

WINTRUST®

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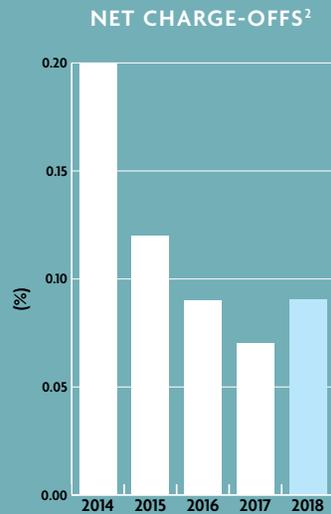
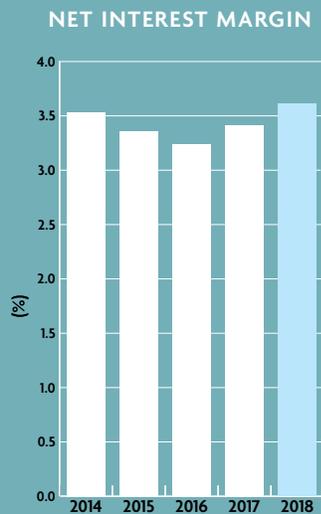
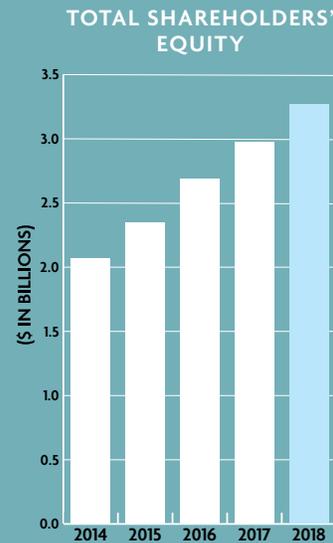
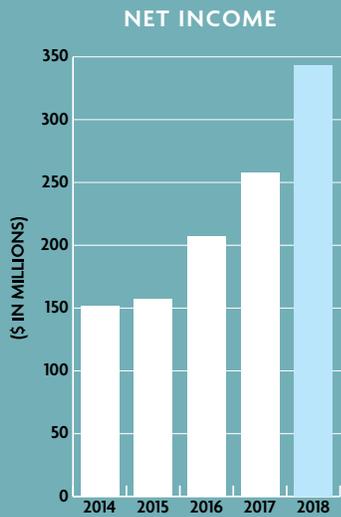
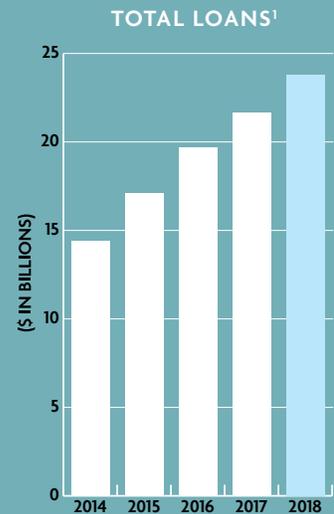
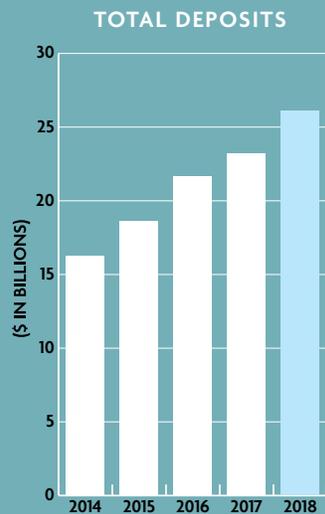
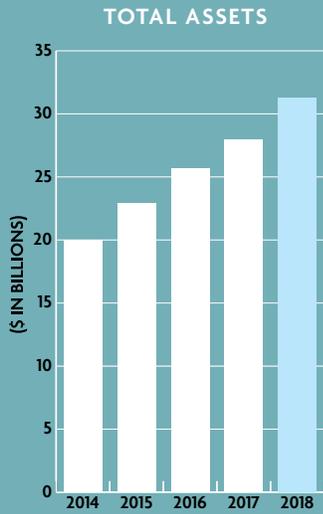
CHICAGO'S BANK®  
WISCONSIN'S BANK®

# WELCOME

*TO OUR FELLOW SHAREHOLDERS...*

Welcome to Wintrust Financial Corporation's 2018 annual shareholders' letter. We thank you for being a shareholder.

WINTRUST



1. Excluding loans held-for-sale and covered loans. 2. As a % of average loans, excluding covered loans.

Dollars in thousands except per share data. Years ended December 31.

	2018	2017	2016	2015	2014
<b>SELECTED FINANCIAL CONDITION DATA (AT END OF YEAR)</b>					
Total assets	\$ 31,244,849	\$ 27,915,970	\$ 25,668,553	\$ 22,909,348	\$ 19,998,840
Total loans (excluding loans held-for-sale and covered loans)	23,820,691	21,640,797	19,703,172	17,118,117	14,409,398
Total deposits	26,094,678	23,183,347	21,658,632	18,639,634	16,281,844
Junior subordinated debentures	253,566	253,566	253,566	268,566	249,493
Total shareholders' equity	3,267,570	2,976,939	2,695,617	2,352,274	2,069,822
<b>SELECTED STATEMENTS OF INCOME DATA</b>					
Net interest income	\$ 964,903	\$ 832,076	\$ 722,193	\$ 641,529	\$ 598,575
Net revenue <sup>1</sup>	1,321,053	1,151,582	1,047,623	913,126	813,815
Net income	343,166	257,682	206,875	156,749	151,398
Net income per common share—basic	5.95	4.53	3.83	3.05	3.12
Net income per common share—diluted	5.86	4.40	3.66	2.93	2.98
<b>SELECTED FINANCIAL RATIOS AND OTHER DATA</b>					
<b>PERFORMANCE RATIOS</b>					
Net interest margin	3.59 %	3.41 %	3.24 %	3.34 %	3.51 %
Net interest margin—fully taxable equivalent (non-GAAP) <sup>2</sup>	3.61	3.44	3.26	3.36	3.53
Non-interest income to average assets	1.23	1.21	1.34	1.29	1.15
Non-interest expense to average assets	2.85	2.78	2.81	2.99	2.93
Net overhead ratio <sup>3</sup>	1.62	1.56	1.47	1.70	1.77
Return on average assets	1.18	0.98	0.85	0.75	0.81
Return on average common equity	11.26	9.26	8.37	7.15	7.77
Return on average tangible common equity (non-GAAP) <sup>2</sup>	13.95	11.63	10.90	9.44	10.14
Average total assets	\$ 29,028,420	\$ 26,369,702	\$ 24,292,231	\$ 20,999,837	\$ 18,685,341
Average total shareholders' equity	3,098,740	2,842,081	2,549,929	2,232,989	1,993,959
Average loans to average deposits ratio (excluding loans held-for-sale and covered loans)	93.7 %	92.7 %	90.9 %	89.9 %	88.0 %
Average loans to average deposits ratio (excluding loans held-for-sale, including covered loans)	93.7	92.9	91.4	91.0	89.8
<b>COMMON SHARE DATA AT END OF YEAR</b>					
Market price per common share	\$ 66.49	\$ 82.37	\$ 72.57	\$ 48.52	\$ 46.76
Book value per common share <sup>2</sup>	\$ 55.71	\$ 50.96	\$ 47.12	\$ 43.42	\$ 41.52
Tangible common book value per share <sup>2</sup>	\$ 44.73	\$ 41.68	\$ 37.08	\$ 33.17	\$ 32.45
Common shares outstanding	56,407,558	55,965,207	51,880,540	48,383,279	46,805,055
<b>OTHER DATA AT END OF YEAR<sup>4</sup></b>					
Leverage ratio	91 %	93 %	8.9 %	91 %	10.2 %
Tier 1 capital to risk-weighted assets	9.7	9.9	9.7	10.0	11.6
Common Equity Tier 1 capital to risk-weighted assets	9.3	9.4	8.6	8.4	N/A
Total capital to risk-weighted assets	11.6	12.0	11.9	12.2	13.0
Allowance for credit losses <sup>5</sup>	\$ 154,164	\$ 139,174	\$ 123,964	\$ 106,349	\$ 92,480
Non-performing loans	113,234	90,162	87,454	84,057	78,677
Allowance for credit losses <sup>5</sup> to total loans (excluding covered loans)	0.65 %	0.64 %	0.63 %	0.62 %	0.64 %
Non-performing loans to total loans (excluding covered loans)	0.48	0.42	0.44	0.49	0.55
<b>NUMBER OF</b>					
Bank subsidiaries	15	15	15	15	15
Banking offices	167	157	155	152	140

(1) Net revenue includes net interest income and non-interest income.

(2) See Appendix, "Non-GAAP Financial Measures/Ratios," for a reconciliation of certain non-GAAP performance measures and ratios used by the Company to evaluate and measure the Company's performance to the most directly comparable GAAP financial measures.

(3) The net overhead ratio is calculated by netting total non-interest expense and total non-interest income and dividing by that period's total average assets. A lower ratio indicates a higher degree of efficiency.

(4) Asset quality ratios exclude covered loans.

(5) The allowance for credit losses includes both the allowance for loan losses and the allowance for unfunded lending-related commitments, but excludes the allowance for covered loan losses.

*TO UNDERSTAND WHO WE ARE,*

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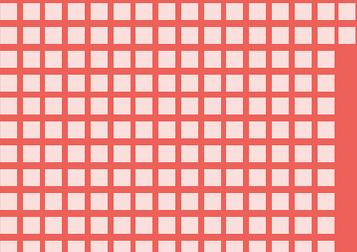
# YOU NEED TO KNOW WHO WE'RE NOT

If you're familiar with our story, then you're aware that there is a very significant contrast at the center of it: we were created to be the alternative to the big banks. We built this company to provide a true community banking experience at a time when that focus was harder and harder to find. That positioning helped us grow. Today, we're not too big. We're not too small. For our customers and communities, we're just right. Our unique model makes us unlike the rest.

To get a full understanding of who we are, you have to know all the things we actively work against. That's the frame we'd like to use to view 2018. A lot happened in the market in 2018, both from an industry trend and competitor perspective, but it was how we're different that gives us the full picture of the year.

We've built a model that continues to succeed through the changes in the market around us. We know this to be true because 2018 was another record year for your Company. We saw significant growth both in our asset size and in earnings, we had our 22nd consecutive year of profitability, and we're still the second largest commercial bank headquartered in Illinois. After 27 years, we still remain committed to providing the same or better tools as our competitors with unmatched customer service. Our customers and communities come first, and, as a result, we continue to deliver consistently for you, our shareholders.

**Let's take a closer look at some of the year's significant numbers.**

<h1>YEAR IN NUMBERS</h1> <p>2018</p>		<p><i>total assets</i></p> <h2>\$31.2 BILLION</h2> <p><i>a 12% increase from 2017</i></p>	<p><i>total deposits</i></p> <h2>\$26.1 BILLION</h2> <p><i>a 13% increase from 2017</i></p>
<p><b>8</b> CONSECUTIVE YEARS <i>on the Forbes Best Banks in America list</i></p> 	<p><i>total loans</i> (excluding covered loans &amp; loans held-for-sale)</p> <h2>\$23.8 BILLION</h2> <p><i>a 10% increase from 2017</i></p>	<p><i>net income</i></p> <h2>\$343.2 MILLION</h2> <p><i>a 33% increase from 2017</i></p>	
<p><b>22</b> CONSECUTIVE YEARS <i>of profitability</i></p> 	<p><b>5</b> YEARS <i>in a row as a Chicago Tribune Top Workplace</i></p> 	<p><b>3</b> Greenwich Excellence Awards</p> 	
 <p><b>167</b> <i>total branches</i></p>	<p><b>4,727</b> <i>full-time-equivalent employees</i></p> 		
<p><b>1</b> new downtown Milwaukee Commercial Banking headquarters</p> 	<p><i>Raised the minimum wage to</i></p> <h2>\$15 AN HOUR</h2> <p><i>for eligible, noncommissioned, hourly employees</i></p> 		

# THE LOCAL MARKET SHAKE-UP

Over the last few years, we've seen some market consolidation and disruption in the industry, and certainly in our local market, as banks acquire and merge with other banks. In 2018 alone, we saw

movement among well-established, local-market banks. It's a trend that has also happened nationwide and points to the fact that many banks are having trouble growing on their own.



## AT WINTRUST, WE'RE STILL GROWING ORGANICALLY.

We've continued to open new locations and have been selective about acquisitions. Basically, we continue to work with what the market gives us.

In 2018, we added ten new locations, including six in Illinois: Wintrust Bank – Wrigleyville, Wintrust Bank – Delaware Place, Brighton Park Community Bank, Addison Bank & Trust, and two Evanston Community Bank & Trust locations. We also added four Town Bank locations with two in Milwaukee, one in Racine, and, through our Marquette University partnership solidified last year, we added one on campus.

That growth served us well. Knowing we wanted to get into Evanston, our bankers had done the legwork ahead of time. That helped make it our single fastest growing deposit market with two locations providing more than \$300 million in deposits by year-end.

Our focused growth in Milwaukee has also provided some great opportunities. In 2018, we officially opened our commercial banking headquarters, and hired a team of new bankers, giving us a strong presence in downtown Milwaukee and helping us better serve that market. That formalized focus helped us solidify our partnership with the Pabst Theater Group, Marquette University, and opened the door for another baseball relationship in 2019: The Milwaukee Brewers.

Organic growth has always been part of our strategy. We also continue to take advantage of acquisitions, but we're cautious and strategic about it when we do. We're thoughtful about the communities we enter and the value we provide, and that also continues to help us grow. In 2018, we opened more than 128,000 new accounts in total and gained more than 40,000 new households.



WHAT'S  
THE

# TRUE VALUE

OF A  
BRANCH?

These days, it seems like many of the big banks look at a branch and see a cost without much return. Many banks have decided to close or consolidate branches, pull out of certain areas, or do away with services they find to be too costly.

In 2018, our larger bank competitors closed a total of 83 locations in our footprint. Even locally-based banks followed the same pattern closing a total of 33 branches, and the trend doesn't seem to be slowing down. There are another 37 locations that have either already closed or are projected to close in 2019.

Over the past few years, we've also seen banks do away with simple services like coin counting and drive-thru hours. Some have even opted for electronic tellers to help save on staffing costs. These are all decisions that have a negative impact on customers.

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## ***Our branches serve as the catalyst for getting out and getting involved in our communities.***

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At Wintrust, we continue to invest in our branches, our people, and our communities. We know that doing so is in our customers' best interest. As true community banks, we understand the value of our branches. They serve as anchors in the community where our bankers, mortgage loan officers, and financial advisors help guide customers and clients toward the right financial solutions. We offer added-value services that so many other banks are taking away. We also host many of the events our communities have come to enjoy and depend on. Our branches serve as the catalyst for getting out and getting involved in our communities. In 2018, we hosted more than 1,100 educational seminars and workshops, partnered with more than 560 local organizations, and our employees volunteered more than 22,400 service hours, and those include just what was tracked for Community Reinvestment Act purposes.

With changing technology and shifting customer needs, we know the branch serves a different purpose than it once did. We're evolving with those changing needs. Where customers once depended on their banker for a five minute interaction weekly, they now rely on technology to meet their regular needs and maybe a 45-minute banker conversation every month or two. We've designed our branches with that in mind and have continued to put a lot of effort behind technology that improves customer experience.

In 2018, we rolled out Zelle®, a fast, safe, and easy way to send and receive money via mobile phone; Personal Finance, our budgeting service that allows users to see accounts across multiple institutions; and digital wallet, allowing customers to use Apple Pay®, Google Pay™, and Samsung Pay to make purchases with their mobile device. These are all tools that help ensure we're staying on top of our customers' requests for the latest technology.

When we talk about our branches, we also need to talk about the people across Wintrust who work so hard to make them what they are. In 2018, we continued to support our employees

throughout the organization with expanded leadership and mentorship programs, delivered more than 117,000 training courses, and officially raised the minimum wage for eligible, noncommissioned, hourly employees to \$15.

Our employees let us know they felt supported by making us a Chicago Tribune Top Workplace for the fifth consecutive year, moving our ranking up to number 11 on the list. Town Bank was also included on the Milwaukee Journal Sentinel's Top Workplace list, and HR consulting firm, Morneau Shepell, in association with the Globe and Mail, recognized FIRST Insurance Funding of Canada with an Employee Recommended Workplace Award for the third consecutive year.

Our efforts to focus on diversifying our employee base, our industry, and the communities we're part of goes a long way in supporting our customers. 2018 marked our fourth year as a leadership member of the Financial Services Pipeline Initiative (FSP). FSP, along with other financial services and banking companies across Chicago, focuses on improving diversity within the industry, both by attracting minority employees and elevating them into leadership positions and by partnering with minority-owned businesses. At one point in time, many of the largest companies were manufacturers. Today, many of the fastest growing, highest paid positions are within the financial services and technology industries. So, the FSP works toward closing the wealth gap by focusing on providing more minority opportunity in the financial services industry.

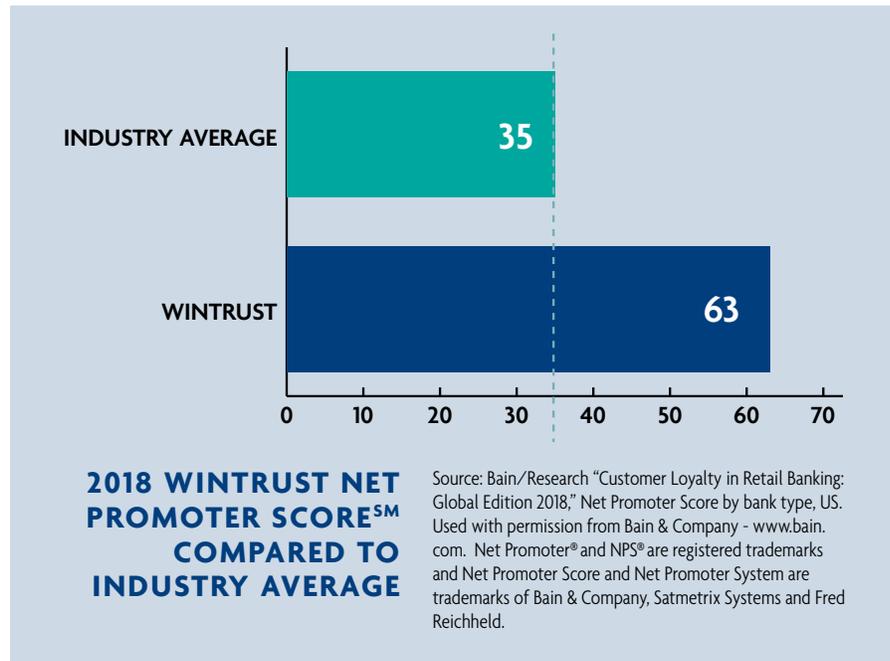
This year, we continued to expand our internal diversity and inclusion initiatives and hosted our Executive Diversity Forum to align top senior executive leaders in working towards diversity and inclusion. We also continued our heritage month events and held our first LGBTQ event for Pride Month. We will continue to support diversity and inclusion in our own company and the communities we serve.



## WHAT'S THE TRUE VALUE OF A BRANCH? cont.

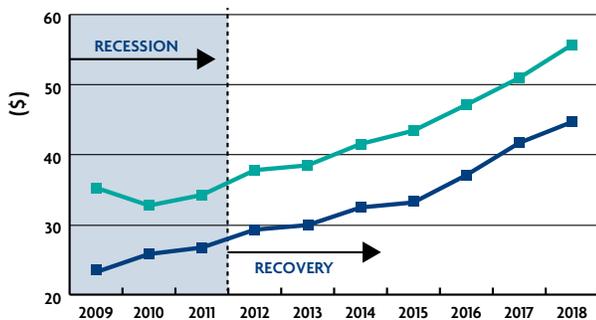
We also created the Wintrust Community Impact team in 2018, working to build stronger communities and strengthen local economies. The group is focused on strategic, holistic ways to support the communities within our footprint. Wintrust Community Impact works with organizations such as the Women's Business Development Center, i.c. stars, Chinese American Service League, USO of Illinois, SCORE, and the Museum of Science and Industry to sponsor programming that has a lasting, sustainable benefit for local communities.

We know the focus on our branches, our people, our customers, and our communities is serving us well when we look at our 2018 Net Promoter Score (NPS). The NPS uses a zero to 10 scale to allow customers to rate us on how willing they are to refer our banks to friends and family. Nine and 10 ratings are considered promoters, seven and eight are neutral, six and below are detractors. The percentage of promoters minus the percentage of detractors gives us our NPS. Our 2018 NPS went up five percentage points over the previous year to 63%, compared to the industry average of 35%. And, according to industry data, some of the biggest players in our market score much lower than the industry average.

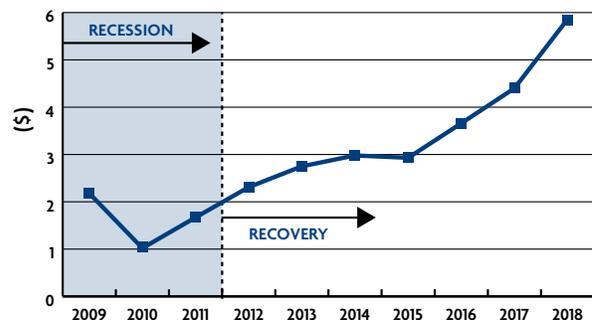


We also know that putting our customers first has benefits for you, our shareholders, as it helps us deliver value on your investment. Our book value per common share increased, growing from \$50.96 in 2017 to \$55.71 in 2018, and our tangible book value per common share grew from \$41.68 in 2017 to \$44.67 in 2018. Our net income for the year was \$343.2 million, or \$5.86 per diluted common share, compared to \$4.40 in 2017, up 33%. These numbers continue to show our commitment to enhancing shareholder value.

### BOOK VALUE PER COMMON SHARE vs TANGIBLE BOOK VALUE PER COMMON SHARE<sup>(1)</sup>



### EARNINGS PER DILUTED COMMON SHARE



(1) See Appendix, "Non-GAAP Financial Measures/Ratios," for a reconciliation of certain non-GAAP performance measures and ratios used by the Company to evaluate and measure the Company's performance to the most directly comparable GAAP financial measures.



## OUR COMMITMENT TO SERVING *EVERYONE*

In October of 2018, Wintrust leadership met with students, interns, and representatives from Year Up Chicago, a partner organization focused on providing urban young adults with the skills, experience, and support to reach their full potential through professional careers and higher education. The meeting was an open dialogue about the importance and value of serving some of the most underrepresented Chicago neighborhoods.

The Year Up Chicago students gave a presentation focused on several under-resourced neighborhoods: Austin, Bronzeville, and Humboldt Park. They spoke in depth about the racial and ethnic breakdown; history; education and employment status; and potential opportunity of each community. Some commonalities within each neighborhood included: a sense of camaraderie and pride among residents of these tight-knit neighborhoods, the lack of banking possibilities that are available currently, and the untapped potential of the people who live there.

The student input was helpful when considering these neighborhoods and we were already scheduled to open a location in the Austin neighborhood in 2019. Some of those same qualities are also part of a couple other neighborhoods we plan to join in the coming year as well: North Lawndale and Little Village.

Wintrust President, Founder & CEO Ed Wehmer, and other Wintrust leadership, reiterated to the group that Wintrust wants to serve all of Chicago's neighborhoods. It's just a matter of when the opportunities arise.

The themes of the Year Up Chicago meeting speak to something larger for us: To be Chicago's Bank®, we know we need to continue to grow in diverse communities across our marketplace. This is something we're passionate about and something we do because we want to.

We know we have obligations when it comes to Community Reinvestment Act regulations, and we exceed those obligations. As of the end of 2018, 13 of our 15 charters have received an "outstanding" CRA rating. That's 87% of our banks with "outstanding" ratings. Only 7.6% of the 2,500 banks examined during 2018 received that designation. For us, it's not about what we have to do. We've always gone above and beyond to be a company that invests in our local communities because we know that's just what's right.

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## *THE EXPANSION OF* WINTRUST UNIVERSITY

Although we've always had a full range of training programs, in 2018, we formalized our training under an exciting new initiative: Wintrust University. The corporate university offers a number of courses our employees need to stay compliant with industry regulations and also provides professional development programs.

Internal executives and senior leadership have been appointed to serve as advisors, deans, and faculty. These representatives also serve as the university's governing committee and thought leaders.

Wintrust University isn't just for Wintrust employees. There is also an entire course catalog, a compliment to the classes we already offer, which will be rolled out to our communities to help provide expanded financial literacy. These offerings will allow us to forge deeper relationships with existing and potential clients with educational opportunities, like financial planning seminars, succession planning workshops, Money Smart courses, and general financial literacy.

# *WE'RE DEDICATED TO* **THE MORTGAGE INDUSTRY**

***We know mortgage origination is a core service our customers expect from a community bank, so we're not going anywhere.***

It's no secret that the state of the mortgage industry is challenging. 2018 saw a housing shortage, first-time homebuyer affordability concerns, fluctuating rates, a reduction in refinance transactions, an elevated cost to originate loans, industry consolidation, and an oversupply of competition in the market. Many believe these challenging trends are likely to continue into 2019.

Despite the state of the industry, we know mortgage origination is a core service our customers expect from a community bank, and we're committed to this space. We're always working to improve our delivery systems and make the process more efficient and cost-effective.

Much of what happens in the mortgage market is outside of our control. While others are jumping ship or consolidating, we've spent our time preparing for the headwinds we saw coming in the market. We've spent the last few years strengthening product offerings; expanding services and reach with strategic acquisitions; investing in technology; and expanding our in-house loan servicing.

Wintrust Mortgage launched its digital mortgage application tool, Wintrust Zoom, in 2018. The tool allows users to apply for and onboard a mortgage any time, any place, using their smart phone,

tablet, or computer. The application process is simple and convenient, helping to improve customer experience, shorten fulfillment times, and reduce the overall cost of originating a mortgage loan.

Although many companies offer mortgage application tools, Wintrust Zoom differs from most others in that Wintrust Mortgage loan officers can seamlessly help at any step along the way. We offer an exceptional tool with the expertise that only our people can provide, marrying our unmatched level of customer service with advanced technology.

We work hard to offer a comprehensive mortgage product menu. We've made specific effort the past few years to strengthen our portfolio loan product offering as a valued complement to our conforming, jumbo, government, and niche loan options. These portfolio loan programs have been profitable, reliable, and set us apart from our competition.

Wintrust Mortgage also finalized the acquisition of certain assets of Veterans First Mortgage in 2018. Although we were strong at lending to veterans and their families before, the expansion has helped solidify that focus and helps position Wintrust Mortgage for growth in the consumer direct business. More than 20% of our originations are made up of Veterans Affairs (VA) loans, making



Wintrust Mortgage one of the top 20 retail VA originators in the country.

Despite a challenging mortgage market, Wintrust Mortgage continues to be a top lender and has proven a reliable, trustworthy brand. In 2018, Wintrust Mortgage originated \$4.0 billion in residential mortgages and serviced approximately \$6.5 billion in loans as of December 31, 2018.

Mortgages are one of the biggest financial investments for our customers—and homeownership continues to be one of the best paths to personal wealth creation in the U.S.—so, they need a company they can rely on. That’s why we remain committed to this space and to offering the services that make us true community banks.

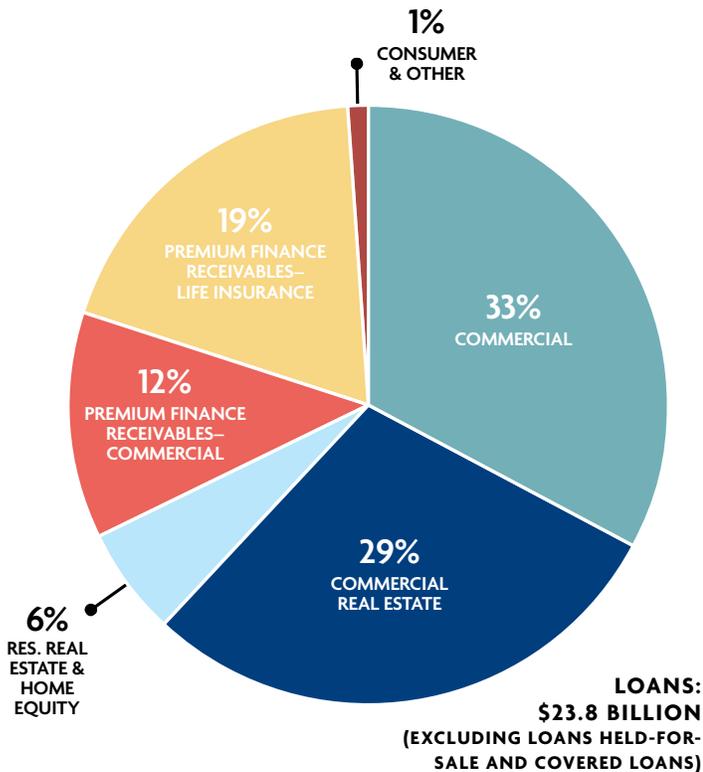
*We offer the big bank capabilities with a community bank relationship.*



When we talk about trends in the industry, we can't ignore the increase of nontraditional lenders, like private equity firms, fintech companies, and peer-to-peer groups. These lenders are relatively new to the space and generally provide quick financing, technology-driven delivery systems, and favorable loan requirements for businesses that may not otherwise qualify for a traditional loan. There is no consistent regulatory body overseeing nontraditional lenders.

Our benign credit environment has given these lenders the opportunity to aggressively expand. There's a tremendous amount of money to be lent because rates have been low for so long. What happens to these nontraditional lenders through a cycle remains to be seen. Their approach to lending isn't right or wrong; it's just different from what we do. We believe there are no quick fixes when it comes to lending.

At Wintrust, we're in it for the long haul. The basics of lending and credit quality haven't changed. Good lending follows the four Cs: condition, character, capacity, and capital. Following those basics has served us well for 27 years and allows us to continue to work within our regulatory framework, because,





# WHEN IT COMES TO LENDING, SAY THE LONG GAME

unlike many nontraditional lenders, we lend within a very regulated environment.

Those solid principles guide all of our lending efforts, especially our commercial, middle market, and business loan decisions. In 2018, following safe and conservative lending practices, we increased our loan portfolio balances by \$2.2 billion, a 10% increase over 2017.

And, while nontraditional lenders are offering technology and convenience, there's one area where they simply can't compete: relationships. Across our organization, our customer and client relationships are a huge focus and something that gives us an edge. For commercial banking, that's no different. Our services are high-touch. Our clients are our top priority.

That client focus continued to serve us well in 2018. Commercial middle market banking deposits grew \$542 million, a 13% increase over 2017; we formed hundreds of new relationships; and we had our best year so far in product partner revenue, meeting or exceeding goals in treasury management, international banking, leasing, swaps, and corporate card services.

We're traditional lenders, but that doesn't mean we don't embrace new ideas or technology. Our treasury management initiatives in 2018 are proof. We released Winvoice, our invoice and payment automation system, that integrates with major accounting systems to improve the entire payment process. With Winvoice, business owners can stop manually entering invoices, chasing approvals, waiting for authorizations, and tracking payments. We also rolled out a new online system for foreign currency and are putting in a trade system to better handle imports and exports for our international clients.

The value proposition you've heard from us more than once applies here: We offer the big bank capabilities with the community bank relationships. We're focused on consistency and quality within lending, relationships, and technology. That positioning continues to work in our favor and earned us recognition again from Greenwich Associates. This year, we were recognized with three awards in the Middle Market Banking in the Midwest category: Overall Satisfaction, Cash Management Overall Satisfaction, and Likelihood to Recommend.

*WHERE OTHERS SHY AWAY,*

**WE  
LEAN  
IN**

**Our customers always come first.  
When it comes to expanding into new  
areas to meet their needs, we  
seize opportunities.**



Over the last several years, we've seen our big bank competitors pull away from specialized services and industries they don't think are worth the investment or clients they don't think are worth the time. For some, that means abandoning or scaling back industry specialties. For others, it means picking and choosing which clients are big enough to be worth the effort, which we've seen in a number of different financial service areas. Many banks have also opted for a centralized service model to cut costs and have, in turn, negatively impacted customer service.

While other companies move away from personalized service, we're putting more effort behind the resources that improve client relationships. Any functions that are being centralized by us are things that either don't impact customer-facing interactions or help provide better customer service by making it easier to reach us. At the end of the day, our bankers and business units provide each client with unmatched, personalized service, and that's how we're keeping it.

We've also continued to diversify offerings and expand into new areas. This doesn't mean we're compromising our conservative lending practices to stay in certain sectors, but we don't turn anyone away based solely on the industry they're part of. We keep in mind what's happening in the market, but work with each client individually. We also believe creating specialized groups that serve specific markets helps us better understand and serve our customers. Our clients always come first. When it comes to expanding into new areas to better meet their needs, we seize opportunities.

This year, we've done so on several occasions to help us reach a wider range of middle market customers. We launched Wintrust Receivables Finance, which provides working capital financing facilities to companies that are unable to obtain the working capital financing support they need through a traditional commercial bank line of credit. We also created Wintrust Specialty Finance, our new small business-focused vendor equipment finance division. The group operates nationwide and focuses on quick turnaround transactions up to \$300,000 and can handle transactions as large as \$1.5 million. We continue to look for opportunities to expand services that require specialized attention to best serve our customers.



## WHERE OTHERS SHY AWAY, WE LEAN IN (cont.)

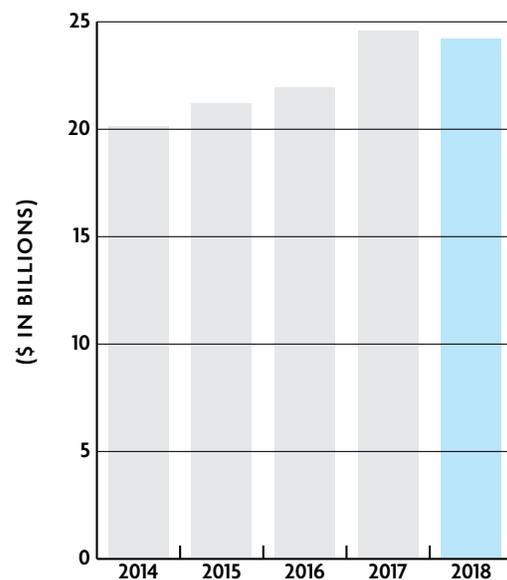
Our first and oldest specialty service niche group, FIRST Insurance Funding (FIRST), continues to be one of the largest commercial insurance premium finance companies in North America. Like our other specialties, the division works with clients to offer customized programs tailored for clients' specific needs.

FIRST, along with our life insurance premium finance group, Wintrust Life Finance (Wintrust Life), and our Canadian insurance premium financing company, FIRST Insurance Funding of Canada (FIRST Canada), continued to make up close to a third of our loan portfolio. In 2018, FIRST and FIRST Canada originated approximately \$6.8 billion in commercial insurance premium finance receivables and had \$2.8 in outstandings. Wintrust Life had outstanding loan balances of \$4.5 billion compared with \$4.0 at the end of 2017.

No matter which of our groups or bankers a client approaches, there is no business too small to be a valued client. We often have prospects ask, what's your minimum size requirement? Our answer is simple: If you're in our footprint, there is no minimum size.

Wintrust Wealth Management has definitely encountered this industry trend. Many of our big competitors have moved their client minimums up from the \$3-5 million range to \$10 million or higher and have steered away from tailored solutions.

### WEALTH MANAGEMENT ASSETS UNDER ADMINISTRATION



We've also seen competitors in the wealth management space use technology to automate financial advice. The companies provide a risk profile based on a few online questions. It's a technique some are using for smaller clients so they don't have to





dedicate resources to serving simple portfolios. Wintrust Wealth Management continues to serve clients of all sizes and provides personalized offerings based on specific needs. We're formalizing a team of advisors who specialize in supporting smaller clients and providing better support.

Wintrust Wealth Management has grown to more than \$100 million in gross revenue because of that client-centric focus. The group now has more than 160 financial professionals managing more than \$24 billion in assets for clients across the area. In 2018, Wintrust Wealth Management also enhanced its suite of services with the acquisition of the Chicago Deferred Exchange Company. The group provides powerful tax-advantaged transaction services for real estate investors.

Wintrust Asset Finance (WAF) and Wintrust Commercial Finance (WCF) have seen similar trends in the market. The groups focus on customized lease and equipment finance solutions. As some of the big national banks have merged or acquired others, competition remains fierce, but there's also been opportunities as customers search for companies with customer-centric service.

That has helped both groups grow over the last few years. WCF spent 2018 continuing to develop its national direct origination platform and ranks among the top 50 bank finance leasing

companies in the U.S. according to the Monitor Daily, an industry specific trade publication.

Our team approach is another thing that sets us apart from our competition. We're not afraid to pair the services of multiple groups or divisions to gain a client relationship. A recent deal closed by our employee stock ownership plan (ESOP) group along with our construction, engineering and architecture group is a successful example of this.

The prospect was a local contractor, and two competitors were also vying for the business. On paper, our competitors offered more competitive terms than we did, but it was our customized, customer-centric approach of offering a combination of our specialty groups—in this case, ESOP and contractor services—that won us the business. This strategy isn't unique to Wintrust ESOP. It's the approach our groups take across the organization.





THE PABST THEATER GROUP



# THE IMPORTANCE OF A GOOD PARTNERSHIP

Over the years, we've formed a number of impressive sponsorships. 2018 was no different. But, a sponsorship for us isn't your average sponsorship. It's a partnership.

As Chicago's Bank® and Wisconsin's Bank®, we're strategic about making sure we work with organizations that are not just in the areas we serve, but are iconic to them. When you think of Chicago or Wisconsin, you think of these groups, places, and events: the Chicago Cubs, the Chicago White Sox, DePaul University, Marquette University, Chicago Yacht Club's Race to Mackinac, Chicago History Museum, Illinois Bicentennial, the Chicago Flower & Garden Show®, and the Chicago Auto Show.

This year, we formed some very exciting new partnerships. We not only expanded our college-based sponsorships with Marquette University, but also added Northwestern University Athletics. We signed on to sponsor the Chicago Auto Show for the first time and continued the relationship in 2019. We also became the exclusive banking partner of the Pabst Theater Group in Milwaukee.

For us, it also goes beyond iconic events, teams, and institutions. We love to support the things that really make a difference in this area. We believe in shining a light on the great organizations that are doing such important work in our footprint and connecting others to those organizations. That's why we focus on showcasing local nonprofits on the Mural Building along the Kennedy Expressway. It's also why we host events like our junior board nonprofit networking event for young leaders.

We know that the better this area does, the better we all do. It's in our best interest to be a company that gives back and partners with organizations that are making the greatest impact. Many of these relationships are formed through Wintrust Government, Non-Profit & Healthcare (GNPH), our specialty group focused on providing banking support to mission-based organizations.

Through GNPH, we have more than 300 local not-for-profit and government entities who rely on us. Some notable relationships include: DePaul University, Marquette University, Benedictine University, Northwestern Medicine, Jewish Federation of Metropolitan Chicago, Misericordia, United Way of Metro Chicago, Catholic Charities of the Archdiocese of Chicago, and a number of villages, townships and school districts across our footprint, to name a few.

Only Chicago's Bank® and Wisconsin's Bank® partner with the institutions that mean so much to those areas. It's these kinds of relationships that let people know we're committed to the communities we serve.

## WE'RE *RIGHT* WHERE WE WANT TO BE

In 2011, at our 20<sup>th</sup> year, when we said we wanted to be Chicago's Bank® and Wisconsin's Bank®, we knew those were lofty goals. We also recognized that those were roles we were uniquely qualified to fill. Today, that's truer than ever.

The changes in our market have allowed us to seize many opportunities, but it's not just market disruptions that make us who we are. We built this Company on a foundation that, 27 years after our founding, continues to keep us healthy and growing. We provide exceptional customer service. We keep our customers and communities at the center of what we do. We give back to the organizations, initiatives, and events that matter most to this area. We support and value our people. We deliver for you, our shareholders. Those are the actions that make us Chicago's Bank® and Wisconsin's Bank®.

We continue to strive to deliver personalized service, which is harder and harder for our competitors. Today, there's no one quite like us. We don't fit with the big guys, we don't fit with the little guys, and we're certainly not structured like anyone else. We occupy a space all our own.

When we look forward to the coming year, we have a lot that we're ready to accomplish. We can't say for certain what will happen in the industry or what changes will come to the market. There is only one certainty for us: We've built a company that is ready to continue on and handle what comes. We have our customers, communities, employees, and shareholders to thank for making us who we are.

We hope to see you at our annual meeting at 9 a.m. CDT, May 23, 2019, at our corporate headquarters at 9700 W. Higgins Rd. in Rosemont, Illinois. Until then, thank you for being a shareholder.

Sincerely,



Edward J. Wehmer  
President, Chief Executive Officer &  
Founder



David A. Dykstra  
Senior Executive Vice President &  
Chief Operating Officer

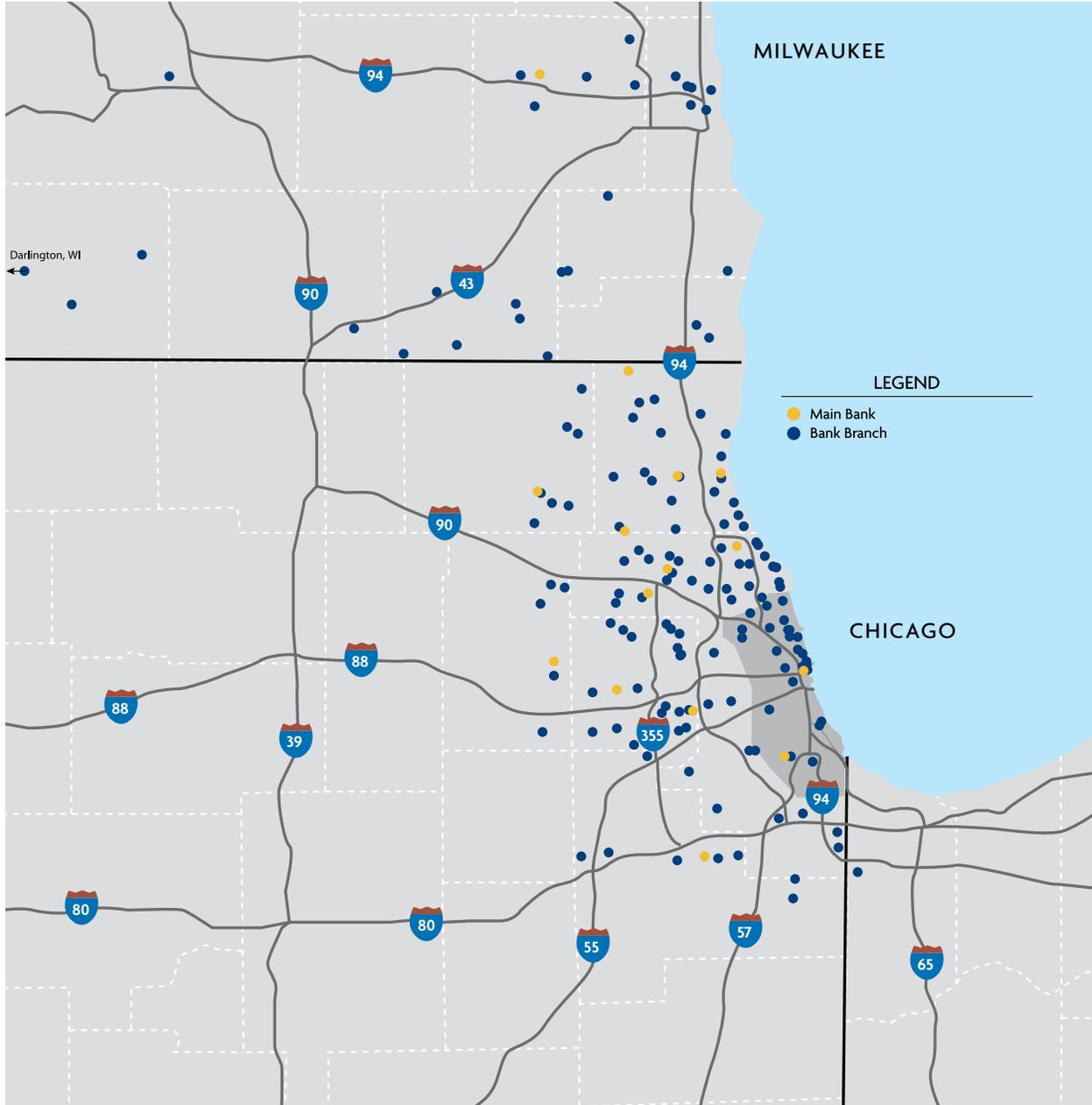
# WINTRUST COMMUNITY BANKS

## OUR COMMUNITY BANK BRANDS

	CLARENDON HILLS BANK*			
	CRYSTAL LAKE BANK & TRUST COMPANY, N.A.*			

## OUR SPECIALIZED BRANDS


## OUR BANK LOCATIONS



**WINTRUST**

9700 WEST HIGGINS ROAD | ROSEMONT, ILLINOIS | 60018  
[WINTRUST.COM/FINDUS](http://WINTRUST.COM/FINDUS)

## APPENDIX: NON-GAAP FINANCIAL MEASURES/RATIOS

The accounting and reporting policies of Wintrust conform to generally accepted accounting principles ("GAAP") in the United States and prevailing practices in the banking industry. However, 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), taxable-equivalent net interest margin (including its individual components), the taxable-equivalent efficiency ratio, tangible common equity ratio, tangible common book value per share and return on average tangible common equity. Management believes that these measures and ratios provide users of the Company's financial information a more meaningful view of the performance of the Company's interest-earning assets and interest-bearing liabilities and of the Company's operating efficiency. Other financial holding companies may define or calculate these measures and ratios differently.

Management reviews yields on certain asset categories and the net interest margin of the Company and its banking subsidiaries on a fully taxable-equivalent ("FTE") basis. 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 FTE 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. Securities gains or losses are excluded from this calculation to better match revenue from daily operations to operational expenses. Management considers the tangible common equity ratio and tangible book value per common share as useful measurements of the Company's equity. The Company references the return on average tangible common equity as a measurement of profitability.

The following table presents a reconciliation of certain non-GAAP performance measures and ratios used by the Company to evaluate and measure the Company's performance to the most directly comparable GAAP financial measures for the last five years.

(Dollars and shares in thousands, except per share data)	Years Ended December 31,				
	2018	2017	2016	2015	2014
<b>Calculation of Net Interest Margin and Efficiency Ratio</b>					
<b>(A) Interest Income (GAAP)</b>	\$ 1,170,810	\$ 946,468	\$ 812,457	\$ 718,464	\$ 671,267
Taxable-equivalent adjustment:					
-Loans	3,403	3,760	2,282	1,431	1,128
-Liquidity management assets	2,258	3,713	3,630	3,221	2,000
-Other earning assets	11	14	40	57	41
<b>(B) Interest Income - FTE</b>	\$ 1,176,482	\$ 953,955	\$ 818,409	\$ 723,173	\$ 674,436
<b>(C) Interest Expense (GAAP)</b>	205,907	114,392	90,264	76,935	72,692
<b>(D) Net interest Income - FTE (B minus C)</b>	\$ 970,575	\$ 839,563	\$ 728,145	\$ 646,238	\$ 601,744
<b>(E) Net Interest Income (GAAP) (A minus C)</b>	\$ 964,903	\$ 832,076	\$ 722,193	\$ 641,529	\$ 598,575
<b>Net interest margin (GAAP-derived)</b>	3.59%	3.41%	3.24%	3.34%	3.51%
Net interest margin — FTE	3.61	3.44	3.26	3.36	3.53
<b>(F) Non-interest income (GAAP)</b>	\$ 356,150	\$ 319,506	\$ 325,430	\$ 271,597	\$ 215,240
<b>(G) (Losses) gains on investment securities, net (GAAP)</b>	(2,898)	45	7,645	323	(504)
<b>(H) Non-interest expense (GAAP)</b>	826,088	731,817	681,685	628,419	546,847
<b>Efficiency ratio (H/(E+F-G))</b>	62.40%	63.55%	65.55%	68.84%	67.15%
<b>Efficiency ratio - FTE (H/(D+F-G))</b>	62.13	63.14	65.18	68.49	66.89
<b>Calculation of Tangible Common Equity ratio (at period end)</b>					
Total shareholders' equity (GAAP)	\$ 3,267,570	\$ 2,976,939	\$ 2,695,617	\$ 2,352,274	\$ 2,069,822
(I) Less: Convertible preferred stock (GAAP)	—	—	(126,257)	(126,287)	(126,467)
Less: Non-convertible preferred stock (GAAP)	(125,000)	(125,000)	(125,000)	(125,000)	—
Less: Goodwill and other intangible assets (GAAP)	(622,565)	(519,505)	(520,438)	(495,970)	(424,445)
<b>(J) Total tangible common shareholders' equity</b>	\$ 2,520,005	\$ 2,332,434	\$ 1,923,922	\$ 1,605,017	\$ 1,518,910
Total assets (GAAP)	\$ 31,244,849	\$ 27,915,970	\$ 25,668,553	\$ 22,909,348	\$ 19,998,840
Less: Goodwill and other intangible assets (GAAP)	(622,565)	(519,505)	(520,438)	(495,970)	(424,445)
<b>(K) Total tangible assets</b>	\$ 30,622,284	\$ 27,396,465	\$ 25,148,115	\$ 22,413,378	\$ 19,574,395
<b>Tangible common equity ratio (J/K)</b>	8.2%	8.5%	7.7%	7.2%	7.8%
<b>Tangible common equity ratio, assuming full conversion of preferred stock ((J-I)/K)</b>	8.2	8.5	8.2	7.7	8.4
<b>Calculation of book value per common share</b>					
Total shareholders' equity (GAAP)	\$ 3,267,570	\$ 2,976,939	\$ 2,695,617	\$ 2,352,274	\$ 2,069,822
Less: Preferred stock (GAAP)	(125,000)	(125,000)	(251,257)	(251,287)	(126,467)
<b>(L) Total common equity</b>	\$ 3,142,570	\$ 2,851,939	\$ 2,444,360	\$ 2,100,987	\$ 1,943,355
<b>(M) Actual common shares outstanding</b>	56,408	55,965	51,881	48,383	46,805
<b>Book value per common share (L/M)</b>	\$ 55.71	\$ 50.96	\$ 47.12	\$ 43.42	\$ 41.52
<b>Tangible book value per common share (J/M)</b>	44.67	41.68	37.08	33.17	32.45
<b>Calculation of return on average common equity</b>					
<b>(N) Net income applicable to common shares</b>	\$ 334,966	\$ 247,904	\$ 192,362	\$ 145,880	\$ 145,075
Add: After-tax intangible asset amortization	3,407	2,907	2,986	2,879	2,881
<b>(O) Tangible net income applicable to common shares</b>	\$ 338,373	\$ 250,811	\$ 195,348	\$ 148,759	\$ 147,956
Total average shareholders' equity	\$ 3,098,740	\$ 2,842,081	\$ 2,549,929	\$ 2,232,989	\$ 1,993,959
Less: Average preferred stock	(548,223)	(165,114)	(251,258)	(191,416)	(126,471)
<b>(P) Total average common shareholders' equity</b>	\$ 2,973,740	\$ 2,676,967	\$ 2,298,671	\$ 2,041,573	\$ 1,867,488
Less: Average intangible assets	(548,223)	(519,910)	(506,241)	(466,225)	(408,642)
<b>(Q) Total average tangible common shareholders' equity</b>	\$ 2,425,517	\$ 2,157,057	\$ 1,792,430	\$ 1,575,348	\$ 1,458,846
<b>Return on average common equity (N/P)</b>	11.26%	9.26%	8.37%	7.15%	7.77%
<b>Return on average tangible common equity (O/Q)</b>	13.95	11.63	10.90	9.44	10.14