15,712
Surplus	157,499	153,614	116,201
Common stock warrants	1,031	81	98
Retained earnings	63,842	56,967	36,482
Accumulated other comprehensive loss	(838)	(876)	(4,972)
Total shareholders' equity	238,905	227,002	163,521
Total liabilities and shareholders' equity	\$ 3,914,995	\$ 3,721,555	\$ 2,955,153

See accompanying notes to unaudited consolidated financial statements.

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

(In thousands, except per share data)	THREE MONTHS ENDED MARCH 31	
	2003	2002
INTEREST INCOME		
Interest and fees on loans	\$ 40,591	\$ 36,661
Interest bearing deposits with banks	29	3
Federal funds sold and securities purchased under resale agreements	389	293
Securities	5,835	4,500
Trading account securities	38	24
Brokerage customer receivables	357	490
Total interest income	47,239	41,971
INTEREST EXPENSE		
Interest on deposits	17,102	16,675
Interest on Federal Home Loan Bank advances	1,457	897
Interest on subordinated note	444	--
Interest on notes payable and other borrowings	704	943
Interest on long-term debt - trust preferred securities	928	1,288
Total interest expense	20,635	19,803
NET INTEREST INCOME	26,604	22,168
Provision for loan losses	2,641	2,348
Net interest income after provision for loan losses	23,963	19,820
NON-INTEREST INCOME		
Wealth management fees	5,951	4,570
Fees on mortgage loans sold	4,598	2,017
Service charges on deposit accounts	855	738
Gain on sale of premium finance receivables	1,162	766
Administrative services revenue	1,091	822
Net available-for-sale securities gains (losses)	386	(215)
Other	3,700	4,054
Total non-interest income	17,743	12,752
NON-INTEREST EXPENSE		
Salaries and employee benefits	17,450	13,362
Equipment expense	1,842	1,730
Occupancy, net	1,898	1,544
Data processing	1,053	1,014
Advertising and marketing	539	524
Professional fees	782	611
Amortization of other intangibles	139	17
Other	5,208	3,877
Total non-interest expense	28,911	22,679
Income before income taxes	12,795	9,893
Income tax expense	4,532	3,531
NET INCOME	\$ 8,263	\$ 6,362
NET INCOME PER COMMON SHARE - BASIC	\$ 0.48	\$ 0.42
NET INCOME PER COMMON SHARE - DILUTED	\$ 0.45	\$ 0.40
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$ 0.08	\$ 0.06
Weighted average common shares outstanding	17,308	15,078
Dilutive potential common shares	1,124	913
Average common shares and dilutive common shares	18,432	15,991

See accompanying notes to unaudited consolidated financial statements.

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY (UNAUDITED)

(In thousands)	COMPRE- HENSIVE INCOME	COMMON STOCK	SURPLUS	COMMON STOCK WARRANTS	TREASURY STOCK	RETAINED EARNINGS	ACCUMULATED OTHER COMPRE- HENSIVE INCOME (LOSS)	TOTAL SHAREHOLDERS' EQUITY
Balance at December 31, 2001		\$ 14,532	\$ 97,956	\$ 99	\$ --	\$ 30,995	\$ (2,304)	\$ 141,278
Comprehensive income:								
Net income	\$6,362	--	--	--	--	6,362	--	6,362
Other comprehensive income, net of tax:								
Unrealized losses on securities, net of reclassification adjustment	(2,795)	--	--	--	--	--	(2,795)	(2,795)
Unrealized gains on derivative instruments	127	--	--	--	--	--	127	127
Comprehensive income	\$3,694							
Cash dividends declared on common stock		--	--	--	--	(875)	--	(875)
Purchase of fractional shares resulting from stock split		--	(10)	--	--	--	--	(10)
Common stock issued for:								
Acquisition of the Wayne Hummer Companies		763	14,237	--	--	--	--	15,000
Director compensation plan		3	64	--	--	--	--	67
Employee stock purchase plan		--	26	--	--	--	--	26
Exercise of common stock warrants		1	8	(1)	--	--	--	8
Exercise of stock options		413	3,920	--	--	--	--	4,333
Balance at March 31, 2002		\$ 15,712	\$ 116,201	\$ 98	\$ --	\$ 36,482	\$ (4,972)	\$ 163,521
BALANCE AT DECEMBER 31, 2002		\$ 17,216	\$ 153,614	\$ 81	\$ --	\$ 56,967	\$ (876)	\$ 227,002
COMPREHENSIVE INCOME:								
NET INCOME	\$8,263	--	--	--	--	8,263	--	8,263
OTHER COMPREHENSIVE INCOME, NET OF TAX:								
UNREALIZED LOSSES ON SECURITIES, NET OF RECLASSIFICATION ADJUSTMENT	(41)	--	--	--	--	--	(41)	(41)
UNREALIZED GAINS ON DERIVATIVE INSTRUMENTS	79	--	--	--	--	--	79	79
COMPREHENSIVE INCOME	\$8,301							
CASH DIVIDENDS DECLARED ON COMMON STOCK		--	--	--	--	(1,388)	--	(1,388)
PURCHASE OF TREASURY STOCK		--	--	--	(17)	--	--	(17)
COMMON STOCK ISSUED FOR:								
ACQUISITION OF LAKE FOREST CAPITAL MANAGEMENT		82	2,418	950	--	--	--	3,450
DIRECTOR COMPENSATION PLAN		5	121	--	--	--	--	126
EMPLOYEE STOCK PURCHASE PLAN		--	5	--	--	--	--	5
EXERCISE OF STOCK OPTIONS		31	509	--	17	--	--	557
RESTRICTED STOCK AWARDS		37	832	--	--	--	--	869
BALANCE AT MARCH 31, 2003		\$ 17,371	\$ 157,499	\$ 1,031	\$ --	\$ 63,842	\$ (838)	\$ 238,905
THREE MONTHS ENDED MARCH 31,								
		2003	2002					
Disclosure of reclassification amount and income tax impact:								
Unrealized holding gains (losses) on available for sale securities during the period, net		\$ 319	\$ (4,711)					
Unrealized holding gains on derivative instruments arising during the period		121	195					
Less: Reclassification adjustment for gains (losses) included in net income, net		386	(215)					
Less: Income tax expense (benefit)		16	(1,633)					
Net unrealized gains on available-for-sale securities and derivative instruments		\$ 38	\$ (2,668)					

See accompanying notes to unaudited consolidated financial statements.

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS (UNAUDITED)

	THREE MONTHS ENDED MARCH 31,	
(In thousands)	2003	2002
OPERATING ACTIVITIES:		
Net income	\$ 8,263	\$ 6,362
Adjustments to reconcile net income to net cash provided by, or used for, operating activities:		
Provision for loan losses	2,641	2,348
Depreciation and amortization	2,294	2,258
Net decrease in deferred income taxes	319	1,211
Tax benefit from exercises of stock options	390	2,239
Net amortization of securities	501	1,010
Originations of mortgage loans held for sale	(350,234)	(154,820)
Proceeds from sales of mortgage loans held for sale	344,330	166,001
Net increase in trading securities	(219)	(487)
Net decrease (increase) in brokerage customer receivables	2,187	(1,783)
Gain on sale of premium finance receivables	(1,162)	(766)
(Gain) loss on sale of available-for-sale securities, net	(386)	215
Gain on sale of premises and equipment, net	(3)	(12)
Decrease (increase) in accrued interest receivable and other assets, net	1,125	(4,126)
Increase (decrease) in accrued interest payable and other liabilities, net	2,280	(1,589)
NET CASH PROVIDED BY OPERATING ACTIVITIES	12,326	18,061
INVESTING ACTIVITIES:		
Proceeds from maturities of available-for-sale securities	222,106	177,241
Proceeds from sales of available-for-sale securities	1,765,693	1,137,775
Purchases of available-for-sale securities	(1,944,493)	(1,300,622)
Proceeds from sales of premium finance receivables	72,680	64,188
Cash paid for Lake Forest Capital Management Company, net of cash received	(1,476)	--
Cash paid for the Wayne Hummer Companies, net of cash received	--	(7,560)
Increase in interest-bearing deposits with banks	(452)	(44)
Net increase in loans	(146,078)	(213,830)
Purchase of premises and equipment, net	(4,225)	(7,032)
NET CASH USED FOR INVESTING ACTIVITIES	(36,245)	(149,884)
FINANCING ACTIVITIES:		
Increase in deposit accounts	181,171	102,679
(Decrease) Increase in other borrowings, net	(5,560)	37,901
Increase in notes payable, net	2,950	19,550
Purchase of treasury stock	(17)	--
Issuance of common shares from stock options, restricted stock, employee stock purchase plan, common stock warrants and cash for stock split fractional shares	339	2,118
Dividends paid	(1,388)	(875)
NET CASH PROVIDED BY FINANCING ACTIVITIES	177,495	161,373
NET INCREASE IN CASH AND CASH EQUIVALENTS	153,576	29,550
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	256,922	123,530
CASH AND CASH EQUIVALENTS AT END OF PERIOD	\$ 410,498	\$ 153,080

See accompanying notes to unaudited consolidated financial statements.

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) BASIS OF PRESENTATION

The consolidated financial statements of Wintrust Financial Corporation and Subsidiaries ("Wintrust" or "Company") presented herein are unaudited, but in the opinion of management reflect all necessary adjustments of a normal or recurring nature for a fair presentation of results as of the dates and for the periods covered by the consolidated financial statements. All share data and per share amounts reflect the 3-for-2 stock split, effected in the form of a 50% stock dividend, paid in March 2002.

Wintrust is a financial holding company currently engaged in the business of providing traditional community banking services to customers in the Chicago metropolitan area. Additionally, the Company operates various non-bank subsidiaries.

As of March 31, 2003, Wintrust had seven wholly-owned bank subsidiaries (collectively, "Banks"), all of which started as de novo institutions, including Lake Forest Bank & Trust Company ("Lake Forest Bank"), Hinsdale Bank & Trust Company ("Hinsdale Bank"), North Shore Community Bank & Trust Company ("North Shore Bank"), Libertyville Bank & Trust Company ("Libertyville Bank"), Barrington Bank & Trust Company, N.A. ("Barrington Bank"), Crystal Lake Bank & Trust Company, N.A. ("Crystal Lake Bank") and Northbrook Bank & Trust Company ("Northbrook Bank").

The Company provides loans to businesses to finance the insurance premiums they pay on their commercial insurance policies ("premium finance receivables") on a national basis, through First Insurance Funding Corporation ("FIFC"). FIFC is a wholly-owned subsidiary of Crabtree Capital Corporation ("Crabtree") which is a wholly-owned subsidiary of Lake Forest Bank. Wintrust, through Tricom, Inc. of Milwaukee ("Tricom"), also provides high-yielding short-term accounts receivable financing ("Tricom finance receivables") and value-added out-sourced administrative services, such as data processing of payrolls, billing and cash management services, to the temporary staffing industry, with clients located throughout the United States. Tricom is a wholly-owned subsidiary of Hinsdale Bank. The Company provides trust and investment services at each of its Banks through its wholly-owned subsidiary, Wayne Hummer Trust Company, N.A. ("WHTC"), formerly known as Wintrust Asset Management Company. Wayne Hummer Investments, LLC ("WHI") is a broker-dealer providing a full range of private client and securities brokerage services to clients located primarily in the Midwest and is a wholly-owned subsidiary of North Shore Bank. Focused Investments LLC ("Focused") is a broker-dealer that provides a full range of investment services to individuals through a network of relationships with community-based financial institutions primarily in Illinois. Focused is a wholly-owned subsidiary of WHI. Wayne Hummer Asset Management Company ("WHAMC") provides money management services and advisory services to individuals, institutions and municipal and tax-exempt organizations, as well as four proprietary mutual funds in addition to portfolio management and financial supervision for a wide range of pension and profit-sharing plans. WHAMC is a wholly-owned subsidiary of Wintrust. Collectively WHI, WHAMC and Focused are referred to as the "Wayne Hummer Companies" or "WHC". Wintrust Information Technology Services Company provides information technology support, item capture, imaging and statement preparation services to the Wintrust subsidiaries and is a wholly-owned subsidiary of Wintrust.

The accompanying consolidated financial statements are unaudited and do not include information or footnotes necessary for a complete presentation of financial condition, results of operations or cash flows in accordance with generally accepted accounting principles. The consolidated financial statements should be read in conjunction with the consolidated financial statements and notes included in the Company's Annual Report and Form 10-K for the year ended December 31, 2002. Operating results for the three-month periods presented are not necessarily indicative of the results which may be expected for the entire year. Reclassifications of certain prior period amounts have been made to conform to the current period presentation.

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities. These estimates, assumptions and judgments are based on information available as of the date of the financial statements; accordingly, as information changes, the financial statements could reflect different estimates and assumptions. Certain policies and accounting principles inherently have a greater reliance on the use of estimates, assumptions and judgments and as such have a

greater possibility of producing results that could be materially different than originally reported. The determination of the allowance for loan losses and the valuation of the retained interest in the premium finance receivables sold are the areas that require the most subjective and complex judgments.

(2) SUPPLEMENTAL FINANCIAL MEASURES/RATIOS

Certain non-GAAP performance measures and ratios are used by management to evaluate and measure the Company's performance. These include taxable-equivalent net interest income (including its individual components), net interest margin (including its individual components), core net interest margin and the efficiency ratio. Management believes that these measures and ratios provide users of the Company's financial information a more accurate view of the performance of the interest-earning assets and interest-bearing liabilities and of the Company's operating efficiency for comparative purposes. Other financial holding companies may define or calculate these measures and ratios differently. See the table below for supplemental data and the corresponding reconciliation to GAAP financial measures for the three months ended March 31, 2003 and 2002.

Management reviews yields on certain asset categories and the net interest margin of the Company, and its banking subsidiaries, on a fully taxable-equivalent basis ("FTE"). In this non-GAAP presentation, net interest income is adjusted to reflect tax-exempt interest income on an equivalent before-tax basis. This measure ensures comparability of net interest income arising from both taxable and tax-exempt sources. Net interest income on a taxable-equivalent basis is also used in the calculation of the Company's efficiency ratio. The efficiency ratio, which is calculated by dividing non-interest expense by total taxable-equivalent net revenue (less securities gains or losses), measures how much it costs to produce one dollar of revenue.

Management also evaluates the net interest margin excluding the interest expense associated with the Company's Long-term Debt - Trust Preferred Securities ("Core Net Interest Margin"). Because these instruments are utilized by the Company primarily as capital instruments, management finds it useful to view the net interest margin excluding this expense and deems it to be a more accurate view of the operational net interest margin of the Company.

(Dollars in thousands)	QUARTER ENDED MARCH 31,	
	2003	2002
(A) INTEREST INCOME (GAAP)	\$ 47,239	\$ 41,971
Taxable-equivalent adjustment - Loans	141	188
Taxable-equivalent adjustment - Liquidity management assets	61	20
Interest income - FTE	47,441	42,179
(B) INTEREST EXPENSE (GAAP)	20,635	19,803
Net interest income - FTE	\$ 26,806	\$ 22,376
(C) NET INTEREST INCOME (GAAP) (A MINUS B)	\$ 26,604	\$ 22,168
Net interest income - FTE	\$ 26,806	\$ 22,376
Add: Interest expense on long-term debt - trust preferred securities	928	1,288
Core net interest income - FTE (1)	\$ 27,734	\$ 23,664
(D) NET INTEREST MARGIN (GAAP)	3.13 %	3.45 %
Net interest margin - FTE	3.15 %	3.48 %
Core net interest margin - FTE (1)	3.26 %	3.68 %
(E) EFFICIENCY RATIO (GAAP)	65.76 %	64.55 %
Efficiency ratio - FTE	65.46 %	64.17 %
=====		
(1) Core net interest income and core net interest margin are by definition non-GAAP measures/ratios. The GAAP equivalents are the net interest income and net interest margin determined in accordance with GAAP (lines C and D in the table).		

(3) CASH AND CASH EQUIVALENTS

For the purposes of the Consolidated Statements of Cash Flows, the Company considers cash and cash equivalents to include cash and due from banks, federal funds sold and securities purchased under resale agreements with original maturities of 90 days or less.

(4) AVAILABLE-FOR-SALE SECURITIES

The following table is a summary of the available-for-sale securities portfolio as of the dates shown:

(In thousands)	MARCH 31, 2003		December 31, 2002		March 31, 2002	
	AMORTIZED COST	FAIR VALUE	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Treasury	\$ 34,098	\$ 33,852	\$ 34,150	\$ 34,022	\$ 3,292	\$ 3,291
U.S. Government agencies	241,145	242,280	139,707	140,752	131,175	131,117
Municipal	6,045	6,187	6,311	6,467	5,903	6,144
Corporate notes and other	72,347	72,258	76,809	75,193	26,688	25,846
Mortgage-backed	99,635	98,954	270,091	270,962	190,192	183,583
Federal Reserve/FHLB Stock and other equity securities	50,598	50,659	20,221	20,283	15,457	15,559
Total available-for-sale securities	\$ 503,868	\$ 504,190	\$ 547,289	\$ 547,679	\$ 372,707	\$ 365,540

(5) LOANS

The following table is a summary of the loan portfolio as of the dates shown:

(Dollars in thousands)	MARCH 31, 2003	December 31, 2002	March 31, 2002
BALANCE:			
Commercial and commercial real estate	\$ 1,314,493	\$ 1,320,598	\$ 1,066,326
Home equity	395,056	365,521	287,186
Residential real estate	135,940	156,213	142,554
Premium finance receivables	532,162	461,614	414,330
Indirect auto loans	169,311	178,234	184,385
Tricom finance receivables	24,416	21,048	17,558
Consumer and other loans	57,102	52,858	55,211
Total loans, net of unearned income	\$ 2,628,480	\$ 2,556,086	\$ 2,167,550
MIX:			
Commercial and commercial real estate	50 %	52 %	49 %
Home equity	15	14	13
Residential real estate	5	6	7
Premium finance receivables	20	18	19
Indirect auto loans	7	7	9
Tricom finance receivables	1	1	1
Consumer and other loans	2	2	2
Total loans, net of unearned income	100 %	100 %	100 %

(6) DEPOSITS

The following is a summary of deposits as of the dates shown:

(Dollars in thousands)	MARCH 31, 2003	December 31, 2002	March 31, 2002

BALANCE:			

Non-interest bearing	\$ 313,207	\$ 305,540	\$ 242,966
NOW accounts	347,938	354,499	290,120
NOW - Brokerage customer deposits	252,223	231,700	--
Money market accounts	416,698	399,441	368,240
Savings accounts	155,228	147,669	133,963
Time certificates of deposit	1,785,001	1,650,275	1,382,026
	-----	-----	-----
Total deposits	\$ 3,270,295	\$ 3,089,124	\$ 2,417,315
	=====	=====	=====
MIX:			

Non-interest bearing	9 %	10 %	10 %
NOW accounts	11	11	12
NOW - Brokerage customer deposits	8	8	--
Money market accounts	13	13	15
Savings accounts	5	5	6
Time certificates of deposit	54	53	57
	-----	-----	-----
Total deposits	100 %	100 %	100 %
	=====	=====	=====

As previously disclosed, following its acquisition of the Wayne Hummer Companies in February 2002, Wintrust undertook an effort to migrate funds from the money market mutual fund managed by WHAMC into deposit accounts of the Wintrust Banks ("NOW - Brokerage customer deposits" in the table above). Consistent with reasonable interest rate risk parameters, the funds will generally be invested in excess loan production of the Banks as well as other investments suitable for banks. The migration of additional funds to the Banks is subject to the desire of the customers to make the transition of their funds into FDIC-insured bank accounts, capital capacity of the Company and the availability of suitable investments in which to deploy the funds. The net assets of the WHAMC money market mutual fund decreased \$262 million from March 31, 2002 to March 31, 2003, of which \$252 million migrated to deposit accounts at the Banks.

(7) NOTES PAYABLE, FEDERAL HOME LOAN BANK ADVANCES, SUBORDINATED NOTE AND OTHER BORROWINGS:

The following is a summary of notes payable, Federal Home Loan Bank advances, subordinated note and other borrowings as of the dates shown:

(In thousands)	MARCH 31, 2003	December 31, 2002	March 31, 2002

Notes payable	\$ 46,975	\$ 44,025	\$ 66,125
Federal Home Loan Bank advances	140,000	140,000	90,000
Subordinated note	25,000	25,000	--
Other borrowings:			
Federal funds purchased	--	2,000	43,500
Securities sold under repurchase agreements	20,604	24,560	17,193
Wayne Hummer Companies borrowings	16,064	15,148	47,931
Other	5,000	5,000	5,000
	-----	-----	-----
Total other borrowings	\$ 41,668	\$ 46,708	\$ 113,624
	-----	-----	-----
Total notes payable, Federal Home Loan Bank advances, subordinated note and other borrowings	\$ 253,643	\$ 255,733	\$ 269,749
	=====	=====	=====

The Wayne Hummer Companies borrowings consist of collateralized demand obligations to third party brokers and banks at interest rates approximating the fed funds rate that are used to finance securities purchased by customers on margin and securities owned by WHI and demand obligations to clearing organizations. Other represents the Company's interest-bearing deferred portion of the purchase price of the Wayne Hummer Companies.

(8) LONG-TERM DEBT - TRUST PREFERRED SECURITIES

The Company issued a total of \$51.1 million of Trust Preferred Securities through Wintrust Capital Trust I and Wintrust Capital Trust II ("Trusts"). The Company owns all of the common securities issued by the Trusts. The Trust Preferred Securities represent preferred undivided beneficial interests in the assets of the Trusts. The Trusts invested the proceeds from the issuances of the Trust Preferred Securities and the common securities in Subordinated Debentures ("Debentures") issued by the Company, with the same maturities and fixed interest rates as the Trust Preferred Securities. The Debentures are the sole assets of the Trusts and are eliminated, along with the related income statement effects, in the consolidated financial statements.

The composition of the Trust Preferred Securities as of March 31, 2003 is as follows (dollars in thousands):

Issuance Trust	Amount	Issuance Date	Rate Type	Rate	Maturity Date	Earliest Redemption Date
Wintrust Capital Trust I	\$ 31,050	10/98	Fixed	9.00%	09/30/28	09/30/03
Adjustment for fair value hedge	(46)					
Wintrust Capital Trust II	20,000	06/00	Fixed	10.50%	06/30/30	06/30/05
Total	\$ 51,004					

The Company has guaranteed the payment of distributions on and payments upon liquidation or redemption of the Trust Preferred Securities, in each case to the extent of funds held by the Trusts. The Company and the Trusts believe that, taken together, the obligations of the Company under the guarantees, the subordinated debentures, and other related agreements provide, in the aggregate, a full, irrevocable and unconditional guarantee, on a subordinated basis, of all of the obligations of the Trusts under the Trust Preferred Securities. Subject to certain limitations, the Company has the right to defer payment of interest on the Debentures at any time, or from time to time, for a period not to exceed 20 consecutive quarters. The Trust Preferred Securities are subject to mandatory redemption, in whole or in part, upon repayment of the Debentures at maturity or their earlier redemption. The Debentures of the Trusts are redeemable in whole or in part prior to maturity at any time after the date shown above, and earlier at the discretion of the Company if certain conditions are met, and, in any event, only after the Company has obtained Federal Reserve approval, if then required under applicable guidelines or regulations.

The Trust Preferred Securities, subject to certain limitations, qualify as Tier 1 capital of the Company for regulatory purposes. Interest expense on the Trust Preferred Securities is deductible for tax purposes.

(9) EARNINGS PER SHARE

The following table shows the computation of basic and diluted earnings per share for the periods indicated (in thousands, except per share data):

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2003	2002
Net income	\$ 8,263	\$ 6,362
Average common shares outstanding	17,308	15,078
Effect of dilutive common shares	1,124	913
Weighted average common shares and effect of dilutive common shares	18,432	15,991
Net income per average common share:		
Basic	\$ 0.48	\$ 0.42
Diluted	\$ 0.45	\$ 0.40

The effect of dilutive common shares outstanding results from stock options, restricted stock unit awards, stock warrants, and shares to be issued under the Employee Stock Purchase Plan and the Directors Deferred Fee and Stock Plan, all being treated as if they had been either exercised or issued, computed by application of the treasury stock method.

(10) SEGMENT INFORMATION

The segment financial information provided in the following tables has been derived from the internal profitability reporting system used by management to monitor and manage the financial performance of the Company. The Company evaluates segment performance based on after-tax profit or loss and other appropriate profitability measures common to each segment. Certain indirect expenses have been allocated based on actual volume measurements and other criteria, as appropriate. Inter-segment revenue and transfers are generally accounted for at current market prices. The other category, as shown in the following table, reflects parent company information. The net interest income and segment profit of the banking segment includes income and related interest costs from portfolio loans that were purchased from the premium finance and indirect auto segments. For purposes of internal segment profitability analysis, management reviews the results of its premium finance and indirect auto segments as if all loans originated and sold to the banking segment were retained within that segment's operations, thereby causing the inter-segment elimination amounts shown in the following table. The following table presents a summary of certain operating information for each reportable segment for three months ended for the periods shown:

	Three Months Ended March 31,		\$ Change in	% Change in
(Dollars in thousands)	2003	2002	Contribution	Contribution
NET INTEREST INCOME:				
Banking	\$ 23,714	\$ 20,773	\$ 2,941	14.2 %
Premium finance	9,244	8,117	1,127	13.9
Indirect auto	1,836	2,002	(166)	(8.3)
Tricom	854	913	(59)	(6.5)
Wealth management	1,556	588	968	164.6
Inter-segment eliminations	(8,685)	(8,301)	(384)	(4.6)
Other	(1,915)	(1,924)	9	0.5
Total net interest income	\$ 26,604	\$ 22,168	\$ 4,436	20.0 %
NON-INTEREST INCOME:				
Banking	\$ 9,319	\$ 4,942	\$ 4,377	88.6 %
Premium finance	1,162	2,016	(854)	(42.4)
Indirect auto	17	8	9	112.5
Tricom	1,091	821	270	32.9
Wealth management	6,188	4,673	1,515	32.4
Inter-segment eliminations	(53)	(154)	101	65.6
Other	19	446	(427)	(95.7)
Total non-interest income	\$ 17,743	\$ 12,752	\$ 4,991	39.1 %
SEGMENT PROFIT (LOSS):				
Banking	\$ 8,487	\$ 6,193	\$ 2,294	37.0 %
Premium finance	4,192	4,087	105	2.6
Indirect auto	657	728	(71)	(9.8)
Tricom	397	271	126	46.5
Wealth management	(281)	(142)	(139)	(97.9)
Inter-segment eliminations	(3,435)	(3,463)	28	0.8
Other	(1,754)	(1,312)	(442)	(33.7)
Total segment profit	\$ 8,263	\$ 6,362	\$ 1,901	29.9 %
SEGMENT ASSETS:				
Banking	\$ 3,834,507	\$ 2,826,154	\$ 1,008,353	35.7 %
Premium finance	578,596	435,964	142,632	32.7
Indirect auto	174,854	190,244	(15,390)	(8.1)
Tricom	38,308	28,212	10,096	35.8
Wealth management	76,739	99,924	(23,185)	(23.2)
Inter-segment eliminations	(798,208)	(634,976)	(163,232)	(25.7)
Other	10,199	9,631	568	5.9
Total segment assets	\$ 3,914,995	\$ 2,955,153	\$ 959,842	32.5 %

N/M = not meaningful

(11) DERIVATIVE FINANCIAL INSTRUMENTS

The Company enters into certain derivative financial instruments as part of its strategy to manage its exposure to market risk. Market risk is the possibility that, due to changes in interest rates or other economic conditions, the Company's net interest income will be adversely affected. The derivative financial instruments that are currently being utilized by the Company to manage this risk include interest rate cap and interest rate swap contracts. The amounts potentially subject to market and credit risks are the streams of interest payments under the contracts and not the notional principal amounts used to express the volume of the transactions.

In accordance with SFAS 133, the Company recognizes all derivative financial instruments, such as interest rate cap and interest rate swap agreements, in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. Derivative financial instruments are included in other assets or other liabilities, as appropriate, on the Consolidated Statements of Condition. Changes in the fair value of derivative financial instruments are either recognized periodically in income or in shareholders' equity as a component of comprehensive income depending on whether the derivative financial instrument qualifies for hedge accounting, and if so, whether it qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in income in the same period and in the same income statement line as changes in the fair values of the hedged items that relate to the hedged risk (s). Changes in fair values of derivative financial instruments accounted for as cash flow hedges, to the extent they are effective hedges, are recorded as a component of other comprehensive income net of deferred taxes. Changes in fair values of derivative financial instruments not qualifying as hedges are reported in income.

During the first quarter of 2003, \$75 million notional principal amount of interest rate cap contracts matured. These contracts were purchased to mitigate the effect of rising rates on certain floating rate deposit products and provided for the receipt of payments when the 91-day Treasury bill rate exceeded the predetermined strike rates. At March 31, 2003, the Company had no interest rate cap contracts.

At March 31, 2003, the Company had \$81.05 million notional principal amount of interest rate swap contracts outstanding, all of which qualified for hedge accounting. The following table presents a summary of these derivative instruments and whether the contracts were cash flow (CF) hedges with changes in fair values reported as other comprehensive income (OCI) or fair value (FV) hedges with changes in fair values reported in the income statement (IS):

(In thousands)	Type of hedge	Change in market value	Maturity Date	MARCH 31, 2003		December 31, 2002	
				NOTIONAL AMOUNT	FAIR VALUE	Notional Amount	Fair Value
Interest rate swap	CF	OCI	2/27/04	\$25,000	\$ (953)	\$25,000	\$ (1,125)
Interest rate swap	CF	OCI	10/29/12	25,000	(808)	25,000	(723)
Interest rate swap (callable)	FV	IS	9/30/28 (03)	31,050	(46)	31,050	(156)

Periodically, the Company will sell options to a bank or dealer for the right to purchase certain securities held within the Banks' investment portfolios. These covered call option transactions are designed primarily to increase the total return associated with holding these securities as earning assets. These transactions do not qualify as hedges pursuant to SFAS 133 and, accordingly, changes in fair values of these contracts are reported in other non-interest income. There were no call options outstanding as of March 31, 2003, December 31, 2002 or March 31, 2002.

(12) BUSINESS COMBINATIONS

In February 2003, Wintrust completed the acquisition of Lake Forest Capital Management Company ("LFCM") based in Lake Forest, Illinois. Lake Forest Capital Management is operating as a separate division of Wayne Hummer Asset Management Company, Wintrust's existing asset management subsidiary. Accounted for as a purchase, LFCM's results of operations are included in Wintrust's 2003 results since the effective date of acquisition (February 1, 2003).

In February, 2002, Wintrust completed its acquisition of Wayne Hummer Investments, LLC ("WHI" - including its wholly owned subsidiary, Focused Investments LLC) and Wayne Hummer Management Company (subsequently renamed Wayne Hummer Asset Management Company "WHAMC"). The results of the Wayne Hummer Companies have been included in Wintrust's consolidated financial statements since the effective date (February 1, 2002) of the acquisition.

(13) GOODWILL AND OTHER INTANGIBLE ASSETS

Wintrust adopted the provisions of SFAS 142, "Goodwill and Other Intangible Assets" effective January 1, 2002. SFAS 142 requires companies to no longer amortize goodwill and intangible assets with indefinite useful lives, but instead test these assets for impairment at least annually in accordance with the provisions of SFAS 142. Under SFAS 142, intangible assets with definite useful lives continue to be amortized over their respective estimated useful lives to their estimated residual values, and reviewed for impairment in accordance with the FASB's Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144").

A summary of the Company's goodwill assets by business segment is presented in the following table:

(In thousands)	January 1, 2003	Goodwill Acquired	Impairment Losses	MARCH 31, 2003
Banking	\$ 1,018	\$ --	\$ --	\$ 1,018
Premium finance	--	--	--	--
Indirect auto	--	--	--	--
Tricom	8,958	--	--	8,958
Wealth management	15,290	4,249	--	19,539
Parent and other	--	--	--	--
Total	\$ 25,266	\$ 4,249	\$ --	\$ 29,515

At March 31, 2003 and 2002, Wintrust had \$2.7 million and \$92,000, respectively, in unamortized finite-lived intangible assets. As a result of the acquisitions of WHAMC and LFCM, \$1.38 million \$1.65 million, respectively, were assigned to the customer lists of the acquired companies. These intangible assets are being amortized over 7-year periods on an accelerated basis. Total amortization expense associated with these intangible assets in the first three months of 2003 was \$122,000. Estimated amortization expense on finite-lived intangible assets for the years ended 2003 through 2007 is as follows:

(In thousands)

2003	\$ 614
2004	552
2005	476
2006	410
2007	341

(14) STOCK-BASED COMPENSATION PLANS

The Company follows Accounting Principles Board (APB) Opinion No. 25, "Accounting for Stock Issued to Employees," and related interpretations in accounting for its stock option plans. APB 25 uses the intrinsic value method and provides that compensation expense for employee stock options is generally not recognized if the exercise price of the option equals or exceeds the fair value of the stock on the date of grant. The Company follows the disclosure requirements of SFAS 123, "Accounting for Stock-Based Compensation" (as amended by SFAS 148), rather than the recognition provisions of SFAS 123, as allowed by the statement. Compensation expense for restricted share awards is ratably recognized over the period of service, usually the restricted period, based on the fair value of the stock on the date of grant.

The following table reflects the Company's pro forma net income and earnings per share as if compensation expense for the Company's stock options, determined based on the fair value at the date of grant consistent with the method of SFAS 123, had been included in the determination of the Company's net income (in thousands, except per share data):

	FOR THE THREE MONTHS ENDED MARCH 31,	
	2003	2002
Net income		
As reported	\$ 8,263	\$ 6,362
Compensation cost of stock options based on fair value, net of related tax effect	(328)	(267)
Pro forma	\$ 7,935	\$ 6,095
Earnings per share - Basic		
As reported	\$ 0.48	\$ 0.42
Compensation cost of stock options based on fair value, net of related tax effect	(0.02)	(0.02)
Pro forma	\$ 0.46	\$ 0.40
Earnings per share - Diluted		
As reported	\$ 0.45	\$ 0.40
Compensation cost of stock options based on fair value, net of related tax effect	(0.02)	(0.02)
Pro forma	\$ 0.43	\$ 0.38

The fair values of stock options granted were estimated at the date of grant using the Black-Scholes option-pricing model. The Black-Scholes model is sensitive to changes in the subjective assumptions, which can materially affect the fair value estimates. As a result, the pro forma amounts indicated above may not be representative of the effects on reported net income for future years.

Included in the determination of net income as reported is compensation expense related to restricted share awards of \$191,000 (\$118,000 net of tax) in the first quarter of 2003 and \$130,000 (\$80,000 net of tax) in the first quarter of 2002.

(15) RECENT ACCOUNTING PRONOUNCEMENTS

In November 2002, the FASB issued FASB interpretation No. 45 (FIN 45), "Guarantor's Accounting and Disclosure Requirements for Guarantees, Including Indirect Guarantees of Indebtedness of Others". This interpretation expands the disclosure to be made by a guarantor in its financial statements about its obligations under certain guarantees and requires the guarantor to recognize a liability for the fair value of an obligation assumed under a guarantee. FIN 45 clarifies that a guarantor is required to recognize, at the inception of a guarantee, a liability for the fair value of the obligation undertaken in issuing the guarantee. The disclosure requirements of FIN 45 are effective for the Company as of December 31, 2002, and require disclosure of the nature of the guarantee, the maximum potential amount of future payments that the guarantor could be required to make under the guarantee, and the current amount of the liability, if any, for the guarantor's obligation under the guarantee. The recognition requirements of FIN 45 are to be applied prospectively to guarantees issued or modified after December 31, 2002. The Company does not expect the requirements of FIN 45 to have a material impact on the results of operations, financial position, or liquidity.

In January 2003, the FASB issued FASB interpretation No. 46 (FIN 46), "Consolidation of Variable Interest Entities". The objective of this interpretation is to provide guidance on how to identify a variable interest entity (VIE) and determine when the assets, liabilities, noncontrolling interest, and results of operations of a VIE need to be included in a company's consolidated financial statements. Because the Company does not have an interest in any VIEs, the Company does not expect the adoption of FIN 46 to have material impact on its results of operations, financial position, or liquidity.

ITEM 2

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL

CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of financial condition as of March 31, 2003, compared with December 31, 2002, and March 31, 2002, and the results of operations for the three-month periods ended March 31, 2003 and 2002 should be read in conjunction with the Company's unaudited consolidated financial statements and notes contained in this report. This discussion contains forward-looking statements that involve risks and uncertainties and, as such, future results could differ significantly from management's current expectations. See the last section of this discussion for further information on forward-looking statements.

OVERVIEW AND STRATEGY

Wintrust's bank subsidiaries were organized within approximately the last twelve years. We have grown to \$3.91 billion in total assets at March 31, 2003 from \$2.96 billion in total assets at March 31, 2002, an increase of 32%. The historical financial performance of the Company has been affected by costs associated with growing market share in deposits and loans, establishing new banks and opening new branch facilities, and building an experienced management team. The Company's financial performance generally reflects the improved profitability of our operating subsidiaries as they mature, offset by the costs of establishing new banks and opening new branch facilities. The Company's experience has been that it generally takes 13 to 24 months for new banks to first achieve operational profitability depending on the number and timing of branch facilities added.

The Banks began operations during the period indicated in the table below:

	Operations began in:	
	Month	Year
Lake Forest Bank	December	1991
Hinsdale Bank	October	1993
North Shore Bank	September	1994
Libertyville Bank	October	1995
Barrington Bank	December	1996
Crystal Lake Bank	December	1997
Northbrook Bank	November	2000

Subsequent to these initial dates of operations, each of the Banks, except Northbrook Bank, has established additional full-service banking facilities. As of March 31, 2003, the Banks had 32 banking facilities. Since March 31, 2002, Lake Forest Bank opened a new branch in Highland Park (May 2002) and Crystal Lake Bank opened a new temporary facility in Cary. In addition, in June 2002 and July 2002, respectively, we opened a new permanent facility for our Wauconda branch of Libertyville Bank and our McHenry branch of Crystal Lake Bank. Construction is currently underway on a new larger facility in South Libertyville (a branch of Libertyville Bank). North Shore Bank opened an additional Skokie branch in April 2003 and has purchased property for another new branch. In addition, the Company has purchased property for a permanent facility in Highland Park.

While committed to a continuing growth strategy, management's ongoing focus is also to balance further asset growth with earnings growth by seeking to more fully leverage the existing capacity within each of the operating subsidiaries. One aspect of this strategy is to continue to pursue specialized earning asset niches in order to maintain the mix of earning assets in higher-yielding loans as well as diversify the loan portfolio. Another aspect of this strategy is a continued focus on less aggressive deposit pricing at the Banks with significant market share and more established customer bases.

FIFC is the Company's most significant specialized earning asset niche, originating \$543 million in loan (premium finance receivables) volume in the first quarter of 2003. FIFC makes loans to businesses to finance the insurance premiums they pay on their commercial insurance policies. The loans are originated by FIFC working through independent medium and large insurance agents and brokers located throughout the United States. The insurance

premiums financed are primarily for commercial customers' purchases of liability, property and casualty and other commercial insurance. This lending involves relatively rapid turnover of the loan portfolio and high volume of loan originations. Because of the indirect nature of this lending and because the borrowers are located nationwide, this segment may be more susceptible to third party fraud. The majority of these loans are purchased by the Banks in order to more fully utilize their lending capacity. These loans generally provide the Banks higher yields than alternative investments. However, as a result of continued growth in origination volume in 2003, FIFC sold approximately \$72.7 million, or 13%, of the receivables generated in the first quarter of 2003 to an unrelated third party with servicing retained. The Company began selling the excess of FIFC's originations over the capacity to retain such loans within the Banks' loan portfolios during 1999. In addition to recognizing gains on the sale of these receivables, the proceeds provide the Company with additional liquidity. Consistent with the Company's strategy to be asset-driven, it is probable that similar sales of these receivables will occur in the future; however, future sales of these receivables depends on the level of new volume growth in relation to the capacity to retain such loans within the Banks' loan portfolios.

In October 1999, the Company acquired Tricom as part of its continuing strategy to pursue specialized earning asset niches. Based in the Milwaukee area, Tricom has been in business for more than eleven years and specializes in providing high yielding, short-term accounts receivable financing and value-added, out-sourced administrative services, such as data processing of payrolls, billing and cash management services, to clients in the temporary staffing industry. Tricom's clients, located throughout the United States, provide staffing services to businesses in diversified industries. These receivables may involve greater credit risks than generally associated with the loan portfolios of more traditional community banks depending on the marketability of the collateral. The principal sources of repayments on the receivables are payments to borrowers from their customers who are located throughout the United States. The Company mitigates this risk by employing lockboxes and other cash management techniques to protect their interests. By virtue of the Company's funding resources, this acquisition has provided Tricom with additional capital necessary to expand its financing services in a national market. Tricom's revenue principally consists of interest income from financing activities and fee-based revenues from administrative services.

In addition to the earning asset niches provided by the Company's non-bank subsidiaries, several earning asset niches operate within the Banks, including our indirect auto lending which is conducted through a division of Hinsdale Bank, Lake Forest Bank's equipment leasing division and Barrington Bank's Community Advantage program that provides lending, deposit and cash management services to condominium, homeowner and community associations. In addition, Hinsdale Bank operates a mortgage warehouse lending program that provides loan and deposit services to mortgage brokerage companies located predominantly in the Chicago metropolitan area, and Crystal Lake Bank has recently developed a specialty in small aircraft lending. The Company plans to continue pursuing the development or acquisition of other specialty lending businesses that generate assets suitable for bank investment and/or secondary market sales. The Company is not pursuing growth in the indirect auto segment, however, and anticipates that the indirect auto loan portfolio will comprise a smaller portion of the net loan portfolio in the future.

Wintrust's strategy also includes building and growing its wealth management business, including trust, asset management and brokerage services. On February 20, 2002, the Company completed its acquisition of the Wayne Hummer Companies, comprising Wayne Hummer Investments LLC ("WHI"), Wayne Hummer Management Company (subsequently renamed Wayne Hummer Asset Management Company "WHAMC") and Focused Investments LLC ("FI"), each based in the Chicago area.

WHI, established in 1931, provides a full-range of investment products and services tailored to meet the specific needs of individual investors throughout the country, primarily in the Midwest. Although headquartered in Chicago, WHI also operates an office in Appleton, Wisconsin that opened in 1936 that serves the greater Appleton area. WHI has established branch locations in offices at Lake Forest Bank and Hinsdale Bank and plans to open offices at each of the Banks. WHI is a member of the New York Stock Exchange, the American Stock Exchange and the National Association of Securities Dealers, and has approximately \$3.7 billion in customer assets in custody at March 31, 2003. FI, a NASD member broker/dealer, is a wholly-owned subsidiary of WHI and provides a full range of investment services to clients through a network of relationships with community-based financial institutions primarily in Illinois.

WHAMC, established in 1981, is the investment advisory affiliate of WHI and is advisor to the Wayne Hummer family of mutual funds. The Wayne Hummer family of funds includes the Wayne Hummer Growth Fund, the Wayne Hummer

Core Portfolio Fund, the Wayne Hummer Income Fund, and the Wayne Hummer Money Market Fund. WHAMC also provides money management and advisory services to individuals and institutional, municipal and tax-exempt organizations and portfolio management and financial supervision for a wide-range of pension and profit sharing plans. To further expand the Company's wealth management business in the Chicago metropolitan area, on February 4, 2003, the Company acquired Lake Forest Capital Management Company, a registered investment advisor, with approximately \$282 million of assets under management. LFCM is operating as a division of WHAMC. At March 31, 2003, individual accounts managed by WHAMC (including the accounts of LFCM) totaled approximately \$658 million while the four managed mutual funds had approximately \$312 million in total assets.

In September 1998, the Company formed a trust subsidiary originally named Wintrust Asset Management Company, which was renamed in May 2002 to Wayne Hummer Trust Company ("WHTC") to expand the trust and investment management services that were previously provided through the trust department of Lake Forest Bank. With a separately chartered trust subsidiary, the Company is better able to offer trust and investment management services to all communities served by the Banks. In addition to offering these services to existing bank customers at each of the Banks, the Company believes WHTC can successfully compete for trust business by targeting small to mid-size businesses and affluent individuals whose needs command the personalized attention offered by WHTC's experienced trust professionals. Services offered by WHTC typically include traditional trust products and services, as well as investment management services. Assets under administration by WHTC as of March 31, 2003 were approximately \$464 million.

RESULTS OF OPERATIONS

EARNINGS SUMMARY

The Company's key operating measures, as compared to the same period last year, are shown below:

(Dollars in thousands, except per share data)	THREE MONTHS ENDED		Percentage (%) /	
	MARCH 31, 2003	March 31, 2002	Basis Point (bp) Change	
Net income	\$ 8,263	\$ 6,362	30	%
Net income per common share - Basic	0.48	0.42	14	
Net income per common share - Diluted	0.45	0.40	13	
Net revenue (1)	44,347	34,920	27	
Net interest income	26,604	22,168	20	
Net interest margin (5)	3.15 %	3.48 %	(33)	bp
Core net interest margin(2) (5)	3.26	3.68	(42)	
Net overhead ratio (3)	1.21	1.43	(22)	
Efficiency ratio (4) (5)	65.46	64.17	129	
Return on average assets	0.89	0.92	(3)	
Return on average equity	14.51	17.12	(261)	
AT END OF PERIOD:				
Total assets	\$ 3,914,995	\$ 2,955,153	32	%
Total loans	2,628,480	2,167,550	21	
Total deposits	3,270,295	2,417,315	35	
Total shareholders' equity	238,905	163,521	46	
Book value per common share	13.75	10.41	32	
Market price per common share	28.60	22.97	25	
Non-performing assets to total assets	0.34 %	0.39 %	(5)	bp

(1)	Net revenue includes net interest income and non-interest income.			
(2)	The core net interest margin excludes the interest expense associated with Wintrust's Long-term Debt - Trust Preferred Securities.			
(3)	The net overhead ratio is calculated by netting total non-interest expense and total non-interest income, annualizing this amount, and dividing by that period's total average assets. A lower ratio indicates a higher degree of efficiency.			
(4)	The efficiency ratio is calculated by dividing total non-interest expense by tax-equivalent net revenue (less securities gains or losses). A lower ratio indicates more efficient revenue generation.			
(5)	See "Supplemental Financial Measures/Ratios" for additional information on this performance measure/ratio.			

The Company analyzes its performance on a net income basis in accordance with accounting principles generally accepted in the United States, as well as other ratios such as the net overhead ratio, efficiency ratio and core net interest margin. These performance measures are presented as supplemental information to enhance the readers' understanding of, and highlight trends in, the Company's financial results. These measures should not be viewed as a substitute for net income and earnings per share as determined in accordance with accounting principles generally accepted in the United States. The calculations used by the Company to derive core net interest margin, net overhead ratio and the efficiency ratio may vary from, and not be comparable to, other companies. See Note 2 "Supplemental Measures/Ratios" on page 6 for additional information.

The preparation of the financial statements requires management to make estimates, assumptions and judgments that affect the reported amounts of assets and liabilities. These estimates, assumptions and judgments are based on information available as of the date of the financial statements; accordingly, as information changes, the financial statements could reflect different estimates and assumptions. Certain policies and accounting principles inherently have a greater reliance on the use of estimates, assumptions and judgments and as such have a greater possibility of producing results that could be materially different than originally reported. The determination of the allowance for loan losses and the valuation of the retained interest in the premium finance receivables sold are the areas that require the most subjective and complex judgments. For a more detailed discussion on these critical accounting policies, see "Summary of Critical Accounting Policies" on page 62 of the Company's Annual Report to shareholders for the year ended December 31, 2002.

Net income for the quarter ended March 31, 2003 totaled \$8.3 million, an increase of \$1.9 million, or 30%, over the \$6.4 million recorded in the first quarter of 2002. On a per share basis, net income for the first quarter of 2003 totaled \$0.45 per diluted common share, a \$0.05 per share, or 13%, increase as compared to the 2002 first quarter total of \$0.40 per diluted common share. The lower growth rate in the earnings per share as compared to net income was primarily due to the issuance of 1,362,750 additional shares of common stock in June and July of 2002. The return on average equity for the first quarter of 2003 was 14.51%, compared to 17.12% for the prior year quarter.

The results for the first quarter of 2002 include pre-tax income of \$1.25 million (\$754,000 after-tax), or \$0.05 per diluted share, for a partial settlement related to the premium finance defalcation recorded by the Company in 2000.

In February 2003, Wintrust completed its acquisition of Lake Forest Capital Management Company. LFCM is operating as a division of WHAMC, the Company's existing asset management subsidiary. LFCM's results of operations are included in Wintrust's 2003 results since the effective date of the acquisition (February 1, 2003).

NET INTEREST INCOME

Net interest income, which is the difference between interest income and fees on earning assets and interest expense on deposits and borrowings, is the major source of earnings for Wintrust. Tax-equivalent net interest income for the quarter ended March 31, 2003 totaled \$26.8 million, an increase of \$4.4 million, or 20%, as compared to the \$22.4 million recorded in the same quarter of 2002. This increase mainly resulted from loan growth offsetting the effect of narrower spreads. Average loans in the first quarter of 2003 represented 78% of total earning assets and increased \$593 million, or 28%, over the first quarter of 2002, while the interest rate spread (the difference between the yield earned on earning assets and the rate paid on interest-bearing liabilities) decreased to 2.92% in the first quarter of 2003, compared to 3.15% in the same period of 2002.

Net interest margin represents tax-equivalent net interest income as a percentage of the average earning assets during the period. For the first quarter of 2003 the net interest margin was 3.15%, representing a decrease of 33 basis points when compared to the net interest margin of 3.48% in the prior year first quarter, and an increase of 2 basis points when compared to the fourth quarter 2002 net interest margin of 3.13%. The core net interest margin, which excludes the interest expense related to Wintrust's Long-term Debt - Trust Preferred Securities, was 3.26% for the first quarter of 2003, and decreased 42 basis points when compared to the prior year first quarter's core margin of 3.68%. The net interest margin contracted due to compression caused by lower interest rates, the Company's preference for variable rate commercial and commercial real estate loans and agency securities with call options written against them being called with the proceeds being invested in lower yielding liquid assets, combined with the asset sensitivity of the balance sheet.

The following table presents a summary of the Company's net interest income and related net interest margins, calculated on a fully taxable equivalent basis, for the periods shown:

(Dollars in thousands)	FOR THE THREE MONTHS ENDED					
	MARCH 31, 2003			March 31, 2002		
	YIELD/			Yield/		
	AVERAGE	INTEREST	RATE	Average	Interest	Rate
Liquidity management assets (1) (2) (8)	\$ 715,338	\$ 6,314	3.58 %	\$ 458,922	\$ 4,816	4.26 %
Other earning assets (3)	41,221	395	3.89	44,920	514	4.64
Loans, net of unearned income (2) (4) (8)	2,695,146	40,732	6.13	2,101,802	36,849	7.11
Total earning assets (8)	\$ 3,451,705	\$ 47,441	5.57 %	\$ 2,605,644	\$ 42,179	6.56 %
Interest-bearing deposits	\$ 2,851,643	\$ 17,102	2.43 %	\$ 2,097,388	\$ 16,675	3.22 %
Federal Home Loan Bank advances	140,000	1,457	4.22	90,000	897	4.04
Notes payable and other borrowings	92,018	704	3.10	119,698	943	3.20
Subordinated note	25,000	444	7.10	--	--	--
Long-term debt - trust preferred securities	50,894	928	7.29	51,050	1,288	10.09
Total interest-bearing liabilities	\$ 3,159,555	\$ 20,635	2.65 %	\$ 2,358,136	\$ 19,803	3.41 %
Interest rate spread (5) (8)			2.92 %			3.15 %
Net free funds/contribution (6)	\$ 292,150		0.23	\$ 247,508		0.33
Net interest income/Net interest margin (8)		\$ 26,806	3.15 %		\$ 22,376	3.48 %
Core net interest margin (7) (8)			3.26 %			3.68 %

- (1) Liquidity management assets include available-for-sale securities, interest earning deposits with banks and federal funds sold.
- (2) Interest income on tax-advantaged loans and securities reflects a tax-equivalent adjustment based on a marginal federal corporate tax rate of 35%. The total adjustments for the quarters ended March 31, 2003 and 2002 were \$202,000 and \$208,000, respectively.
- (3) Other earning assets include brokerage customer receivables and trading account securities.
- (4) Loans, net of unearned income includes mortgages held for sale and non-accrual loans.
- (5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-bearing liabilities.
- (6) Net free funds are the difference between total average earning assets and total average interest-bearing liabilities. The contribution is based on the rate paid for total interest-bearing liabilities.
- (7) The core net interest margin excludes the impact of Wintrust's Long-term Debt - Trust Preferred Securities.
- (8) See Note 2, Supplemental Financial Measures/Ratios, on page 6 for additional information on this performance measure/ratio.

The yield on total earning assets for the first quarter of 2003 was 5.57% as compared to 6.56% in 2002, a decrease of 99 basis points, resulting primarily from the effect of decreases in general market rates of interest on liquidity management assets and loans. The yield on earning assets is heavily dependent on the yield earned on loans since average loans comprised 78% of total average earning assets in the first quarter of 2003 and 81% of average earning assets in the same period of 2002. The first quarter 2003 yield on loans was 6.13%, a 98 basis point decrease compared to the prior year first quarter yield of 7.11%. Wintrust's loan portfolio does not re-price in a parallel fashion to decreases or increases in the prime lending rate; however, it is impacted by changes in the prime lending rate. The average prime lending rate was 4.25% during the first quarter of 2003 versus 4.75% during the first quarter of 2002, reflecting a decrease of 50 basis points.

The rate paid on interest-bearing liabilities for the first quarter of 2003 was 2.65%, compared to 3.41% in the first quarter of 2002, a decline of 76 basis points. Interest-bearing deposits accounted for 90% of total interest-bearing funding in the first quarter of 2003, compared to 89% in the same period of 2002. The rate paid on interest-bearing deposits averaged 2.43% for the first quarter of 2003 versus 3.22% for the same quarter of 2002, a decrease of 79 basis points. Since the first quarter of 2002, Wintrust borrowed an additional \$50 million from the Federal Home Loan Bank, issued \$25 million of subordinated debt and hedged the interest payments on \$31.05 million of its trust-preferred securities with an interest rate swap. The average rate paid on Company's interest-bearing liabilities, excluding deposits, was 4.65% in the first quarter of 2003, a decrease of 22 basis points, compared to 4.87% in the first quarter of 2002.

The following table presents a reconciliation of the Company's tax-equivalent net interest income between the three-month periods ended March 31, 2003 and March 31, 2002 and between the three-month periods ended March 31, 2003 and December 31, 2002. The reconciliation sets forth the change in the tax-equivalent net interest income as a result of changes in volumes, the change in rates and the change due to the combination of volume and rate and the differing number of days in each quarter.

(Dollars in thousands)	First Quarter of 2003 Compared to First Quarter of 2002	First Quarter of 2003 Compared to Fourth Quarter of 2002
Tax-equivalent net interest income for comparative period	\$ 22,376	\$ 26,396
Change due to mix and growth of earning assets and interest-bearing liabilities (volume)	6,566	725
Change due to interest rate fluctuations (rate)	(1,727)	100
Change due to rate and volume fluctuations (rate/volume)	(409)	(32)
Change due to number of days in each quarter (days)	--	(383)
Tax-equivalent net interest income for the period ended March 31, 2003	\$ 26,806	\$ 26,806

NON-INTEREST INCOME

For the first quarter of 2003, non-interest income totaled \$17.7 million, an increase of \$5.0 million, or 39%, over the prior year quarter. The first quarter of 2002 includes a \$1.25 million partial settlement related to a non-recurring charge recorded by the Company in 2000. All categories of non-interest income (excluding the non-recurring settlement) increased over the first quarter of 2002. Wealth management fees and fees on mortgage loans sold accounted for the majority of the increase in non-interest income. Non-interest income as a percentage of net revenue increased to 40% in the first quarter of 2003, compared to 37% in the first quarter of 2002.

The following table presents non-interest income by category for the periods presented:

(Dollars in thousands)	THREE MONTHS ENDED MARCH 31,		\$	%
	2003	2002		
Trust and asset management fees	\$ 1,614	\$ 1,409	\$ 205	15 %
Brokerage fees	4,337	3,161	1,176	37
Total wealth management fees	5,951	4,570	1,381	30
Fees on mortgage loans sold	4,598	2,017	2,581	128
Service charges on deposit accounts	855	738	117	16
Gain on sale of premium finance receivables	1,162	766	396	52
Administrative services revenue	1,091	822	269	33
Fees from covered call options	2,144	1,568	576	37
Net available-for-sale securities gains (losses)	386	(215)	601	NM
Premium finance defalcation-partial settlement	--	1,250	(1,250)	NM
Other	1,556	1,236	320	26
Total non-interest income	\$ 17,743	\$ 12,752	\$ 4,991	39 %

N/M = calculation not meaningful

Trust and asset management fees represent the revenue streams generated by Wayne Hummer Trust Company ("WHTC") and Wayne Hummer Asset Management Company ("WHAMC"), which includes the fees generated by Lake Forest Capital Management Company ("LFCM") since its acquisition in February 2003. WHTC generates fees for assets under management, custody fees and other trust related fees and WHAMC fees include fees for advisory services to individuals and institutions, municipal and tax-exempt organizations, including the management of the Wayne Hummer Mutual Funds. WHAMC was acquired effective February 1, 2002 and LFCM was acquired effective February 1, 2003 and the results of operations of each of these acquisitions are included in the Company's financials from the effective dates of the respective acquisitions. Brokerage fees include brokerage commissions, trading commissions and insurance product commissions generated by Wayne Hummer Investments ("WHI") and Focused Investments ("FI"). WHI and FI were also acquired effective February 1, 2002 and the revenue from these entities are included in the first quarter 2002 results from that date. The increase in wealth management fees of \$1.4 million, or 30%, over the first quarter of 2002, is primarily attributable to the additional month of revenues from WHAMC, WHI and FI included in the 2003 results and the two months of revenue generated by LFCM in 2003. Recent equity market declines and weaker economic conditions have negatively impacted wealth management fees. Lower valuations of the equity securities under management affect the fees earned thereon and lower trading volumes affect brokerage fees. Wintrust is committed to growing the wealth management business in order to better service its customers and create a more diversified revenue stream, as evidenced by its acquisition of LFCM in February 2003.

Fees on mortgage loans sold include fees from originating and selling residential real estate loans into the secondary market. For the quarter ended March 31, 2003, these fees totaled \$4.6 million, an increase of \$2.6 million, or 128%, from the prior year first quarter and an increase of \$84,000 from the \$4.5 million recorded in the fourth quarter of 2002. Although these fees are a continuous source of revenue, these fees continue to increase due to higher levels of mortgage origination volumes, particularly refinancing activity caused by the historically low level of mortgage interest rates. Management anticipates that the levels of refinancing activity may taper off in 2003, barring any further reductions in mortgage interest rates.

Service charges on deposit accounts totaled \$855,000 for the first quarter of 2003, an increase of \$117,000, or 16%, when compared to the same quarter of 2002. This increase was mainly due to a larger deposit base and a greater number of accounts at the banking subsidiaries. The majority of deposit service charges relates to customary fees on overdrawn accounts and returned items. The level of service charges received is substantially below peer group levels, as management believes in the philosophy of providing high quality service without encumbering that service with numerous activity charges.

The administrative services revenue contributed by Tricom added \$1.1 million to total non-interest income in the first quarter of 2003, an increase of \$269,000 from the first quarter of 2002 and an increase of \$284,000 from the fourth quarter of 2002. This revenue comprises income from administrative services, such as data processing of payrolls, billing and cash management services, to temporary staffing service clients located throughout the United States. The revenue increase in the first quarter of 2003 is attributable to the acquisition of a competitor's customer base in early January 2003. The revenue at Tricom had declined in 2002 and 2001 due to the general slowdown in the United States economy and the reduction in the placement of temporary staffing individuals by Tricom's customers. Tricom also earns interest and fee income from providing short-term accounts receivable financing to this same client base, which is included in the net interest income category.

Fees from covered call option transactions in the first quarter of 2003 increased by \$576,000 to \$2.1 million, compared to \$1.6 million in the same quarter last year. During the first three months of 2003, call option contracts were written against \$488 million of underlying securities, compared to \$382 million in the first three months of last year. The same security may be included in this total more than once to the extent that multiple call option contracts were written against it if the initial call option contracts were not exercised. In the first three months of both years, the Company wrote call options with terms of less than three months against certain U.S. Treasury and agency securities held in its portfolio for liquidity and other purposes. The call option transactions are designed to increase the total return associated with holding certain investment securities and do not qualify as hedges pursuant to SFAS 133. There were no outstanding call options at March 31, 2003, December 31, 2002 or March 31, 2002.

As a result of continued strong loan originations of premium finance receivables, Wintrust sold premium finance receivables to an unrelated third party financial institution in the first quarter of 2003 and recognized gains totaling \$1.2 million related to this activity on sales of \$72.7 million of net receivables, compared with \$766,000 of recognized gains in the first quarter of 2002 on sales of \$61.8 million. Recognized gains related to this activity are significantly influenced by the spread between the net yield on the loans sold and the rate passed on to the purchaser. The net yield on the loans sold and the rate passed on to the purchaser typically do not react in a parallel fashion, therefore causing the spreads to vary from period to period. This spread averaged 4.52% in the first three months of 2003 compared to a range of 5.17% to 5.61% in the same period last year. The higher amount of gain recognized in the first quarter of 2003 compared to the prior year, despite lower interest spreads, was due to a higher volume of loans sold, lower estimated credit losses and adjustments from clean up calls during the periods. FIFC continues to maintain an interest in the loans sold and establishes a servicing asset, interest only strip and a recourse obligation upon each sale. Recognized gains as well as the Company's retained interests in these loans are based on the Company's projection of cash flows that will be generated from the loans. The cash flow model incorporates the amounts FIFC is contractually entitled to receive from the customers, including an estimate of late fees, the amounts due to the purchaser of the loans, commissions paid to agents as well as estimates of the term of the loans and credit losses. Significant differences in actual cash flows and the projected cash flows can cause impairment to the servicing asset and interest only strip as well as the recourse obligation. The Company typically makes a clean up call by repurchasing the remaining loans in the pools sold after approximately 10 months from the sale date. Upon repurchase, the loans are recorded in the Company's premium finance receivables portfolio and any remaining balance of the Company's retained interest is recorded as an adjustment to the gain on sale of premium finance receivables. Clean up calls made during the first quarter of 2002 resulted in charges of approximately \$281,000. The Company continuously monitors the performance of the loan pools to the projections and adjusts the assumptions in its cash flow model when warranted. In the first quarter of 2003, clean up calls resulted in increased gains of approximately \$111,000. In addition, estimated credit losses were reduced to 0.50% of the estimated average balances in the first quarter of 2003, compared to 0.75% in the first three months of 2002. The average terms of the loans during the first quarter of 2003 and 2002 were estimated at approximately 8 months. The applicable discount rate used in determining gains related to this activity was unchanged from the discount rate used in 2002.

At March 31, 2003, premium finance loans sold and serviced for others for which a recourse obligation related to credit losses is retained totaled approximately \$135.0 million. The recourse obligation is considered in computing the net gain on the sale of the premium finance receivables. At March 31, 2003, the remaining estimated recourse obligation carried in other liabilities is approximately \$716,000.

Credit losses incurred on loans sold are applied against the recourse obligation liability that is established at the date of sale. Credit losses, net of recoveries, in the first three months of 2003 for premium finance receivables sold and serviced for others totaled \$48,000. At March 31, 2003, non-performing loans related to this sold portfolio were approximately \$1.2 million, or 0.87%, of the sold loans. Ultimate losses on premium finance loans are substantially less than non-performing loans for the reason noted in the "Non-performing Premium Finance Receivables" portion of the "Asset Quality" section of this report.

Wintrust has a philosophy of maintaining its average loan-to-deposit ratio in the range of 85-90%. During the first quarter of 2003, the ratio was approximately 86%. Consistent with Wintrust's strategy to be asset-driven and the desire to maintain our loan-to-deposit ratio in the aforementioned range, it is probable that similar sales of premium finance receivables will occur in the future.

Other non-interest income for the first quarter of 2003 includes \$410,000 of income from Bank Owned Life Insurance ("BOLI"). During the third quarter of 2002, the Company purchased \$41.1 million of BOLI. The BOLI policies were purchased to consolidate existing term life insurance contracts of executive officers and to mitigate the mortality risk associated with death benefits provided for in the executives' employment contracts. Adjustments to the cash surrender value of the BOLI policies are recorded as non-interest income.

NON-INTEREST EXPENSE

Non-interest expense for the first quarter of 2003 totaled \$28.9 million, an increase of \$6.2 million, or 27%, from the first quarter 2002 total of \$22.7 million. All categories of non-interest expense increased over the first quarter of 2002, reflecting the continued growth and expansion of the Banks, the growth in the premium finance business, the addition of LFCM in the first quarter of 2003 and a full quarter's operating expenses attributable to the Wayne Hummer Companies (which were acquired effective February 1, 2002).

The following table presents non-interest expense by category for the periods presented:

(Dollars in thousands)	THREE MONTHS ENDED MARCH 31,		\$	%
	2003	2002	Change	Change
Salaries and employee benefits	\$ 17,450	\$ 13,362	4,088	31 %
Equipment	1,842	1,730	112	6
Occupancy, net	1,898	1,544	354	23
Data processing	1,053	1,014	39	4
Advertising and marketing	539	524	15	3
Professional fees	782	611	171	28
Amortization of other intangibles	139	17	122	718
Other	5,208	3,877	1,331	34
Total non-interest expense	\$ 28,911	\$ 22,679	6,232	27 %

Salaries and employee benefits totaled \$17.5 million for the first quarter of 2003, an increase of \$4.1 million, or 31%, as compared to the prior year's first quarter total of \$13.4 million. This increase was primarily due to an additional month in the first quarter of 2003 of employee costs associated with the Wayne Hummer Companies and the salary and benefit costs of Lake Forest Capital Management Company (increasing \$2.0 million), commissions associated with increased mortgage loan origination activity (increasing \$697,000) and increases in salaries and employee benefit costs as a result of continued growth and expansion of the banking franchise and normal annual increases in salaries and the employee benefit costs (increasing \$1.4 million).

Other categories of non-interest expense, such as occupancy costs, equipment expense, data processing, advertising and marketing, professional fees and other increased by \$2.1 million over the prior year first quarter due to the acquisition of the Wayne Hummer Companies, the acquisition of Lake Forest Capital Management Company and the general growth and expansion of the Banks.

INCOME TAXES

The Company recorded income tax expense of \$4.5 million for the three months ended March 31, 2003, versus \$3.5 million for the same period of 2002. The effective tax rate was 35.4% and 35.7%, in the first quarter of 2003 and 2002, respectively.

OPERATING SEGMENT RESULTS

As shown in Note 10 to the unaudited consolidated financial statements, the Company's operations consist of five primary segments: banking, premium finance, indirect auto, Tricom and wealth management. The Company's profitability is primarily dependent on the net interest income, provision for loan losses, non-interest income and operating expenses of its banking segment.

For the first quarter of 2003, the banking segment's net interest income totaled \$23.7 million, an increase of \$2.9 million, or 14%, as compared to \$20.8 million recorded in the same quarter of 2002. This increase was the direct result of earning asset growth, particularly in the loan portfolio. The banking segment's non-interest income totaled \$9.3 million for the first quarter of 2003 and increased \$4.4 million, or 89%, when compared to the prior year quarterly total of \$4.9 million. Contributing to this increase were a \$2.6 million increase in fees on mortgage loans sold, a \$576,000 increase in premium income from certain covered call option transactions, a \$601,000 increase in net securities gains and \$385,000 from BOLI. The banking segment's after-tax profit for the quarter ended March 31, 2003, totaled \$8.5 million, an increase of \$2.3 million, or 37%, as compared to the prior year quarterly total of \$6.2 million.

Net interest income from the premium finance segment totaled \$9.2 million for the quarter ended March 31, 2003, an increase of \$1.2 million, or 14%, over the \$8.1 million recorded in the same quarter of 2002. This improvement was due to an increase in average premium finance receivables of approximately 33%. Non-interest income for the three months ended March 31, 2003 totaled \$1.1 million, compared to \$2.0 million in the same quarter of 2002. Gains from the sale of premium finance receivables increased by \$396,000 compared to the same period last year. The first quarter of 2002 included pretax income of \$1.25 million for a partial settlement related to a non-recurring charge recorded in 2000. After-tax profit for the premium finance segment totaled \$4.2 million for the three-month period ended March 31, 2003, an increase of \$105,000, or 2.6%, over the same period of 2002, which included \$754,000 after-tax from the partial settlement described earlier. This increase was due to higher levels of premium finance receivables resulting from market increases in insurance premiums charged by insurance carriers and continued targeted marketing programs.

The indirect auto segment recorded \$1.8 million of net interest income for the first quarter of 2003, a decrease of \$166,000, or 8%, as compared to the 2002 quarterly total. Average outstanding loans decreased 6% in the first quarter of 2003, compared to the same quarter of 2002. After-tax segment profit totaled \$657,000 for the three-month period ended March 31, 2003, a decrease of \$71,000, or 10%, when compared to the same period of 2002. The decrease in this segment's profitability was caused mainly by the lower volume of outstanding loans compared to the first quarter of 2002, contributing to the lower levels of net interest income.

The Tricom segment data reflects the net interest income, non-interest income and segment profit associated with short-term accounts receivable financing and value-added out-sourced administrative services, such as data processing of payrolls, billing and cash management services, that Tricom provides to its clients in the temporary staffing industry. The Tricom segment reported net interest income of \$854,000 for the first quarter of 2003, a decrease of \$59,000, or 7%, compared to

\$913,000 reported in the same period of 2002. Non-interest income was \$1.1 million in the first quarter of 2003, an increase of \$270,000, or 33%, compared to \$821,000 in the first quarter of 2002. The increase in non-interest income in the first quarter of 2003 is attributable to the acquisition of a competitor's customer base in early January 2003. The segment's after-tax profit was \$397,000 in the first quarter of 2003, an increase of \$126,000, or 47%, as compared to the prior year first quarter of \$271,000.

The wealth management segment reported net interest income of \$1.6 million for the first quarter of 2003 compared to \$588,000 for the same period last year. The rise in net interest income reported is due to the net interest allocated to the segment from non-interest bearing and interest-bearing account balances on deposit at the Banks offsetting a decrease in the segment's earning assets, primarily the interest-bearing brokerage customer receivables at WHI. This segment recorded non-interest income of \$6.2 million for the first quarter of 2003 as compared to \$4.7 for the same quarter of 2002, an increase of \$1.5 million. The increase is attributable to the additional month of revenues from the Wayne Hummer Companies included in the 2003 results and the two months of revenue from Lake Forest Capital Management Company. The acquisition of Lake Forest Capital Management Company demonstrates Wintrust's commitment to growing the trust and investment business in order to better service its customers and create a more diversified revenue stream. The wealth management segment's after-tax loss totaled \$281,000 for the three-month period ended March 31, 2003, as compared to an after-tax loss of \$142,000 for the same period of 2002.

FINANCIAL CONDITION

Total assets were \$3.91 billion at March 31, 2003, representing an increase of \$960 million, or 32%, over \$2.96 billion at March 31, 2002, and \$193 million, or 21% on an annualized basis, over \$3.72 billion at December 31, 2002. Growth at the newer Banks and branches along with market share increases at the more mature Banks were the primary factors for the increases during these periods. Total funding, which includes retail deposits, wholesale borrowings and Long-term Debt-Trust Preferred Securities, was \$3.57 billion at March 31, 2003, representing an increase of \$837 million, or 31%, over the March 31, 2002 reported amounts, and \$179 million, or 21% on an annualized basis, since December 31, 2002. The increased funding was primarily utilized to fund growth in the loan portfolio of \$461 million since March 31, 2002 and \$72 million since year-end and to provide liquidity to the Company on a temporary basis. See Notes 4-8 of the Company's unaudited consolidated financial statements on pages 7-9 for additional period-end detail.

During the third quarter of 2002, the Company purchased \$41.1 million of Bank Owned Life Insurance ("BOLI"). The BOLI policies were purchased to consolidate existing term life insurance contracts of executive officers to mitigate the mortality risk associated with death benefits provided for in the executives' employment contracts. The BOLI balances as of March 31, 2003 are \$41.7 million and are included in "Accrued interest receivable and other assets" on the Company's consolidated statement of condition. Adjustments to the cash surrender value of the BOLI policies are recorded as non-interest income.

INTEREST-EARNING ASSETS

The following table sets forth, by category, the composition of average earning asset balances and the relative percentage of total average earning assets for the periods presented:

(Dollars in thousands)	THREE MONTHS ENDED					
	MARCH 31, 2003		December 31, 2002		March 31, 2002	
	BALANCE	PERCENT	Balance	Percent	Balance	Percent
Loans:						
Commercial and commercial real estate	\$ 1,283,931	37 %	\$ 1,285,811	38 %	\$ 982,902	38 %
Home equity	378,320	11	357,517	11	274,076	11
Residential real estate (1)	234,737	7	223,282	7	168,443	6
Premium finance receivables	544,114	15	495,015	15	408,869	16
Indirect auto loans	174,387	5	182,231	5	184,993	7
Tricom finance receivables	22,285	1	22,302	1	18,153	1
Consumer and other loans	57,372	2	62,345	2	64,366	2
Total loans, net of unearned income	\$ 2,695,146	78 %	\$ 2,628,503	79 %	\$ 2,101,802	81 %
Liquidity management assets (2)	715,338	21	671,887	20	458,922	17
Other earning assets (3)	41,221	1	44,431	1	44,920	2
Total earning assets	\$ 3,451,705	100 %	\$ 3,344,821	100 %	\$ 2,605,644	100 %
Total assets	\$ 3,757,564		\$ 3,637,851		\$ 2,805,594	
Total earning assets to total assets		92 %		92 %		93 %

(1) Includes mortgages held for sale.

(2) Liquidity management assets include available-for-sale securities, interest earning deposits with banks and federal funds sold and securities purchased under resale agreements.

(3) Other earning assets include brokerage customer receivables and trading account securities.

Average earning assets for the first quarter of 2003 increased \$846 million, or 32%, over the prior year first quarter and \$107 million, or 13% on an annualized basis, over the fourth quarter of 2002. The ratio of average earning assets as a percent of total average assets remained consistent at approximately 92% - 93% for each of the quarterly periods shown in the above table.

Total average loans increased \$593 million, or 28%, over the previous year first quarter. Commercial and commercial real estate loans grew on average by 31%, home equity by 38%, residential real estate by 39% and premium finance receivables by 33%, compared to the first quarter of 2002. Average loans increased \$66.6 million, or 10% on an annualized basis, over the fourth quarter of 2002. The slower growth rate in the first quarter of 2003 in average loans over the previous quarter was due in large part to the reduction in usage of mortgage warehouse lines, declining \$65.5 million on average. This resulted in average commercial and commercial real estate loan balances remaining flat compared to the fourth quarter of 2002. Home equity loans increased 24%, residential real estate loans increased 21% and premium finance receivables increased 40%, all on an annualized basis, from the fourth quarter of 2002.

Other earning assets in the table include brokerage customer receivables and trading account securities from the Wayne Hummer Companies. In the normal course of business, WHI activities involve the execution, settlement, and financing of various securities transactions. These activities may expose WHI to risk in the event the customer is unable to fulfill its contractual obligations. WHI maintains cash and margin accounts for its customers generally located in the Chicago, Illinois and Appleton, Wisconsin metropolitan areas of the Midwest.

WHI's customer securities activities are transacted on either a cash or margin basis. In margin transactions, WHI extends credit to its customers, subject to various regulatory and internal margin requirements, collateralized by cash and securities in customer's accounts. In connection with these activities, WHI executes and clears customer transactions relating to the sale of securities not yet purchased, substantially all of which are transacted on a margin basis subject to

individual exchange regulations. Such transactions may expose WHI to off-balance-sheet risk, particularly in volatile trading markets, in the event margin requirements are not sufficient to fully cover losses that customers may incur. In the event the customer fails to satisfy its obligations, WHI may be required to purchase or sell financial instruments at prevailing market prices to fulfill the customer's obligations. WHI seeks to control the risks associated with its customers' activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines. WHI monitors required margin levels daily and, pursuant to such guidelines, requires the customer to deposit additional collateral or to reduce positions when necessary.

WHI's customer financing and securities settlement activities require WHI to pledge customer securities as collateral in support of various secured financing sources such as bank loans and securities loaned. In the event the counterparty is unable to meet its contractual obligation to return customer securities pledged as collateral, WHI may be exposed to the risk of acquiring the securities at prevailing market prices in order to satisfy its customer obligations. WHI attempts to control this risk by monitoring the market value of securities pledged on a daily basis and by requiring adjustments of collateral levels in the event of excess market exposure. In addition, WHI establishes credit limits for such activities and monitors compliance on a daily basis.

DEPOSITS

The following table sets forth, by category, the composition of average deposit balances and the relative percentage of total average deposits for the periods presented:

(Dollars in thousands)	THREE MONTHS ENDED					
	MARCH 31, 2003		December 31, 2002		March 31, 2002	
	BALANCE	PERCENT	Balance	Percent	Balance	Percent
Non-interest bearing	\$ 298,977	9 %	\$ 294,152	10 %	\$ 242,012	10 %
NOW	345,299	11	351,789	11	285,756	12
NOW-Brokerage customer deposits	243,973	8	208,265	7	--	--
Money market	406,229	13	392,413	13	352,574	15
Savings	151,218	5	141,906	5	128,410	6
Time certificate of deposits	1,704,924	54	1,632,566	54	1,330,648	57
Total deposits	\$ 3,150,620	100 %	\$ 3,021,091	100 %	\$ 2,339,400	100 %

Total average deposits for the first quarter of 2003 were \$3.15 billion, an increase of \$811 million, or 35%, over the first quarter of 2002 and an increase of \$130 million, or 17% on an annualized basis, over the fourth quarter of 2002.

As previously disclosed, following its acquisition of the Wayne Hummer Companies in February 2002, Wintrust undertook efforts to migrate funds from the money market mutual fund balances managed by Wayne Hummer Asset Management Company into deposit accounts of the Wintrust Banks ("NOW - Brokerage customer deposits" in table above). Consistent with reasonable interest rate risk parameters, the funds will generally be invested in excess loan production of the Banks as well as other investments suitable for banks. As of March 31, 2003, \$252 million had migrated into an insured bank deposit product at the various Banks. The migration of additional funds to the Banks is subject to the desire of the customers to make the transition of their funds into FDIC-insured bank accounts, capital capacity of the Company and the availability of suitable investments in which to deploy the funds.

OTHER FUNDING SOURCES

Although deposits are the Company's main source of funding its interest-earning asset growth, the Company's ability to manage the types and terms of deposits is somewhat limited by customer preferences and market competition. As a result, the Company uses several other funding sources to support its interest-earning asset growth. These sources include short-term borrowings, notes payable, FHLB advances, subordinated debt, trust preferred securities, the issuance of equity securities as well as the retention of earnings.

Average total interest-bearing funding, from sources other than deposits and including trust preferred securities, decreased by \$20 million in the first quarter of 2003 to \$308 million, compared to the fourth quarter of 2002 average balance of \$328 million. These funding sources increased by \$47 million compared to the first quarter of 2002 average total balance of \$261 million.

The following table sets forth, by category, the composition of average other funding sources for the periods presented:

(In thousands)	THREE MONTHS ENDED		
	MARCH 31, 2003	December 31, 2002	March 31, 2002
Notes payable	\$ 42,837	\$ 48,522	\$ 55,384
Federal Home Loan Bank advances	140,000	140,000	90,000
Federal funds purchased	2,162	4,347	4,760
Securities sold under repurchase agreements	23,623	39,628	28,704
Wayne Hummer Companies borrowings	18,397	21,608	28,628
Other	5,000	5,000	2,222
Subordinated note	25,000	17,391	--
Long-term Debt - Trust Preferred Securities	50,894	51,050	51,050
Total other funding sources	\$ 307,913	\$ 327,546	\$ 260,748

During 2001, Wintrust initiated borrowing from the Federal Home Loan Bank ("FHLB"). The Company initially borrowed from the FHLB in the third and fourth quarters of 2001 and borrowed an additional \$50 million in the second quarter of 2002 as part of the Company's interest rate risk management.

The Wayne Hummer Companies borrowings consist of demand obligations to third party banks primarily collateralized with customer assets at interest rates approximating the fed funds rate that are used to finance securities purchased by customers on margin and securities owned by WHI and demand obligations to brokers and clearing organizations at rates approximating fed funds. The decrease in the average balance in the first quarter of 2003 compared to the fourth quarter of 2002 and the first quarter of 2002 is a result of lower balances required to finance securities purchased by customers on margin.

Other represents the Company's interest-bearing deferred portion of the purchase price of the Wayne Hummer Companies.

During the fourth quarter of 2002, the Company completed a \$25 million subordinated debt agreement with an unaffiliated bank.

Subsequent to the first quarter of 2003, the Company completed an additional \$25 million subordinated debt agreement with the same unaffiliated bank and issued \$25 million of floating rate trust preferred securities in a private placement offering. Proceeds will primarily be used to support the continued growth of the Company and to reduce other indebtedness in the near-term.

SHAREHOLDERS' EQUITY

Total shareholders' equity was \$238.9 million at March 31, 2003 and increased \$75.4 million since March 31, 2002 and \$11.9 million since the end of 2002. Significant changes from the prior year first quarter resulted from the issuance of 1,362,750 shares of common stock through an underwritten public offering completed in July 2002 (including the sale of shares subject to the underwriters' over-allotment option), through which the Company realized net proceeds of approximately \$36.5 million and the retention of earnings of approximately \$27.4 million. The increase in shareholders' equity from year-end 2002 was the result of the retention of earnings of \$6.9 million, the issuance of shares in connection with the acquisition of LFCM in February 2003 valued at \$3.5 million, and \$1.6 million from the issuance of stock pursuant to the Company's various stock incentive compensation plans. The annualized return on average equity for the three months ended March 31, 2003 decreased to 14.51% as compared to 17.12% for the first three months of 2002.

The following tables reflect various consolidated measures of capital as of the dates presented and the capital guidelines established by the Federal Reserve Bank for a bank holding company:

	MARCH 31, 2003	December 31, 2002	March 31, 2002
Leverage ratio	6.9 %	7.0 %	7.0 %
Tier 1 risk-based capital ratio	8.0	8.0	7.6
Total risk-based capital ratio	9.3	9.4	8.2
Dividend payout ratio	8.9	7.5	7.5

	Minimum Capital Requirements	Well Capitalized
Leverage ratio	4.0 %	5.0 %
Tier 1 risk-based capital ratio	4.0	6.0
Total risk-based capital ratio	8.0	10.0

The Company attempts to maintain an efficient capital structure in order to provide higher returns on equity. Additional capital is required from time to time, however, to support the growth of the organization. The issuance of additional common stock, additional trust preferred securities or subordinated debt are the primary forms of capital that are considered as the Company evaluates its capital position. As previously discussed, subsequent to the end of the first quarter, the Company completed an additional \$25 million subordinated debt agreement with an unaffiliated bank that qualifies as Tier II regulatory capital. Additionally, the Company issued \$25 million of trust preferred securities that qualify as Tier II regulatory capital and may qualify as Tier I regulatory capital subject to certain regulatory capital limitations. The Company's goal is to support the continued growth of the Company and to meet the well-capitalized total risk-based capital ratio as a result of these new issuances of regulatory capital.

On January 23, 2003, Wintrust declared a semi-annual cash dividend of \$0.08 per common share. In January and July 2002, the Company declared semi-annual cash dividends of \$0.06 per common share.

ASSET QUALITY

ALLOWANCE FOR LOAN LOSSES

A reconciliation of the activity in the balance of the allowance for loan losses for the periods presented is shown below:

(Dollars in thousands)	Three Months Ended March 31,	
	2003	2002
BALANCE AT BEGINNING OF PERIOD	\$ 18,390	\$ 13,686
PROVISION FOR LOAN LOSSES	2,641	2,348
CHARGE-OFFS:		
Commercial and commercial real estate loans	445	225
Home equity loans	--	--
Residential real estate loans	--	--
Consumer and other loans	103	76
Premium finance receivables	673	867
Indirect automobile loans	216	287
Tricom finance receivables	--	--
Total charge-offs	1,437	1,455
RECOVERIES:		
Commercial and commercial real estate loans	43	20
Home equity loans	--	--
Residential real estate loans	--	--
Consumer and other loans	23	--
Premium finance receivables	67	63
Indirect automobile loans	42	30
Tricom finance receivables	4	5
Total recoveries	179	118
NET CHARGE-OFFS	(1,258)	(1,337)
BALANCE AT MARCH 31	\$ 19,773	\$ 14,697
Annualized net charge-offs as a percentage of average:		
Commercial and commercial real estate loans	0.13 %	0.08 %
Home equity loans	--	--
Residential real estate loans	--	--
Consumer and other loans	0.57	0.48
Premium finance receivables	0.45	0.80
Indirect automobile loans	0.40	0.56
Tricom finance receivables	(0.07)	(0.11)
Total loans	0.19 %	0.26 %
Net charge-offs as a percentage of the provision for loan losses	47.63 %	56.94 %
Loans at March 31	\$ 2,628,480	\$ 2,167,550
Allowance as a percentage of loans at period-end	0.75 %	0.68 %

Management believes that the loan portfolio is well diversified and well secured, without undue concentration in any specific risk area. Loan quality is continually monitored by management and is reviewed by the Banks' Boards of Directors and their Credit Committees on a monthly basis. Independent external review of the loan portfolio is provided by the examinations conducted by regulatory authorities and an independent loan review performed by an entity engaged by the Board of Directors. The amount of additions to the allowance for loan losses, which is charged to earnings through the provision for loan losses, is determined based on management's assessment of the adequacy of the allowance for loan losses. Management evaluates on a quarterly basis a variety of factors, including actual charge-offs during the year, historical loss experience, delinquent and other potential problem loans, and economic conditions and trends in the market area in assessing the adequacy of the allowance for loan losses.

The provision for loan losses totaled \$2.6 million for the first quarter of 2003, an increase of \$293,000 from a year earlier. For the quarter ended March 31, 2003, net charge-offs totaled \$1.3 million, down \$79,000 from the \$1.3 million of net charge-offs recorded in the same period of 2002. On a ratio basis, annualized net charge-offs as a percentage of average loans decreased to 0.19% in the first quarter of 2003 from 0.26% in the same period in 2002.

The allowance for loan losses is maintained at a level believed adequate by management to cover losses inherent in the portfolio and is based on an assessment of individual problem loans, actual and anticipated loss experience and other pertinent factors. The allowance for loan losses consists of an allocated and unallocated component. The Company reviews potential problem loans on a case-by-case basis to allocate a specific dollar amount of reserves, whereas all other loans are reserved for based on assigned reserve percentages evaluated by loan groupings. The loan groupings utilized by the Company are commercial, commercial real estate, residential real estate, home equity, premium finance receivables, indirect automobile, Tricom finance receivables and consumer. The reserve percentages applied to these loan groups attempts to account for the inherent risk in the portfolio based upon various factors including industry concentration, geographical concentrations, local and national economic indicators, levels of delinquencies, historical loss experience including an analysis of the lack of maturity in the loan portfolio, changes in trends in risk ratings assigned to loans, changes in underwriting standards and other pertinent factors. The unallocated portion of the allowance for loan losses reflects management's estimate of probable inherent but undetected losses within the portfolio due to uncertainties in economic conditions, delays in obtaining information, including unfavorable information about a borrower's financial condition, the difficulty in identifying triggering events that correlate perfectly to subsequent loss rates, and risk factors that have not yet manifested themselves in loss allocation factors. Management believes the unallocated portion of the allowance for loan losses is necessary due to the imprecision inherent in estimating expected future credit losses. The amount of future additions to the allowance for loan losses will be dependent upon the economy, changes in real estate values, interest rates, the regulatory environment, the level of past-due and non-performing loans, and other factors. (See "Past Due Loans and Non-performing Assets" below).

The increase in the allowance for loan losses of \$1.4 million from December 31, 2002 to March 31, 2003, is primarily related to growth in the premium finance receivables portfolio of \$70.5 million, or 62% on an annualized basis, as well as the increase in the performing loans on the Company's Watch List from \$34.3 million at December 31, 2002 to \$42.3 million at March 31, 2003. The allowance for loan losses as a percentage of total loans was 0.75% at March 31, 2003, compared to 0.68% at March 31, 2002. The commercial and commercial real estate portfolios and the premium finance portfolio have traditionally experienced the highest levels of charge-offs by the Company, along with losses related to the indirect automobile portfolio. The level of the allowance for loan losses was not impacted significantly by changes in the amount or credit risk associated with the indirect automobile loan portfolio as that portfolio has decreased by \$8.9 million, or 20% on an annualized basis, from December 31, 2002, and improvements have been made in the delinquencies, underwriting standards and collection routines.

PAST DUE LOANS AND NON-PERFORMING ASSETS

The following table sets forth the Company's non-performing assets as of the dates presented:

(Dollars in thousands)	MARCH 31, 2003	December 31, 2002	March 31 2002

PAST DUE GREATER THAN 90 DAYS AND STILL ACCRUING:			
Residential real estate and home equity	\$ 13	\$ 32	\$ 136
Commercial, consumer and other	2,053	3,047	208
Premium finance receivables	1,574	2,198	1,582
Indirect automobile loans	399	423	249
Tricom finance receivables	--	--	--

Total past due greater than 90 days and still accruing	4,039	5,700	2,175

NON-ACCRUAL LOANS:			
Residential real estate and home equity	375	711	1,912
Commercial, consumer and other	2,053	1,132	742
Premium finance receivables	5,694	4,725	6,277
Indirect automobile loans	246	254	266
Tricom finance receivables	14	20	104

Total non-accrual	8,382	6,842	9,301

TOTAL NON-PERFORMING LOANS:			
Residential real estate and home equity	388	743	2,048
Commercial, consumer and other	4,106	4,179	950
Premium finance receivables	7,268	6,923	7,859
Indirect automobile loans	645	677	515
Tricom finance receivables	14	20	104

Total non-performing loans	12,421	12,542	11,476

OTHER REAL ESTATE OWNED	984	76	100

TOTAL NON-PERFORMING ASSETS	\$ 13,405	\$ 12,618	\$ 11,576
	=====		
Total non-performing loans by category as a percent of its own respective category:			
Residential real estate and home equity	0.07 %	0.14 %	0.48 %
Commercial, consumer and other	0.30	0.30	0.08
Premium finance receivables	1.37	1.50	1.90
Indirect automobile loans	0.38	0.38	0.28
Tricom finance receivables	0.06	0.10	0.59

Total non-performing loans	0.47 %	0.49 %	0.53 %

Total non-performing assets as a percentage of total assets	0.34 %	0.34 %	0.39 %

Allowance for loan losses as a percentage of non-performing loans			
	159.19 %	146.63 %	128.07 %
	=====		

The information in the table should be read in conjunction with the detailed discussion following the table.

Non-performing Residential Real Estate, Commercial, Consumer and Other Loans

Total non-performing loans for Wintrust's residential real estate, commercial, consumer and other loans were \$4.5 million, up from the \$3.0 million reported at March 31, 2002, and down from the \$4.9 million reported at December 31, 2002. These loans consist primarily of a small number of commercial, residential real estate and home equity loans, which management believes are well secured and in the process of collection. The small number of such non-performing loans allows management to monitor the status of these credits and work with the borrowers to resolve these problems effectively.

Non-performing Premium Finance Receivables

The table below presents the level of non-performing premium finance receivables as of March 31, 2003 and 2002, and the amount of net charge-offs for the quarters then ended.

(Dollars in thousands)	MARCH 31, 2003	March 31, 2002
Non-performing premium finance receivables	\$ 7,268	\$ 7,859
- as a percent of premium finance receivables	1.37%	1.90%
Net charge-offs of premium finance receivables	\$ 606	\$ 804
- as a percent of premium finance receivables	0.45%	0.80%

Management continues to see progress in this portfolio and continues to expect the level of non-performing loans related to this portfolio to remain at relatively low levels.

The ratio of non-performing premium finance receivables fluctuates throughout the year due to the nature and timing of canceled account collections from insurance carriers. Due to the nature of collateral for premium finance receivables it customarily takes 60-150 days to convert the collateral into cash collections. Accordingly, the level of non-performing premium finance receivables is not necessarily indicative of the loss inherent in the portfolio. In the event of default, Wintrust has the power to cancel the insurance policy and collect the unearned portion of the premium from the insurance carrier. In the event of cancellation, the cash returned in payment of the unearned premium by the insurer should generally be sufficient to cover the receivable balance, the interest and other charges due. Due to notification requirements and processing time by most insurance carriers, many receivables will become delinquent beyond 90 days while the insurer is processing the return of the unearned premium. Management continues to accrue interest until maturity as the unearned premium is ordinarily sufficient to pay-off the outstanding balance and contractual interest due.

Non-performing Indirect Automobile Loans

Total non-performing indirect automobile loans were \$645,000 at March 31, 2003, increasing from \$515,000 at March 31, 2002 and decreasing from \$677,000 at December 31, 2002. The ratio of these non-performing loans to total indirect automobile loans stood at 0.38% of total indirect automobile loans at March 31, 2003, 0.28% at March 31, 2002 and 0.38% at December 31, 2002. As noted in the Allowance for Loan Losses table, net charge-offs as a percent of total indirect automobile loans has decreased from 0.56% in the first quarter of 2002 to 0.40% in the first quarter of 2003. The level of non-performing and net charge-offs of indirect automobile loans continues to be below standard industry ratios for this type of lending. Due to the impact of the current economic and competitive environment surrounding this type of lending, management continues to de-emphasize, in relation to other loan categories, growth in the indirect automobile loan portfolio. Indirect automobile loans at March 31, 2003 were \$169.3 million, down from \$178.2 million at December 31, 2002 and \$184.4 million at March 31, 2002.

Potential Problem Loans

Management believes that any loan where there are serious doubts as to the ability of such borrowers to comply with the present loan repayment terms should be identified as a non-performing loan and should be included in the disclosure of "Past Due Loans and Non-performing Assets" on page 32. Accordingly, at the periods presented in this report, the Company has no potential problem loans as defined by Securities and Exchange Commission regulations.

Credit Quality Review Procedures

The Company utilizes a loan rating system to assign risk to loans and utilizes that risk rating system to assist in developing an internal problem loan identification system ("Watch List"). The Watch List is used to monitor the credits as well as a means of reporting non-performing and potential problem loans. At each scheduled meeting of the Boards of Directors of the Banks and the Wintrust Board, a Watch List is presented, showing all loans that are non-performing and loans that may warrant additional monitoring. Accordingly, in addition to those loans disclosed under "Past Due Loans and Non-performing Assets," there are certain loans in the portfolio which management has identified, through its Watch List, which exhibit a higher than normal credit risk. These credits are reviewed individually by management to determine whether any specific reserve amount should be allocated for each respective credit. However, these loans are still performing and, accordingly, are not included in non-performing loans. Management's philosophy is to be proactive and conservative in assigning risk ratings to loans and identifying loans to be included on the Watch List. The principal amount of loans on the Company's Watch List (exclusive of those loans reported as non-performing) as of March 31, 2003, December 31, 2002 and March 31, 2002 were \$42.3 million, \$34.3 million and \$30.2 million, respectively. We believe these loans are performing and, accordingly, do not cause management to have serious doubts as to the ability of such borrowers to comply with the present loan repayment terms.

LIQUIDITY

Wintrust manages the liquidity position of its banking operations to ensure that sufficient funds are available to meet customers' needs for loans and deposit withdrawals. The liquidity to meet the demand is provided by maturing assets, sales of premium finance receivables, liquid assets that can be converted to cash, and the ability to attract funds from external sources. Liquid assets refer to federal funds sold and to marketable, unpledged securities, which can be quickly sold without material loss of principal.

Please refer to the Interest-Earning Assets, Deposits, Other Funding Sources and Shareholders' Equity discussions on pages 26-29 for additional information regarding the Company's liquidity position.

INFLATION

A banking organization's assets and liabilities are primarily monetary. Changes in the rate of inflation do not have as great an impact on the financial condition of a bank as do changes in interest rates. Moreover, interest rates do not necessarily change at the same percentage as does inflation. Accordingly, changes in inflation are not expected to have a material impact on the Company. An analysis of the Company's asset and liability structure provides the best indication of how the organization is positioned to respond to changing interest rates. See "Quantitative and Qualitative Disclosure About Market Risks" beginning on page 36.

FORWARD-LOOKING STATEMENTS

This document contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. 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 anticipated improvements in financial performance and management's long-term performance goals, as well as statements relating to the anticipated effects on results of operations and financial condition from expected development or events, the Company's business and growth strategies, including anticipated internal growth, plans to form additional de novo banks and to open new branch offices, and to pursue additional potential development or the acquisition of banks, specialty finance or fee-related businesses. Actual results could differ materially from those addressed in the forward-looking statements as a result of numerous factors, including the following:

- o The level of reported net income, return on average assets and return on average equity for the Company will in the near term continue to be impacted by start-up costs associated with de novo bank formations, branch openings, and expanded trust and investment operations. De novo banks may typically require 13 to 24 months of operations before becoming profitable, due to the impact of organizational and overhead expenses, the start-up phase of generating deposits and the time lag typically involved in redeploying deposits into attractively priced loans and other higher yielding earning assets. Similarly the expansion of wealth management services through the Company's acquisitions of the Wayne Hummer Companies and Lake Forest Capital Management will depend on the successful integration of these businesses.
- o The Company's success to date has been and will continue to be strongly influenced by its ability to attract and retain senior management experienced in banking and financial services.
- o Although management believes the allowance for loan losses is adequate to absorb losses that may develop in the existing portfolio of loans and leases, there can be no assurance that the allowance will prove sufficient to cover actual loan or lease losses.
- o If market interest rates should move contrary to the Company's gap position on interest earning assets and interest bearing liabilities, the "gap" will work against the Company and its net interest income may be negatively affected.
- o The financial services business is highly competitive which may affect the pricing of the Company's loan and deposit products as well as its services.
- o The Company may not be able to successfully adapt to technological changes to compete effectively in the marketplace.
- o Unforeseen future events that may cause slower than anticipated development and growth of the Tricom business and/or changes in the temporary staffing industry.
- o Changes in the economic environment, competition, or other factors, may influence the anticipated growth rate of loans and deposits, the quality of the loan portfolio and the pricing of loans and deposits and may affect the Company's ability to successfully pursue acquisition and expansion strategies.
- o The conditions in the financial markets and economic conditions generally, as well as unforeseen future events surrounding the wealth management business, including competition and related pricing of brokerage, trust and asset management products.

ITEM 3

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISKS

As a continuing part of its financial strategy, the Company attempts to manage the impact of fluctuations in market interest rates on net interest income. This effort entails providing a reasonable balance between interest rate risk, credit risk, liquidity risk and maintenance of yield. Asset-liability management policies are established and monitored by management in conjunction with the boards of directors of the Banks, subject to general oversight by the Company's Board of Directors. The policy establishes guidelines for acceptable limits on the sensitivity of the market value of assets and liabilities to changes in interest rates.

Interest rate risk arises when the maturity or repricing periods and interest rate indices of the interest earning assets, interest bearing liabilities, and derivative financial instruments are different. It is the risk that changes in the level of market interest rates will result in disproportionate changes in the value of, and the net earnings generated from, the Company's interest earning assets, interest bearing liabilities and derivative financial instruments. The Company continuously monitors not only the organization's current net interest margin, but also the historical trends of these margins. In addition, management attempts to identify potential adverse swings in net interest income in future years, as a result of interest rate movements, by performing simulation analysis of potential interest rate environments. If a potential adverse swing in net interest margin and/or net income is identified, management then would take appropriate actions with its asset-liability structure to counter these potentially adverse situations. Please refer to earlier sections of this discussion and analysis for further discussion of the net interest margin.

As the Company's primary source of interest bearing liabilities is customer deposits, the Company's ability to manage the types and terms of such deposits may be somewhat limited by customer preferences and local competition in the market areas in which the Company operates. The rates, terms and interest rate indices of the Company's interest earning assets result primarily from the Company's strategy of investing in loans and short-term securities that permit the Company to limit its exposure to interest rate risk, together with credit risk, while at the same time achieving an acceptable interest rate spread.

The Company's exposure to interest rate risk is reviewed on a regular basis by management and the boards of directors of the Banks and the Company. The objective is to measure the effect on net income and to adjust balance sheet and derivative financial instruments to minimize the inherent risk while at the same time maximizing net interest income. Tools used by management include a standard gap analysis and a rate simulation model whereby changes in net interest income are measured in the event of various changes in interest rate indices. An institution with more assets than liabilities repricing over a given time frame is considered asset sensitive and will generally benefit from rising rates, and conversely, a higher level of repricing liabilities versus assets would be beneficial in a declining rate environment.

Standard gap analysis starts with contractual repricing information for assets, liabilities and derivative financial instruments. These items are then combined with repricing estimations for administered rate (NOW, savings and money market accounts) and non-rate related products (demand deposit accounts, other assets, other liabilities). These estimations recognize the relative insensitivity of these accounts to changes in market interest rates, as demonstrated through current and historical experiences. Also included are estimates for those items that are likely to materially change their payment structures in different rate environments, including residential loan products, certain commercial and commercial real estate loans and certain mortgage-related securities. Estimates for these sensitivities are based on industry assessments and are substantially driven by the differential between the contractual coupon of the item and current market rates for similar products.

The following table illustrates the Company's estimated interest rate sensitivity and periodic and cumulative gap positions as of March 31, 2003:

	Time to Maturity or Repricing				
(Dollars in thousands)	0-90 Days	91-365 Days	1-5 Years	Over 5 Years	Total
ASSETS:					
Federal funds sold and securities purchased under resale agreements	\$ 331,640	\$ --	\$ --	\$ --	\$ 331,640
Interest-bearing deposits with banks	4,870	--	--	--	4,870
Available-for-sale securities	280,496	80,839	45,879	96,976	504,190
Total liquidity management assets	617,006	80,839	45,879	96,976	840,700
Loans, net of unearned income (1)	1,750,714	482,465	448,342	43,309	2,724,830
Other earning assets	41,182	--	--	--	41,182
Total earning assets	2,408,902	563,304	494,221	140,285	3,606,712
Other non-earning assets	--	--	--	308,283	308,283
Total assets (RSA)	\$ 2,408,902	\$563,304	\$494,221	\$ 448,568	\$ 3,914,995
LIABILITIES AND SHAREHOLDERS' EQUITY:					
Interest-bearing deposits (2)	\$ 1,610,010	\$654,511	\$683,267	\$ 9,300	\$ 2,957,088
Federal Home Loan Bank advances	--	--	121,000	19,000	140,000
Notes payable and other borrowings	88,643	--	--	--	88,643
Subordinated note	25,000	--	--	--	25,000
Long-term Debt - Trust Preferred Securities	--	--	--	51,004	51,004
Total interest-bearing liabilities	1,723,653	654,511	804,267	79,304	3,261,735
Demand deposits	--	--	--	313,207	313,207
Other liabilities	--	--	--	101,148	101,148
Shareholders' equity	--	--	--	238,905	238,905
EFFECT OF DERIVATIVE FINANCIAL INSTRUMENTS:					
Interest rate swap (Company pays fixed, receives floating)	(50,000)	25,000	--	25,000	--
Interest rate swap (Company pays floating, receives fixed)	31,050	(31,050)	--	--	--
Total liabilities and shareholders' equity including effect of derivative financial instruments (RSL)	\$ 1,704,703	\$648,461	\$804,267	\$ 757,564	\$ 3,914,995
Repricing gap (RSA - RSL)	\$ 704,199	\$ (85,157)	\$ (310,046)	\$(308,996)	
Cumulative repricing gap	\$ 704,199	\$619,042	\$308,996	\$ --	
Cumulative RSA/Cumulative RSL	141%	126%	110%		
Cumulative RSA/Total assets	62%	76%	89%		
Cumulative RSL/Total assets	44%	60%	81%		
Cumulative GAP/Total assets	18%	16%	8%		
Cumulative GAP/Cumulative RSA	29%	21%	9%		
(1) Loans, net of unearned income, include mortgages held for sale and nonaccrual loans.					
(2) Non-contractual interest-bearing deposits are subject to immediate withdrawal and, therefore, are included in 0-90 days.					

While the gap position and related ratios illustrated in the table are useful tools that management can use to assess the general positioning of the Company's and its subsidiaries' balance sheets, it is only as of a point in time.

Management uses an additional measurement tool to evaluate its asset-liability sensitivity that determines exposure to changes in interest rates by measuring the percentage change in net interest income due to changes in interest rates over a two-year time horizon. Management measures its exposure to changes in interest rates using many different interest rate scenarios. One interest rate scenario utilized is to measure the percentage change in net interest income assuming an instantaneous permanent parallel shift in the yield curve of 200 basis points, both upward and downward. Utilizing this measurement concept, the interest rate risk of the Company, expressed as a percentage change in net interest income over a two-year time horizon due to changes in interest rates, at March 31, 2003, December 31, 2002 and March 31, 2002, is as follows:

	+ 200 Basis Points	- 200 Basis Points
Percentage change in net interest income due to an immediate 200 basis point shift in the yield curve:		
MARCH 31, 2003	6.9%	(25.9)%
December 31, 2002	7.5%	(26.4)%
March 31, 2002	6.9%	(12.3)%

These results are based solely on a permanent parallel shift in the yield curve and do not reflect the net interest income sensitivity that may arise from other factors, such as changes in the shape of the yield curve or the change in spread between key market rates. The above results are conservative estimates due to the fact that no management action to mitigate potential changes in net interest income are included in this simulation process. These management actions could include, but would not be limited to, delaying a change in deposit rates, extending the maturities of liabilities, the use of derivative financial instruments, changing the pricing characteristics of loans or modifying the growth rate of certain types of assets or liabilities.

As the table above shows, management has positioned the balance sheet so that the Company benefits from a rise in interest rates and believes this is a prudent position. Until a rise in rates occurs, the Company is fortunate that the business strategy provides a solid base to grow the deposit and loan portfolios. This growth in the balance sheet has helped fuel earnings growth despite the lower net interest margins. The Company also mitigates the net interest margin pressure by realizing income from strong residential real estate lending activity and by using income from covered call option transactions to, in effect, hedge a portion of the reduced net interest income. Management actively monitors the relationships between growth, net interest income and other income to provide for earnings growth in a tough interest rate environment.

One method utilized by financial institutions to manage interest rate risk is to enter into derivative financial instruments. A derivative financial instrument includes interest rate swaps, interest rate caps and floors, futures, forwards, option contracts and other financial instruments with similar characteristics. During 2001, the Company entered into a \$25 million notional principal amount interest rate swap contract that matures in February 2004. This contract effectively converts a portion of the Company's floating-rate notes payable to a fixed-rate basis, thus reducing the impact of rising interest rates on future interest expense. During the fourth quarter of 2002, the Company renewed and increased its revolving loan agreement, and completed a \$25 million subordinated debt agreement with an unaffiliated bank that qualifies as Tier II regulatory capital. The Company also entered into two interest rate swap contracts in 2002. A \$25 million notional principal amount swap was entered into to convert the newly issued subordinated note from variable-rate to fixed-rate. The swap matures in 2012, and the notional principal amount is reduced \$5 million annually, beginning in 2008, to match the principal reductions on the subordinated note. Additionally, a \$31.05 million interest rate swap contract was entered into to convert the Company's 9% Trust Preferred Securities from fixed-rate to variable-rate. This swap has a termination date of September 30, 2028, and provides the counterparty with a call option on any date on or after September 30, 2003. The call option in the swap coincides with the Company's call option in the trust preferred securities. All of the Company's interest rate swap contracts qualify as perfect hedges pursuant to SFAS 133.

During the first quarter of 2003, the Company also entered into certain covered call option transactions related to certain securities held by the Company. The Company uses these covered call option transactions (rather than entering into other derivative interest rate contracts, such as interest rate floors), to mitigate the effects of an asset-sensitive balance sheet in a falling rate environment and increase the total return associated with the related securities. Although the revenue from these covered call option transactions is recorded as non-interest income rather than interest income, the increased return

attributable to the related securities from these transactions contributes to the Company's overall profitability. The Company's exposure to interest rate risk may be effected by these transactions. To mitigate this risk, the Company may acquire fixed rate term debt or use financial derivative instruments. There were no call options outstanding as of March 31, 2003.

ITEM 4

CONTROLS AND PROCEDURES

Within the 90 days prior to the date of this report, the Company's Chief Executive Officer and Chief Financial Officer carried out an evaluation under their supervision, with the participation of other members of management as they deemed appropriate, of the effectiveness of the design and operation of the Company's disclosure controls and procedures as contemplated by Exchange Act Rule 13a-15. Based upon, and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective, in all material respects, in timely alerting them to material information relating to the Company (and its consolidated subsidiaries) required to be included in the periodic reports the Company is required to file and submit to the SEC under the Exchange Act.

There have been no significant changes to the Company's internal controls or in other factors that could significantly affect these controls subsequent to the date that the internal controls were most recently evaluated. There were no significant deficiencies or material weaknesses identified in that evaluation and, therefore, no corrective actions were taken.

PART II - OTHER INFORMATION

ITEM 1: LEGAL PROCEEDINGS.

This item has been omitted from this Form 10-Q since it is inapplicable or would contain a negative response.

ITEM 2: CHANGES IN SECURITIES AND USE OF PROCEEDS.

None.

ITEM 3: DEFAULTS UPON SENIOR SECURITIES.

None.

ITEM 4: SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.

None

ITEM 5: OTHER INFORMATION.

None.

ITEM 6: EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits

3.1 Amended and Restated Articles of Incorporation of Wintrust Financial Corporation (incorporated by reference to Exhibit 3.1 of the Company's Form S-1 Registration Statement (No. 333-18699) filed with the Securities and Exchange Commission on December 24, 1996).

3.2 Statement of Resolution Establishing Series of Junior Serial Preferred Stock A of Wintrust Financial Corporation (incorporated by reference to Exhibit 3.2 of the Company's Form 10-K for the year ended December 31, 1998).

3.3 Amended and Restated By-laws of Wintrust Financial Corporation

4.1 Rights Agreement between Wintrust Financial Corporation and Illinois Stock Transfer Company, as Rights Agent, dated July 28, 1998 (incorporated by reference to Exhibit 4.1 of the Company's Form 8-A Registration Statement (No. 000-21923) filed with the Securities and Exchange Commission on August 28, 1998).

4.2 Certain instruments defining the rights of holders of long-term debt of the Company and certain of its subsidiaries, none of which authorize a total amount of indebtedness in excess of 10% of the total assets of the Company and its subsidiaries on a consolidated basis, have not been filed as Exhibits. The Company hereby agrees to furnish a copy of any of these agreements to the Commission upon request.

99.1 Certification of President and Chief Executive Officer and Executive Vice President and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

Reports on Form 8-K.

- Form 8-K report filed with the SEC on January 16, 2003, provided the Company's first quarter 2003 earnings release dated January 16, 2003.

- Form 8-K report filed with the SEC on February 4, 2003, provided the Company's press release dated February 4, 2003 announcing the consummation of the previously announced acquisition of Lake Forest Capital Management Company.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WINTRUST FINANCIAL CORPORATION

(Registrant)

Date: May 14, 2003

/s/ DAVID L. STOEHR

*-----
Executive Vice President and
Chief Financial Officer
(Principal Financial and Accounting Officer)*

CERTIFICATIONS

I, Edward J. Wehmer, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wintrust Financial Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ EDWARD J. WEHMER

*-----
Name: Edward J. Wehmer*

Title: President and Chief Executive Officer

CERTIFICATIONS

I, David L. Stoehr, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Wintrust Financial Corporation;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:
 - a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
 - b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and
 - c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;
5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):
 - a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and
6. The registrant's other certifying officers and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: May 14, 2003

/s/ DAVID L. STOEHR

*-----
Name: David L. Stoehr*

*Title: Executive Vice President
and Chief Financial Officer*

EXHIBIT INDEX

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AMENDED AND RESTATED BY-LAWS
OF
WINTRUST FINANCIAL CORPORATION
(AN ILLINOIS CORPORATION)

ARTICLE I

OFFICES

Wintrust Financial Corporation (the "corporation") shall continuously maintain in the State of Illinois a registered office and a registered agent whose office is identical with such registered office, and may have other offices within or without the state.

ARTICLE II

SHAREHOLDERS

SECTION 2.1 ANNUAL MEETING. An annual meeting of the shareholders shall be held on the fourth Thursday in May of each year, or such other date as designated by the board of directors, for the purpose of electing directors and for the transaction of such other business as may come before the meeting. If the directors shall not be elected at the annual meeting, or at any adjournment thereof, the board of directors shall cause the election to be held as soon thereafter as practicable.

SECTION 2.2 SPECIAL MEETINGS. Special meetings of the shareholders may be called either by the chairman of the board of directors or president for the purpose or purposes stated in the call of the meeting.

SECTION 2.3 PLACE OF MEETING. The board of directors may designate any place as the place of meeting for any annual meeting or for any special meeting called by the board of directors. If no designation is made, or if a special meeting be otherwise called, the place of meeting shall be at the office of the registered agent of the corporation in the State of Illinois.

SECTION 2.4 NOTICE OF MEETINGS. Written notice stating the place, date, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called shall be delivered not less than ten nor more than forty days before the date of the meeting, or in the case of a merger or consolidation not less than twenty nor more than forty days before the meeting, either personally or by mail, by or at the direction of the president, or the secretary, or the officer or persons calling the meeting. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail, addressed to the shareholder's address as it appears on the records of the corporation, with postage thereon prepaid. When a meeting is adjourned to another time or place, notice need not be given of the adjourned meeting if the time and place thereof are announced at the meeting at which the adjournment is taken.

SECTION 2.5 NOTIFICATION OF SHAREHOLDER PROPOSED BUSINESS. At an annual or special meeting of shareholders, only such business shall be conducted as shall have been properly brought before the meeting. To properly bring business before an annual or special meeting of shareholders, written notice of such shareholder's intent to make such proposal or proposals, including the nomination for election of director, must be given either by personal delivery or by United States mail postage prepaid and received by the Secretary of the corporation not later than the following dates: (i) with respect to an annual meeting of shareholders, 60 days in advance of such meeting if such meeting is to be held on a day which is within 30 days preceding the anniversary date of the previous year's annual meeting or 90 days in advance of such meeting if such meeting is to be held on or after the anniversary of the previous year's annual meeting; and (ii) with respect to any other annual or special meeting of shareholders, the close of business on the tenth day following the date of public disclosure of the date of such meeting. A shareholder's notice to the Secretary shall set forth as to each item of business the shareholder proposes to bring before such meeting: (a) a brief description of the business desired to be brought before the meeting, and in this case of a nomination for election of director, such nominee's name and qualifications, and the reasons for conducting the business at the meeting; (b) the name and record address of the shareholder who proposes such business; (c) the number of shares of stock of the Corporation beneficially owned by such shareholder; and (d) a description of all arrangements or understandings between the shareholder and any other person or persons (naming such person or persons) pursuant to which the proposal or proposals are to be made by the shareholder and any material interest of the shareholder in the business being proposed. The chairman of the meeting may refuse to acknowledge the proposal of any shareholder not made in compliance with this Section 2.5.

Notwithstanding anything in the by-laws to the contrary, no business shall be brought before or conducted at an annual or special meeting by a shareholder except in accordance with the procedures set forth in this Section 2.5; provided, however, that nothing in this Section 2.5 shall be deemed to preclude discussion by any shareholder of any business properly brought before a shareholder meeting.

SECTION 2.6 POSTPONEMENT AND ADJOURNMENT OF MEETINGS. Prior to any annual or special meeting of shareholders being called to order, the board of directors may postpone such previously scheduled annual or special meeting of shareholders at any time whether or not a quorum is present without further notice. The board of directors may adjourn any previously scheduled annual or special meeting of shareholders at any time whether or not a quorum is present without further notice.

SECTION 2.7 FIXING OF RECORD DATE. For the purpose of determining the shareholders entitled to notice of or to vote at any meeting of shareholders or any adjournment thereof, or to receive payment of any dividend, or other distribution or allotment of any rights, or to exercise any rights in respect of any change, conversion or exchange of shares or for the purpose of any other lawful action, the board of directors of the corporation may fix in advance a record date which shall not be more than sixty days, and for a meeting of shareholders, not less than ten days, or in the case of a merger or consolidation not less than twenty days, before the date of such meeting. If no record date is fixed, the record date for the determination of shareholders shall be the date on which the notice of the meeting is mailed, and the record date for the determination of shareholders for any other purpose shall be the date on which the board of directors adopts the resolution relating thereto. A determination of shareholders of record entitled to notice of or to vote at a meeting of shareholders shall apply to any adjournment of the meeting.

SECTION 2.8 VOTING LISTS. The officer or agent having charge of the transfer books for shares of the corporation shall make, at least ten days before each meeting of shareholders, a complete list of the shareholders entitled to vote at such meeting, arranged in alphabetical order, showing the address of and the number of shares registered in the name of the shareholder, which list, for a period of ten days prior to such meeting, shall be kept on file at the registered office of the corporation and shall be open to inspection by any shareholder for any purpose germane to the meeting, at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting and may be inspected by any shareholder during the whole time of the meeting. The original share ledger or transfer books, or a duplicate thereof kept in this State, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book or to vote at any meeting of shareholders.

SECTION 2.9 QUORUM. The holders of a majority of the outstanding common shares of the corporation, present in person or represented by proxy, shall constitute a quorum at any meeting of shareholders; provided that if less than a majority of the outstanding shares are represented at said meeting, a majority of the shares so represented may adjourn the meeting at any time without further notice. If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by The Business Corporation Act of the State of Illinois (the "BCA"), the articles of incorporation or these by-laws. At any adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted at the original meeting. Withdrawal of shareholders from any meeting shall not cause failure of a duly constituted quorum at that meeting.

SECTION 2.10 PROXIES. Each shareholder entitled to vote at a meeting of shareholders or dissent to corporate action in writing without a meeting may authorize another person or persons to act for such shareholder by proxy executed in writing by such shareholder or his or her duly authorized attorney-in-fact, but no such proxy shall be valid after eleven months from the date of its execution, unless otherwise provided in the proxy.

SECTION 2.11 VOTING OF SHARES. Each outstanding common share shall be entitled to one vote upon each matter submitted to vote at a meeting of shareholders. Any preferred stock shall have such rights, voting or otherwise, as shall be determined by the board of directors and as set forth in a certificate of designation filed with the Illinois Secretary of State.

SECTION 2.12 VOTING OF SHARES BY CERTAIN HOLDERS. Shares standing in the name of another corporation, domestic or foreign, may be voted by such officer, agent, or proxy as the by-laws of such corporation may prescribe, or, in the absence of such provision, as the board of directors of such corporation may determine.

Shares standing in the name of a deceased person, a minor ward or an incompetent person, may be voted by the administrator, executor, court appointed guardian, or conservator of such person or such person's estate, either in person or by proxy without a transfer of such shares into the name of such administrator, executor, court appointed guardian, or conservator. Shares standing in the name of a trustee may be voted by the trustee, either in person or by proxy.

Shares standing in the name of a receiver may be voted by such receiver, and shares held by or under the control of a receiver may be voted by such receiver without the transfer thereof into the receiver's name if authority so to do be contained in the appropriate order of the court by which such receiver was appointed.

A shareholder whose shares are pledged shall be entitled to vote such shares until the shares have been transferred into the name of the pledgee, and thereafter the pledgee shall be entitled to vote the shares so transferred.

Any number of shareholders may create a voting trust for the purpose of conferring upon a trustee or trustees the right to vote or otherwise represent their shares, for a period not to exceed ten years by entering into a written voting trust agreement specifying the terms and conditions of the voting trust, and by transferring their shares to such trustee or trustees for the purpose of the agreement. Any such trust agreement shall not become effective until a counterpart of the agreement is deposited with the corporation at its registered office. The counterpart of the voting trust agreement so deposited with the corporation shall be subject to the same right of examination by a shareholder of the corporation, in person or by agent or attorney, as are the books and records of the corporation, and shall be subject to examination by any holder of a beneficial interest in the voting trust, either in person or by agent or attorney, at any reasonable time for any proper purpose.

Shares of its own stock belonging to this corporation shall not be voted, directly or indirectly, at any meeting and shall not be counted in determining the total number of outstanding shares at any given time, but shares of its own stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

SECTION 2.13 ELIMINATION OF CUMULATIVE VOTING RIGHTS. The holders of all shares of stock having a right to vote in this corporation shall not be entitled to cumulative voting rights in the election of directors of this corporation, or for any other reason or purpose whatsoever.

SECTION 2.14 INSPECTORS. At any meeting of shareholders, the presiding officer may, or upon the request of any shareholder shall, appoint one or more persons as inspectors for such meeting.

Such inspectors shall ascertain and report the number of shares represented at the meeting, based upon their determination of the validity and effect of proxies; count all votes and report the results; and do such other acts as are proper to conduct the election and voting with impartiality and fairness to all the shareholders.

Each report of an inspector shall be in writing and signed by the inspector or by a majority of them if there be more than one inspector acting at such meeting. If there is more than one inspector, the report of a majority shall be the report of the inspectors. The report of the inspector or inspectors on the number of shares represented at the meeting and the results of the voting shall be prima facie evidence thereof.

SECTION 2.15 ACTION BY SHAREHOLDERS. Any action required or permitted to be taken at a meeting of the shareholders must be effected at a duly called annual or special meeting and may not be effected by any consent in writing by such holders.

SECTION 2.16 VOTING BY BALLOT. Voting on any question or in any election may be by voice unless the presiding officer shall order or any shareholder shall demand that voting be by ballot.

ARTICLE III

DIRECTORS

SECTION 3.1 GENERAL POWERS. The business of the corporation shall be managed by its board of directors.

SECTION 3.2 NUMBER, TENURE AND QUALIFICATIONS. The number of directors of the corporation shall be fourteen (14). The number of directors may be increased or decreased (provided, however, that such number shall never be less than six (6)) from time to time by the amendment of this section by a resolution adopted by the majority of members of the board of directors as provided in this Section 3.2; but no decrease shall have the effect of shortening the term of any incumbent director.

The directors shall be divided into three classes, as equal in number as possible, with respect to the times for which they shall hold office. Directors of the first class shall hold office for one year or until the first annual election following their election, directors of the second class shall hold office for two years or until the second annual election following their election, and directors of the third class shall hold office for three years or until the third annual election following their election and in each case until their successors shall be duly elected and shall qualify.

At each annual meeting of the shareholders following such first election of the directors of all classes, the successors to the class of directors whose terms shall expire at such meeting shall be elected to hold office for a term of three years, so that in each year the term of office of one class of directors shall expire.

Directors need not be residents of Illinois or shareholders of the corporation.

Advance notice of shareholder nominations for the election of directors and of business to be brought by shareholders before any meeting of the shareholders of the corporation shall be given in the manner provided in these by-laws.

SECTION 3.3 REGULAR MEETINGS. A regular meeting of the board of directors shall be held without other notice than this by-law, either immediately before or after the annual meeting of shareholders, or at such time as may be determined by the board of directors. The board of directors may provide, by resolution, the time and place for the holding of additional regular meetings without other notice than such resolution.

SECTION 3.4 SPECIAL MEETINGS. Special meetings of the board of directors may be called by or at the request of the chairman of the board of directors, president or a majority of the then acting board of directors. The person or persons authorized to call special meetings of the board of directors may fix any place as the place for holding any special meeting of the board of directors called by them.

SECTION 3.5 NOTICE. Notice of any special meeting shall be given at least two (2) days previous thereto by written notice to each director at his or her business address. If mailed, notice shall be deemed to be delivered when deposited in the United States mail so addressed, with postage thereon prepaid. If notice be given by telegram, such notice shall be deemed to be delivered when the telegram is delivered to the telegram company. The attendance of a director at any meeting shall constitute a waiver of notice of such meeting, except where a director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the board of directors need be specified in the notice or waiver of notice of such meeting.

SECTION 3.6 QUORUM. A majority of the number of directors fixed by these by-laws shall constitute a quorum for the transaction of business at any meeting of the board of directors, provided that if less than a majority of such number of directors are present at said meeting, a majority of the directors present may adjourn the meeting at any time without further notice.

SECTION 3.7 MANNER OF ACTING. The act of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors, unless the act of a greater number is required by statute, these by-laws, or the articles of incorporation.

SECTION 3.8 VACANCIES. Any vacancy occurring in the board of directors resulting from death, resignation, retirement, disqualification, removal from office or other cause, and any directorship resulting from any increase in the authorized number of directors or otherwise may be filled only by a majority vote of the directors then in office, though less than a quorum, and directors so chosen shall hold office for a term expiring at the annual meeting of shareholders at which the term of office of the class to which they have been elected.

SECTION 3.9 ACTION WITHOUT A MEETING. Unless specifically prohibited by the articles of incorporation or by-laws, any action required to be taken at a meeting of the board of directors, or any other action which may be taken at a meeting of the board of directors, or of any committee thereof may be taken without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all the directors entitled to vote with respect to the subject matter thereof, or by all the members of such committee, as the case may be. Any such consent signed by all the directors or all the members of the committee shall have the same effect as a unanimous vote, and may be stated as such in any document filed with the Secretary of State or with anyone else.

SECTION 3.10 COMPENSATION. The board of directors, by the affirmative vote of a majority of directors then in office, and irrespective of any personal interest of any of its members, shall have authority to establish reasonable compensation of all directors for services to the corporation as directors, officers, or otherwise. By resolution of the board of directors the directors may be paid their expenses, if any, of attendance at each meeting of the board of directors and of committees thereof. No such payment previously mentioned in this section shall preclude any director from serving the corporation in any other capacity and receiving compensation therefor.

SECTION 3.11 COMMITTEES. The board of directors, by resolution, may create one or more committees and appoint members of the board of directors to serve on the committee or committees. Each committee shall have two or more members, who shall serve at the pleasure of the board of directors. Unless the appointment by the board of directors requires a greater number, a majority of any committee shall constitute a quorum and a majority of a quorum is necessary for committee action. A committee may act by unanimous consent in writing without a meeting and, subject to the provisions of these by-laws or action by the board of directors, the committee by majority vote of its members shall determine the time and place of meetings and the notice required therefor. To the extent specified by the board of directors, each committee may exercise all the authority of the board of directors in the management of the corporation as permitted by the BCA. Each committee shall keep regular minutes of its proceedings and report the same to the board of directors.

ARTICLE IV

OFFICERS

SECTION 4.1 NUMBER. The officers of the corporation shall be the president, one or more executive vice-presidents, senior vice-presidents and vice-presidents (the number thereof to be determined by the board of directors), a treasurer, a secretary, and such assistant treasurers, assistant secretaries or other officers as may be elected by the board of directors. Any two or more offices may be held by the same person, except the offices of president and secretary; provided, however, that in cases where all of the shares of the corporation are owned of record by one shareholder and these by-laws provide that the number of directors shall be one, the offices of president and secretary may be held by the same person.

SECTION 4.2 ELECTION AND TERM OF OFFICE. The officers of the corporation shall be elected annually by the board of directors at the first meeting of the board of directors held after each annual meeting of shareholders. If the election of officers shall not be held at such meeting, such election shall be held as soon thereafter as may be convenient. Vacancies may be filled or new offices created and filled at any meeting of the board of directors. Each officer shall hold office until a successor shall have been duly elected and shall have qualified or until the death, resignation, or removal (in the manner hereinafter provided) of such officer. Election of an officer shall not of itself create contract rights.

SECTION 4.3 REMOVAL. Any officer elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation would be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

SECTION 4.4 [RESERVED]

SECTION 4.5 PRESIDENT. The president shall be the chief executive officer of the corporation. Subject to the control of the board of directors, he shall in general supervise the business and affairs of the corporation and he shall see that resolutions and directions of the board of directors are carried into effect except when that responsibility is specifically assigned to some other person by the board of directors. Unless there is a chairman of the board elected by the board from among its members who is present and who has the duty to preside, the president shall preside at all meetings of the shareholders and, if a director, at all meetings of the board of directors. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these by-laws or where otherwise required by law, the president may execute for the corporation any contracts, deeds, mortgages, bonds or other instruments which the board of directors has authorized to be executed or the execution of which is in the ordinary course of the corporation's business, and he may accomplish such execution either under or without the seal of the corporation and either alone or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors or these by-laws. In general, he shall perform all duties incident to the office of president and such other duties as from time to time may be prescribed by the board of directors.

SECTION 4.6 THE VICE-PRESIDENTS. The executive vice-president, senior vice-president, or vice-president (or in the event there be more than one executive vice-president, senior vice-president or vice-president, each of the executive vice-presidents, senior vice-presidents or vice-presidents (collectively the "vice-presidents")) shall assist the president in the discharge of the president's duties as the president may direct and shall perform such other duties as from time to time may be assigned by the president or by the board of directors. In the president's absence, inability or refusal to act, the executive vice-president, senior vice-president or vice-president (or in the event there be more than one executive vice-president, senior vice-president or vice-president, each of the executive vice-presidents, senior vice-presidents or vice-presidents in the order designated by the board of directors, or by the president if the board of directors has not made such a designation, or in the absence of any designation, then in the order of seniority of tenure of the executive vice-president, the senior vice-president or vice-president) shall perform the duties of the president, and when so acting, shall have all the powers of and be subject to all the restrictions upon the president. Except in those instances in which the authority to execute is expressly delegated to another officer or agent of the corporation or a different mode of execution is expressly prescribed by the board of directors or these by-laws, the vice-presidents (or each of them if there is more than one) may execute for the corporation certificates for its shares and any contracts, deeds, mortgages, bonds or other instruments which the board of directors has authorized to be executed, and may further accomplish such execution either under or without the seal of the corporation and either individually or with the secretary, any assistant secretary, or any other officer thereunto authorized by the board of directors according to the requirements of the form of the instrument.

SECTION 4.7 THE TREASURER AND CHIEF FINANCIAL OFFICER. The treasurer shall be the principal accounting and chief financial officer of the corporation. The treasurer shall: (a) have charge of and be responsible for the maintenance of adequate books of account for the corporation; (b) have charge and custody of all funds and securities of the corporation, and be responsible therefor and for the receipt and disbursement thereof; and (c) perform all the duties incident to the office of treasurer and chief financial officer and such other duties as from time to time may be assigned by the president or by the board of directors. If required by the board of directors, the treasurer shall give a bond for the faithful discharge of all duties in such sum and with such surety or sureties as the board of directors may determine.

SECTION 4.8 THE SECRETARY. The secretary shall: (a) record the minutes of the shareholders' and of the board of directors' meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these by-laws or as required by law; (c) be custodian of the corporate records and of the seal of the corporation; (d) keep a register of the post-office address of each shareholder which shall be furnished to the secretary by such shareholder; (e) sign with the president, or a vice-president, or any other officer thereunto authorized by the board of directors, certificates for shares of the corporation, the issue of which shall have been authorized by the board of directors, and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized to be executed, according to the requirements of the form of the instrument, except when a different mode of execution is expressly prescribed by the board of directors or these by-laws; (f) have general charge of the stock transfer books of the corporation; and (g) perform all duties incident to the office of secretary and such other duties as from time to time may be assigned by the president or by the board of directors.

SECTION 4.9 ASSISTANT TREASURERS AND ASSISTANT SECRETARIES. The assistant treasurers and assistant secretaries shall perform such duties as shall be assigned to them by the treasurer or the secretary, respectively, or by the president or the board of directors. The assistant secretaries may sign with the president, or a vice-president, or any other officer thereunto authorized by the board of directors, certificates or shares of the corporation, the issue of which shall have been authorized by the board of directors, and any contracts, deeds, mortgages, bonds, or other instruments which the board of directors has authorized to be executed, according to the requirements of the form of the instrument except when a different mode of execution is expressly prescribed by the board of directors or these by-laws. The assistant treasurers shall respectively, if required by the board of directors, give bonds for the faithful discharge of their duties in such sums and with such sureties as the board of directors shall determine.

SECTION 4.10 SALARIES. The salaries of the officers shall be fixed from time to time by the board of directors and no officer shall be prevented from receiving such salary by reason of the fact that such officer is also a director of the corporation.

ARTICLE V

CONTRACTS, LOANS, CHECKS DEPOSITS

SECTION 5.1 CONTRACTS. The board of directors may authorize any officer or officers, agent or agents, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances.

SECTION 5.2 LOANS. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the board of directors. Such authority may be general or confined to specific instances.

SECTION 5.3 CHECKS, DRAFTS, ETC. All checks, drafts or other orders for the payment of money, notes or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents of the corporation and in such manner as shall from time to time be determined by resolution of the board of directors.

SECTION 5.4 DEPOSITS. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies or other depositories as the board of directors may select.

ARTICLE VI

INDEMNIFICATION OF OFFICERS, DIRECTORS, EMPLOYEES AND AGENTS

SECTION 6.1 GENERALLY. The corporation shall have power to indemnify any persons who were or are parties or are threatened to be made parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that they are or were directors, officers, employees or agents of the corporation, or are or were serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit or proceeding if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The corporation shall have the power to indemnify any persons who were or are parties or are threatened to be made parties to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that they are or were directors, officers, employees or agents of any subsidiary corporation or corporations

(individually the "subsidiary" and collectively the "subsidiaries") against expenses, (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by them in connection with such action, suit or proceeding if they acted in good faith and in a manner that they reasonably believed to be in or not opposed to the best interests of the corporation and/or the respective subsidiary or subsidiaries, and, with respect to any criminal action or proceeding, had no reasonable cause to believe their conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the persons did not act in good faith or in a manner which they reasonably believed to be in or not opposed to the best interests of the corporation, a subsidiary or the subsidiaries, as the case may be, and with respect to any criminal action or proceeding, had reasonable cause to believe that their conduct was unlawful.

SECTION 6.2 DERIVATIVE ACTIONS. The corporation shall have power to indemnify any persons who were or are parties or are threatened to be made parties to any threatened, pending or completed action or suit by or in the right of the corporation to procure a judgment in its favor by reason of the fact that they are or were directors, officers, employees or agents of the corporation, or are or were serving at the request of the corporation as directors, officers, employees or agents of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees) actually and reasonably incurred by them in connection with the defense or settlement of such action or suit if they acted in good faith and in a manner they reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification shall be made in respect of any claim, issue or matter as to which such persons shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the corporation unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all the circumstances of the case, such persons are fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper. The corporation shall have the power to indemnify any person or persons who were or are parties or are threatened to be made parties to any threatened, pending or completed action or suit by or in the or right of any of the subsidiaries to procure a judgment in its favor by reason of the fact that such persons are or were directors, officers, employees or agents of any one or more of the subsidiaries, or are or were serving at the request of the corporation as directors, officer, employees or agents of such subsidiary or subsidiaries, against expenses (including attorneys' fees), actually and reasonably incurred by them in connection with the defense or settlement of such action or suit if they acted in good faith and in a matter they reasonably believe to be in or not opposed to the best interests of the subsidiary or subsidiaries, as the case may be, except that no indemnification shall be made with respect to any claim, issue or matter as to which such persons shall have been adjudged to be liable for negligence or misconduct in the performance of their duty to the subsidiary or subsidiaries, as the case may be, unless and only to the extent that the court in which such action or suit was brought shall determine upon application that despite the adjudication of liability but in view of all of the circumstances of the case, such persons are fairly and reasonably entitled to indemnity for such expenses which the court shall deem proper.

SECTION 6.3 MANDATORY INDEMNIFICATION. To the extent that a director, officer, employee or agent of a corporation, or any subsidiary or subsidiaries, as the case may be, has been successful on the merits or otherwise in defense of any action, suit or proceeding referred to in Sections 6.1 and 6.2, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by him or her in connection therewith.

SECTION 6.4 FIDUCIARY DUTY. A director of the corporation shall not be personally liable to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, except for liability (a) for any breach of the director's duty of loyalty to the corporation or its shareholders, (b) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (c) under Section 8.65 of the BCA, as the same exists or hereafter may be amended, or (d) for any transaction from which the director derived an improper personal benefit.

SECTION 6.5 AUTHORIZATION. Any indemnification under Sections 6.1 and 6.2 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the director, officer, employee or agent is proper in the circumstances because he or she has met the applicable standards of conduct set forth in Sections 6.1 and 6.2. Such determination shall be made (a) by the board of directors by a majority vote of a quorum consisting of directors who were not parties to such action, suit or proceeding, or (b) if such a quorum is not obtainable, or, even if obtainable, a quorum of disinterested directors so directs, by independent legal counsel in a written opinion, or (c) by the shareholders.

SECTION 6.6 EXPENSES. Expenses incurred in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding, as authorized by the board of directors in the specific case, upon receipt of an undertaking by or on behalf of the director, officer, employee or agent to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the corporation as authorized in this Section.

SECTION 6.7 NONEXCLUSIVE. The indemnification provided by this article shall not be deemed exclusive of any other rights to which those seeking indemnification may be entitled under any by-law, agreement, vote of shareholders or disinterested directors or otherwise, both as to action in their official capacities and as to action in another capacity while holding such office, and shall continue as to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors and administrators of such a person. The corporation shall have power to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by him or her in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify him or her against such liability under the provisions of this article.

ARTICLE VII

CERTIFICATES FOR SHARES **AND THEIR TRANSFER**

SECTION 7.1 CERTIFICATES FOR SHARES. Certificates representing shares of the corporation shall be signed by the chairman of the board of directors, if any, or the president or a vice president and by the treasurer or an assistant treasurer or the secretary or an assistant secretary and may be sealed with the seal, or a facsimile of seal, of the corporation. If a certificate is countersigned by a transfer agent or a registrar, other than the corporation itself or its employee, any other signatures or countersignature on the certificate may be facsimile.

If the corporation is authorized and does issue shares of more than one class, every certificate representing shares issued by the corporation shall set forth on the face or back of the certificate a full summary or statement of all of the designations, preferences, qualifications, limitations, restrictions, and special or relative rights of the shares of each class authorized to be issued. If the corporation is authorized to issue any preferred or special class in series, every certificate representing such shares issued by the corporation shall set forth on the face or back of the certificate a full summary or statement of all of the variations in the relative rights and preferences between the shares of each such series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series. Such statement may be omitted from the certificate if it shall be set forth upon the face or back of the certificate that such statement, in full, will be furnished by the corporation to any shareholder upon request and without charge.

Each certificate representing shares shall also state that the corporation is organized under the laws of the State of Illinois; the name of the person to whom issued; the number and class of shares and the designation of the series, if any, which such certificate represents; the par value of each share represented by such certificate, or a statement that such shares are without par value. Each certificate representing shares shall be consecutively numbered or otherwise identified.

The name and address of each shareholder, the number and class of shares held and the date on which the certificates for shares were issued shall be entered on the books of the corporation. The person in whose name shares stand on the books of the corporation shall be deemed the owner thereof for all purposes as regards the corporation. No certificate shall be issued for any share until such share is fully paid.

SECTION 7.2 LOST CERTIFICATES. If a certificate representing shares of the corporation is alleged to have been lost, stolen or destroyed, the board of directors may in its discretion, except as may be required by law, direct that a new certificate be issued. In connection with the issuance of any such new certificate, the may require the owner of the lost, stolen or destroyed certificate or his or her legal representative to provide such indemnification, and may impose such other reasonable requirements, as the shall deem necessary or desirable.

SECTION 7.3 TRANSFERS OF SHARES. Upon surrender to the corporation or the transfer agent of the corporation of a certificate representing shares duly endorsed or accompanied by proper evidence of succession, assignment or authority to transfer, a new certificate shall be issued to the person entitled thereto, and the old certificate shall be cancelled and the transaction recorded upon the books of the corporation.

ARTICLE VIII

FISCAL YEAR

The fiscal year of the corporation shall begin on January 1 and end on December 31 of each year.

ARTICLE IX

DIVIDENDS

The board of directors may from time to time declare, and the corporation may pay, dividends on its outstanding and treasury shares in such manner and upon such terms and conditions as provided by law and the articles of incorporation.

ARTICLE X

SEAL

The corporate seal, if any, shall have inscribed thereon the name of the corporation and the words "Corporate Seal, Illinois." The seal may be used by causing it or a facsimile thereof to be impressed or affixed or in any manner reproduced.

ARTICLE XI

WAIVER OF NOTICE

Whenever any notice is required to be given under these by-laws or under the provisions of the articles of incorporation or under the provisions of the BCA, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice.

ARTICLE XII

AMENDMENTS

The power to make, alter, amend, or repeal the by-laws of the corporation shall be vested in the board of directors. The by-Laws shall be amended, from time to time, exclusively by a resolution adopted by a majority of the board of directors. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles of incorporation.

ARTICLE XIII

**REPAYMENT OF DISALLOWED REIMBURSEMENTS
OR EXCESS COMPENSATION**

Any payments made to a director, officer or employee of the corporation, including but not limited to, salary, commission, bonus, interest, rent, travel, or entertainment expense incurred by such director, officer or employee, which shall be disallowed in whole or in part as a deductible expense by the Internal Revenue Service, shall be reimbursed by such person to the corporation to the full extent of such disallowance.

It shall be the duty of the board of directors to enforce payment of all such amounts disallowed. In lieu of payment by such person, subject to the determination of the board of directors, proportional amounts may be withheld from the future compensation payments of such person until the amount owed to the corporation has been recovered.

The following certification is provided by the undersigned Chief Executive Officer and Chief Financial Officer of Wintrust Financial Corporation on the basis of such officers' knowledge and belief for the sole purpose of complying with 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

CERTIFICATION

In connection with the Quarterly Report of Wintrust Financial Corporation (the "Company") on Form 10-Q for the period ended March 31, 2003, as filed with the Securities and Exchange Commission on May 12, 2003, (the "Report"), the undersigned hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

- (1) The Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
- (2) The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ EDWARD J. WEHMER

Name: Edward J. Wehmer
Title: President and Chief Executive Officer
Date: May 14, 2003

/s/ DAVID L. STOEHR

Name: David L. Stoehr
Title: Executive Vice President and
Chief Financial Officer
Date: May 14, 2003

A signed original of this written statement required by Section 906 has been provided to the Company and will be retained by the Company and furnished to the Securities and Exchange Commission upon request. This certification accompanies the Report and shall not be treated as having been filed as part of this Report.

