

WINTRUST<sup>®</sup>

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**2020 SHAREHOLDERS' LETTER**

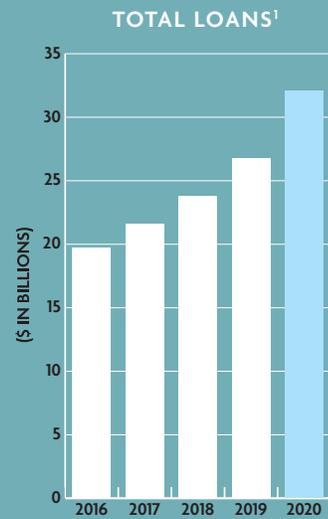
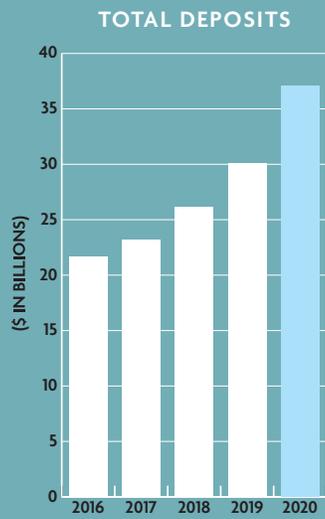
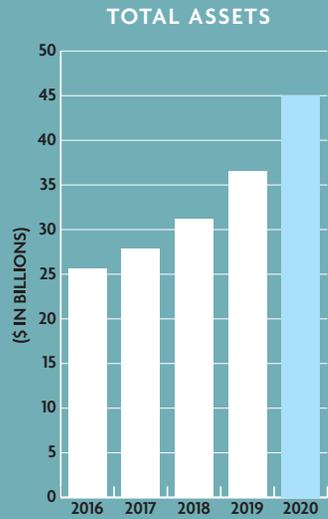
**CHICAGO'S BANK<sup>®</sup>**  
**WISCONSIN'S BANK<sup>®</sup>**

# WELCOME

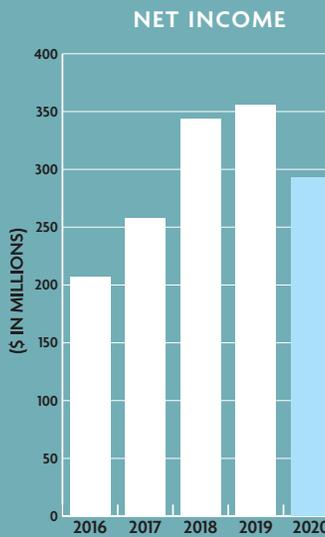
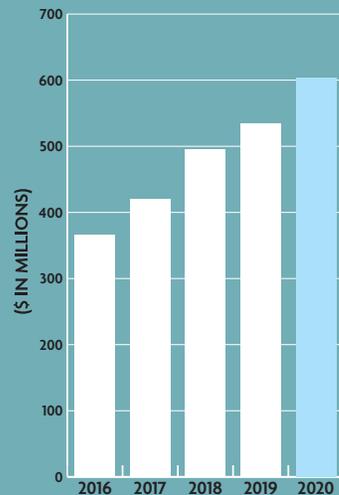
*TO OUR FELLOW SHAREHOLDERS...*

Welcome to Wintrust Financial Corporation's 2020 annual shareholders' letter. We thank you for being a shareholder.

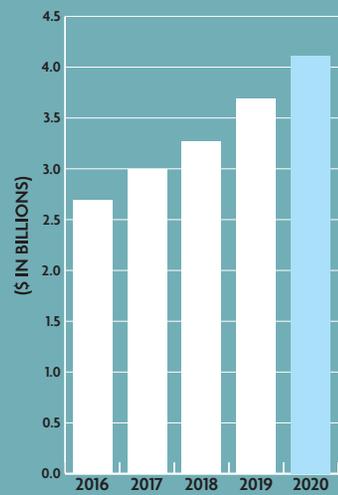
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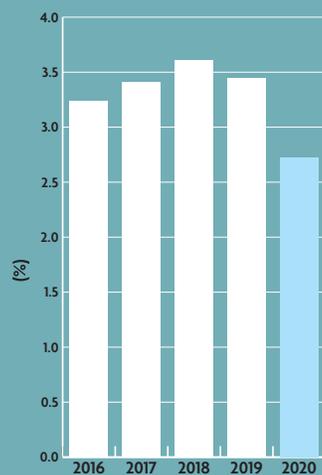
### PRE-TAX INCOME, EXCLUDING PROVISION FOR CREDIT LOSSES (NON-GAAP)<sup>2</sup>



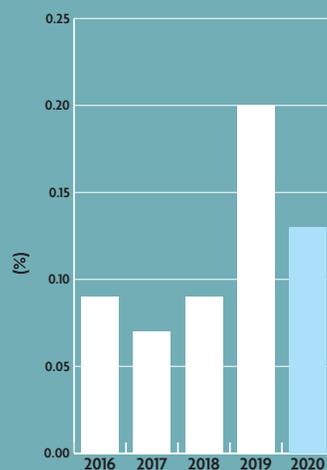
### TOTAL SHAREHOLDERS' EQUITY



### NET INTEREST MARGIN



### NET CHARGE-OFFS<sup>3</sup>



1. Excluding loans held-for-sale and covered loans.

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. As a % of average loans, excluding covered loans.

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

	2020	2019	2018	2017	2016
<b>SELECTED FINANCIAL CONDITION DATA (AT END OF YEAR)</b>					
Total assets	\$ 45,080,768	\$ 36,620,583	\$ 31,244,849	\$ 27,915,970	\$ 25,668,553
Total loans (excluding loans held-for-sale and covered loans)	32,079,073	26,800,290	23,820,691	21,640,797	19,703,172
Total deposits	37,092,651	30,107,138	26,094,678	23,183,347	21,658,632
Junior subordinated debentures	253,566	253,566	253,566	253,566	253,566
Total shareholders' equity	4,115,995	3,691,250	3,267,570	2,976,939	2,695,617
<b>SELECTED STATEMENTS OF INCOME DATA</b>					
Net interest income	\$ 1,039,907	\$ 1,054,919	\$ 964,903	\$ 832,076	\$ 722,193
Net revenue <sup>1</sup>	1,644,096	1,462,091	1,321,053	1,151,582	1,047,623
Net income	292,990	355,697	343,166	257,682	206,875
Pre-tax income, excluding provision for credit losses (non-GAAP) <sup>2</sup>	604,001	533,965	494,965	419,765	365,938
Net income per common share—basic	4.72	6.11	5.95	4.53	3.83
Net income per common share—diluted	4.68	6.03	5.86	4.40	3.66
<b>SELECTED FINANCIAL RATIOS AND OTHER DATA</b>					
<b>PERFORMANCE RATIOS</b>					
Net interest margin	2.72 %	3.45 %	3.59 %	3.41 %	3.24 %
Net interest margin—fully taxable equivalent (non-GAAP) <sup>2</sup>	2.73	3.47	3.61	3.44	3.26
Non-interest income to average assets	1.46	1.23	1.23	1.21	1.34
Non-interest expense to average assets	2.51	2.79	2.85	2.78	2.81
Net overhead ratio <sup>3</sup>	1.05	1.57	1.62	1.56	1.47
Return on average assets	0.71	1.07	1.18	0.98	0.85
Return on average common equity	7.50	10.41	11.26	9.26	8.37
Return on average tangible common equity (non-GAAP) <sup>2</sup>	9.54	13.22	13.95	11.63	10.90
Average total assets	\$ 41,371,339	\$ 33,232,083	\$ 29,028,420	\$ 26,369,702	\$ 24,292,231
Average total shareholders' equity	3,926,688	3,461,535	3,098,740	2,842,081	2,549,929
Average loans to average deposits ratio (excluding covered loans)	88.8 %	91.4 %	93.7 %	92.7 %	90.9 %
Average loans to average deposits ratio (including covered loans)	88.8	91.4	93.7	92.9	91.4
<b>COMMON SHARE DATA AT END OF YEAR</b>					
Market price per common share	\$ 61.09	\$ 70.90	\$ 66.49	\$ 82.37	\$ 72.57
Book value per common share <sup>2</sup>	\$ 65.24	\$ 61.68	\$ 55.71	\$ 50.96	\$ 47.12
Tangible book value per common share (non-GAAP) <sup>2</sup>	\$ 53.23	\$ 49.70	\$ 44.73	\$ 41.68	\$ 37.08
Common shares outstanding	56,769,625	57,821,891	56,407,558	55,965,207	51,880,540
<b>OTHER DATA AT END OF YEAR<sup>4</sup></b>					
Tier 1 leverage ratio	8.1 %	8.7 %	9.1 %	9.3 %	8.9 %
Tier 1 capital ratio	10.0	9.6	9.7	9.9	9.7
Common Equity Tier 1 capital ratio	8.8	9.2	9.3	9.4	8.6
Total capital ratio	12.6	12.2	11.6	12.0	11.9
Allowance for credit losses <sup>5</sup>	\$ 379,969	\$ 158,461	\$ 154,164	\$ 139,174	\$ 123,964
Allowance for loan and unfunded lending-related commitment losses to total loans (excluding covered loans)	1.18 %	0.59 %	0.65 %	0.64 %	0.63 %
Non-performing loans	127,513	117,588	113,234	90,162	87,454
Non-performing loans to total loans (excluding covered loans)	0.40	0.44	0.48	0.42	0.44
<b>NUMBER OF</b>					
Bank subsidiaries	15	15	15	15	15
Banking offices	181	187	167	157	155

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. Effective January 1, 2020, the allowance for credit losses also includes the allowance for investment securities as a result of the adoption of Accounting Standard Update ("ASU") 2016-13, Financial Instruments - Credit Losses.

# “It was the best of times, it was the worst of times.”

**This quote from Charles Dickens' *Tale of Two Cities*, may be the best description for 2020.**

It was unique for a lot of reasons, obviously, but one reason stuck out for us: It provided a shared experience. We all faced our own challenges related to the pandemic, social unrest, and a contentious election year, but we all have a shared reference point, empathy, and understanding. We all know it's been hard.

The year demanded flexibility and strategic agility. It required that we pivot significantly and extremely quickly. It forced us to be creative. This Company—and all of us attached to it—delivered.

In many ways, 2021 feels like a continuation. Much of what we were navigating in 2020—as a company and as individuals—carried over into 2021. Many of us are still working remotely, or rotating through the spaces and buildings we used to frequent every day. We're still juggling the blurred lines between what's happening personally and what's happening professionally and how the two continue to overlap. We're still connecting across screens and devices.

That's why this Shareholders' Letter will also be a little different.

Some of the updates we'll share also bleed from 2020 into 2021, so we figured we'd use that as an excuse to talk a little about an important milestone for your Company.

2021 marks our 30th year, and coming off a year like the last, we thought we'd take the opportunity to acknowledge that here, and celebrate. We've come a long way: Both in the 28 years leading up to 2020, and in our 29th year, which felt like it should count as two (or more).

When we look back over this time, one of the things we're most proud of is the fact that we've managed to stay true to the foundation we created all those years ago with our first location in Lake Forest, Illinois. How can we tell? Because 2020 tested us, and we passed with flying colors.



The company culture we built could not have been more apparent over this past year. We found ways to come through for our customers and communities. We leaned on each other. Despite the social distance, we found ways to be “together” when it mattered most for our customers, communities, employees, and you, our shareholders. That is absolutely worth celebrating.

We have said this a number of times but it's worth repeating. **To paraphrase Winston Churchill: This was Wintrust's finest hour.**

**Ed's said this so often that our marketing department came up with this picture to memorialize it. Needless to say, the staff has definitely kept their sense of humor even in these strange times.**

<h1>YEAR <u>IN</u> NUMBERS</h1> <p>— 2020 HIGHLIGHTS —</p>	<p>Total Assets</p> <h2>\$45.1 BILLION</h2> <p>a 23% increase from 2019</p>	<p>Total Deposits</p> <h2>\$37.1 BILLION</h2> <p>a 23% increase from 2019</p>
<h2>WINNER OF 6</h2> <h3>2020 Greenwich Excellence Awards</h3> <p>for U.S. Middle Market Banking, both within the Midwest region and nationally, in the following categories: overall satisfaction, cash management – overall satisfaction, and likelihood to recommend.</p>	<p>Total Loans (excluding covered loans &amp; loans held-for-sale)</p> <h2>\$32.1 BILLION</h2> <p>a 20% increase from 2019</p>	<p>Wintrust Mortgage originations for sale</p> <h2>\$8 BILLION</h2> <p>a 78% increase from 2019</p>
<h1>24</h1> <p>CONSECUTIVE YEARS <i>of growth</i></p>	<h1>7</h1> <p>YEARS in a row as a Chicago Tribune Top Workplace</p> 	<h1>5,364</h1> <p>EMPLOYEES</p>
<h1>88,000+</h1> <p>HOURS OF EMPLOYEE TRAINING</p> <p>These hours cover the amount of time logged within Wintrust University, our online training platform. Many of our employees participate in additional career development and training programs beyond what's factored in here.</p>		

# The best of a difficult year

For Wintrust, it was the kind of year that provided a reminder of what to do when life hands you lemons. Despite the many challenges, we made it through and have some solid results to show for it.

As always, our consistent and conservative approach to credit and liquidity, and diversified asset base, provided us a good foundation. Our asset, deposit, and loan growth exceeded 10-year averages by a long shot. We're now at \$45 billion in assets, \$32 billion in loans, and \$37 billion in deposits, having grown \$8.5 billion (23%), \$5.3 billion (20%) and \$7.0 billion (23%), respectively, in 2020.

So, in a year where traditional growth engines were nullified by the virus, we had our biggest growth year on record. This is a credit to our people, our technology and one of our basic tried and true operating tenets: same or better products, same or better delivery systems and unmatched service.

Earnings for the year would have been a company all-time record if not for a change in accounting principles which required us to take outsized provisions for loan losses during the year. This is discussed further below. Pretax, pre-provision earnings (non-GAAP) totaled \$604 million, up 13% from \$534 million in 2019. Net income for the year was \$293 million or \$4.68 per diluted common share, down 18% from the \$355.7 million or 6.03 per diluted common share we recorded in 2019.

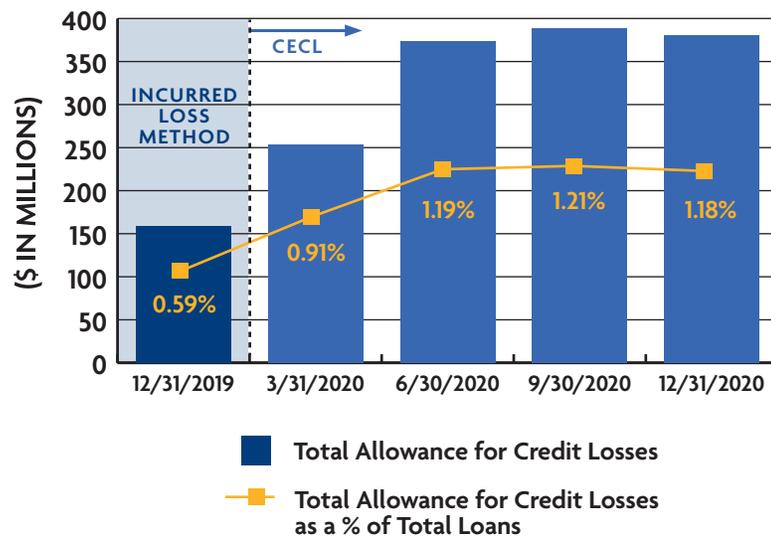
Our net interest margin of 2.72% was down 73 basis points and net interest income was down \$15 million. However, pretax income excluding provision for credit losses (non-GAAP), increased by 13%, or \$70 million, all due to the overall growth of the company and the interest and fees earned on rounds one and two of the Paycheck Protection Program (PPP) loans. More on the PPP loan experience shortly. Loan growth, excluding PPP loans, for the year remained solid at \$2.6 billion (10% growth) thanks to commercial, commercial real estate, and premium finance loans.

One of our biggest challenges related to financial institutions, was the accounting standards change in how we calculate allowance for credit losses. Prior to January 1, 2020, we relied on an incurred loss methodology, which delayed recognition of a credit loss until such loss was probable.

With the new guidance, we are required to use a Current Expected Credit Losses (CECL) methodology, which requires us to estimate a lifetime of expected credit losses considering current and forward looking macro-economic conditions.

The timing of that change did not work in our, or the banking industry's, favor. CECL, coupled with the macro-economic conditions created by the COVID-19 pandemic, resulted in record high provisions: \$214 million in 2020, compared with \$54 million in 2019. We weren't alone. This change impacted all banks, but likely wouldn't have been as impactful to us without the disruption from the COVID-19 pandemic. As it turned out, overall credit quality as measured by conventional metrics actually ended up better than in prior years. Net charge-offs for 2020 were \$40.3 million as compared with \$49.5 million in 2019. At year-end 2020,

## ALLOWANCE FOR CREDIT LOSSES AT PERIOD-END<sup>1</sup>



1. This allowance for credit losses includes both the allowance for loan losses and the allowance for unfunded lending-related commitments

nonperforming assets as a percentage of total assets were 0.32%, and nonperforming loans as a percentage of total loans were 0.40%. This is an improvement compared to year-end 2019 which saw 0.36% and 0.44%, respectively. If anyone had told us at the outset of the pandemic that our credit would be better than it had been in more normal times, we would have definitely questioned their sanity.

However, an accommodative regulatory environment, massive personal stimulus money, and the advent of the PPP loan program kept the banks from experiencing a downward spiral on the credit front. By providing money and allowing time for the effects of the shutdown to pass, the government saved the economy and helped the banking system support its customers. In short, they handled this one right. Although we'd like to attribute the accolades to our staff and stringent underwriting, it may have been a different story without the efforts and policies that came from DC.

While we spend a lot of time in these letters talking about what happened, it is also important to cover what didn't happen, especially this year. We all noticed when the NCAA cancelled the tournament last March. Then came the delays and cancellations of almost everything else: schools, sports of all types and levels, concerts, festivals, etc. This, of course, was disappointing for all of us as fans and active members of our communities. It did, however, result in substantially reduced expenses. Marketing and Advertising expenses were only 75% of what they were in 2019. Entertainment costs were only 42%.

These substantially lowered expenses helped bring our net overhead ratio down to 1.05%, compensating for a reduced margin and ensuring our continued profitability at a time of great uncertainty.

## A lot was different; some things remained the same

Our growth despite the chaotic year, in part, can be tied to the foundation that helps keep us stable in times of uncertainty: our diversified business mix and specialty groups. These groups diversify our income and our balance sheet, and, in the cases of our mortgage and wealth management teams, make us a complete retail financial provider.

While every group faced challenges due to the pandemic, and spent the year working apart, they had some big wins that contributed to the larger organization and gave us further proof that our diversified, high service model is the right one for our customers and our shareholders.

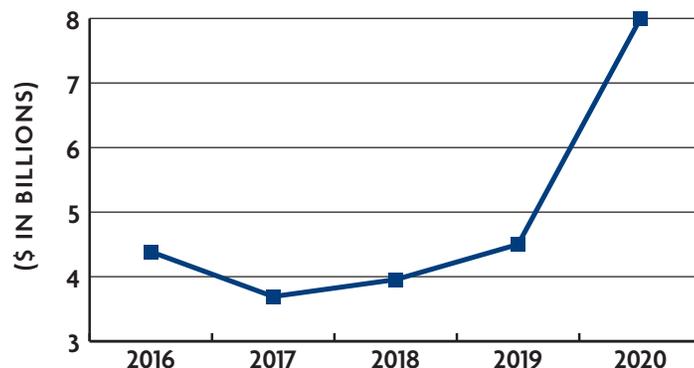
Wintrust Mortgage had a stellar year while navigating some very specific challenges related to their business. Wintrust Mortgage saw record volume due to historically low, long-term interest rates, and also navigated some very specific

pandemic-related issues on the loan servicing side. It required our mortgage team to operate at a level they never even imagined, but they delivered. In 2020, Wintrust Mortgage originated \$8.0 billion in residential mortgages for sale, servicing approximately \$10.8 billion in loans.

Over the last few years, our mortgage

focus has shifted slightly. While we still operate on a national level, we've honed in on some specific markets, like Minnesota and California, and then really put a lot of effort towards being the premier bank mortgage lender in our local footprint. 2020 really allowed us to strengthen that focus and enhance the Wintrust brand. We've also expanded our loan servicing

**WINTRUST MORTGAGE  
ORIGINATIONS FOR SALE**

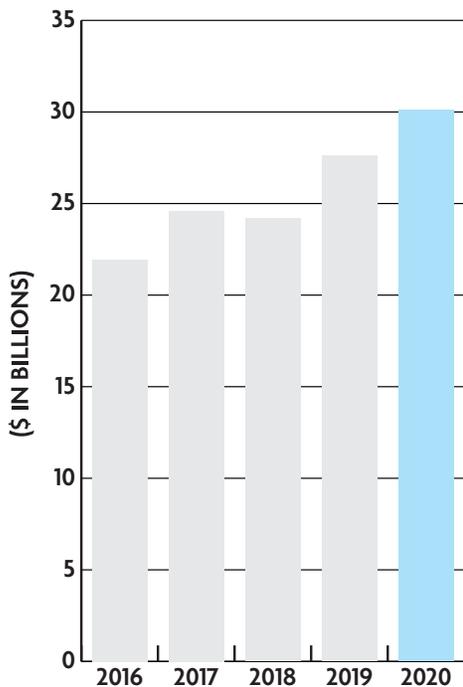


efforts, which has allowed us to offer other services in our family, and transform that servicing relationship into a more full-service customer relationship.

Like every other wealth manager, Wintrust Wealth Management's numbers had some ups and downs. But, our Wealth team did what they do best: provided a steady hand to their clients. Our financial advisors helped their clients navigate an unpredictable 2020. By the end of the year, their assets under management (AUM) exceeded \$30.1 billion, a 9% increase over the last year and net revenues were up 3% over 2019.

Our premium finance groups continue to be leaders in their markets. All of our groups under this umbrella—FIRST Insurance Funding U.S., FIRST Insurance Funding of Canada, and Wintrust Life Finance—collectively make up about a third of our loan portfolio.

### WEALTH MANAGEMENT ASSETS UNDER ADMINISTRATION



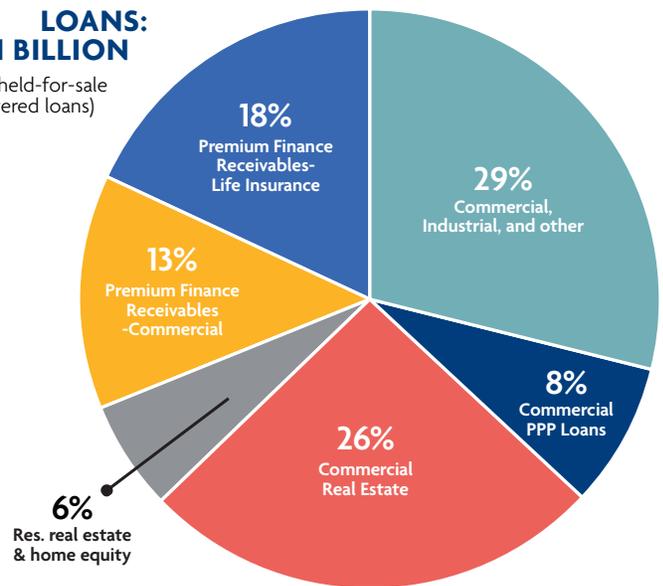
In 2020, on the property and casualty side, we saw some dramatic enhancements in the technological tools we use to reach our customers. Some were investments prior to the pandemic, but some were implemented during, and really allowed us to continue to meet expectations as a premier provider in that space.

Not only did FIRST Insurance Funding continue to grow in loan volume during 2020, but due to the increasing premiums in the insurance market, our loan balances also increased in size. In 2020, FIRST and FIRST Canada originated approximately \$9.9 billion in commercial insurance premium finance receivables and had \$4.1 billion in outstandings.

Wintrust Life Finance (Wintrust Life), focused on life insurance premium financing, also had an exceptional year. Headquartered in New Jersey, Wintrust Life was navigating in the epicenter of the pandemic. The life insurance industry grew a lot during the year due to low interest rates, people considering life insurance products as a good investment during this time, and also because people were looking at issues of mortality related to the pandemic. Wintrust Life was challenged to stay a leader in their space, and on top of everything else, they were able to do it. Wintrust Life ended the year with loan balances of \$5.9 billion compared with \$5.1 billion at the end of 2019.

Our family of loan and leasing groups

### LOANS: \$32.1 BILLION (excluding loans held-for-sale and covered loans)



under the Wintrust Asset Finance umbrella, represent another area that really delivered against the odds. This specialty had a tougher start to the year as much of that portfolio includes companies that rely heavily on transportation and were severely impacted by the shutdown. Our teams really worked with those clients to offer solutions. At one point, a portion of our portfolio was dependent on payment modifications or needed PPP loans to get through the rough patch, but those companies recovered nicely, and the group ended the year strong.

Our retail banking focus remains on our very specific local footprint, but as we've grown, we've also expanded to include more niche businesses and specialized services. The leasing group has allowed us to offer a very specific expertise, and very specific solutions for our local clients, with the added benefit of providing some geographic diversity within our portfolio.

Despite the year of uncertainty, Wintrust Franchise Finance ended the year with their overall portfolio in a healthy position and intact. During the first part of 2020, the team supported their clients substantially, funding more than 200 PPP loans, totaling

in excess of \$200 million. After absorbing the initial shutdown and bridging their businesses with the PPP funds, the team saw their clients' businesses (primarily quick service restaurants) rebound quickly, demonstrating the resilient nature of our franchise finance portfolio. Throughout the year, the Wintrust Franchise Finance team continued to focus efforts on business development, ultimately resulting in a record fourth quarter in loan production and ending the year with portfolio balance exceeding \$1 billion.

# Things took a real turn...and so did we

Overall, the growth we had in 2020 is exceptional, especially considering our employees were working under some pretty unique circumstances.

Technically, the year started before that fateful day in mid-March, but who can remember what happened before then? 2020 was dominated by the COVID-19 pandemic, and we had to make a lot of changes in response.

March 13 marked the day that, like a flip of a switch, we went from a company that did not work from home, to having 80% of our workforce, roughly 4,200 people, working remotely. That required a big lift from Wintrust Technology.

Our data center and our virtual private network provided the foundation for continuing to serve our customers and supporting our employees' work during this time. Technology teams had to coordinate distributing necessary equipment through

drive-up pickup or shipping. They also enabled our phone system to seamlessly connect to employees' remote locations, including our call center, which had to shift to a fully remote model. They were also tasked with quickly developing a process and procedure for deploying video conferencing software to support team collaboration across the company.

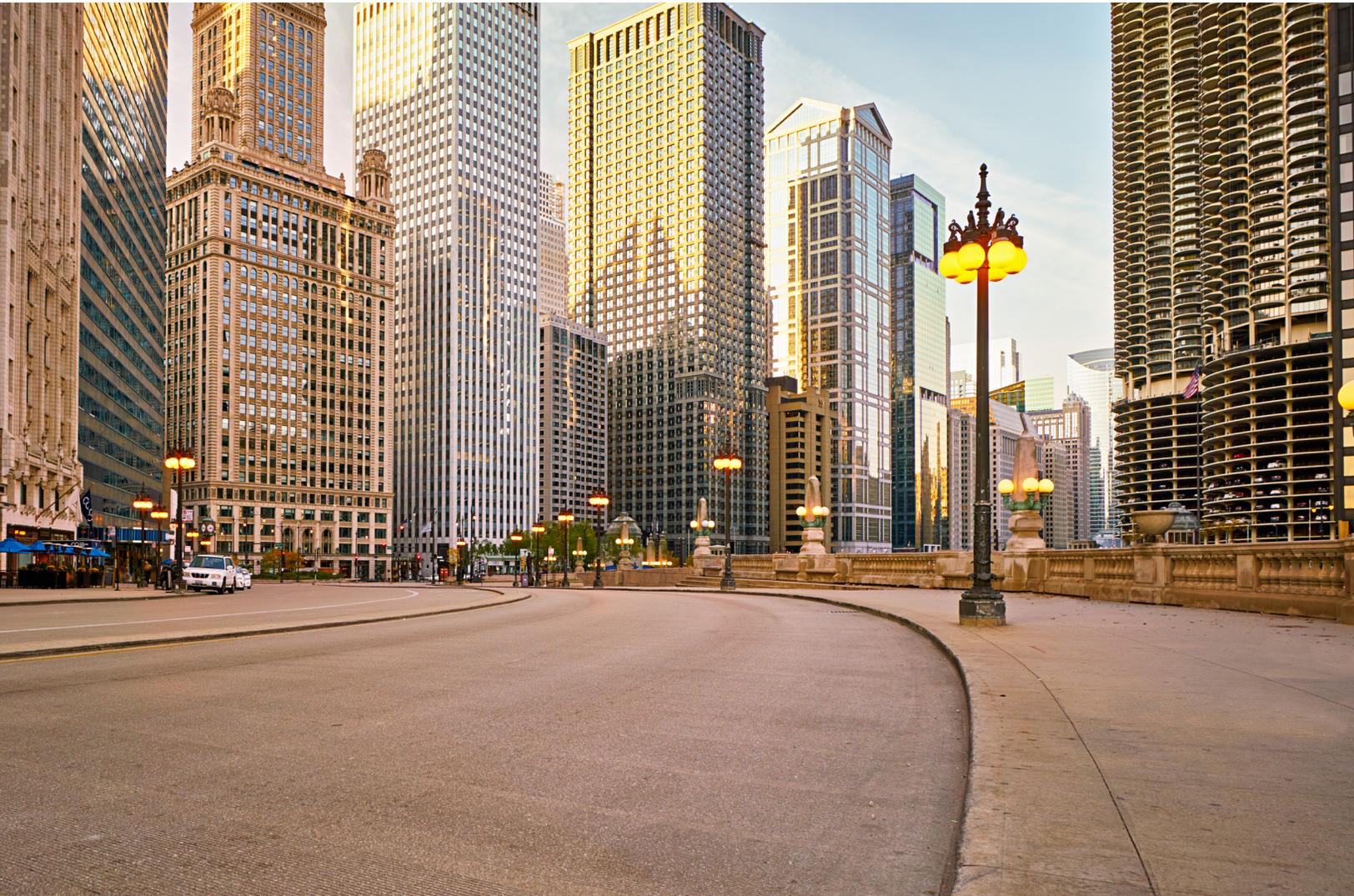
Although banking is an essential service, Wintrust opted to send those who could do their work remote, home. With shelter in place orders in effect, that decision not only supported employees as they balanced child and family care, but also ensured we did our part to keep our employees and communities safe.

We also modified banking operations and branch staffing levels to limit contact. Some locations closed, while others closed lobbies and switched to drive-thru-only service. We pivoted quickly to build a system to support customer appointment



setting. Employees who were in retail branch facilities moved to rotational schedules. Meanwhile, all employees were paid at 100%.

We added 80 hours of COVID-19 sick pay for employees to cover absences for illness, quarantine, and family care. We instituted daily health attestations to ensure



healthy employees are in the office, and implemented new safety protocols, and signage, as well as distributed personal protective equipment kits to all locations. We even provided back-up childcare benefits.

All of this effort helped our employees feel supported, and likely contributed to

us being included for the seventh year as a Chicago Tribune Top Workplace. According to an employee survey sent in May, 93% of responding staff felt that Wintrust adapted policies and procedures appropriately. The survey also indicated that despite being apart, 89% of employees still felt well-connected to their teams.

Employees were left to answer one important question: Can we continue to support our customers from afar? Nothing answers that question better than the story of our PPP effort.



# A banking product with a line out the door

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security (CARES) Act became law and banks were directed to prepare for the launch of the Paycheck Protection Program (PPP).

In less than a week, the Wintrust Technology team built an entire customer-facing loan inquiry system, while our bankers and credit teams created a new underwriting process to meet businesses' needs and the government's desire to begin accepting inquiries on April 3. What our team accomplished in just a few days is truly remarkable and proof-positive of our unwavering commitment to our communities.

We have never been prouder of Wintrust and its employees. We know that our customers put their trust in us as their community bank. Our bankers knew that they were not just trying to book loans, we were saving businesses, preserving jobs and helping prop up communities. It was about helping our clients sleep better at night, knowing that they can continue to pay their employees, who in turn can pay their bills and feed their families. The first round of PPP happened quickly. In the first week, we took in 7,700 inquiries for \$3.1 billion in loans.

# PAYCHECK PROTECTION PROGRAM

## numbers at a glance

as of 2/28/21



We also performed outreach within our communities, to ensure those that needed the money most had access to it. We reached out to businesses in low-income and traditionally underserved communities and nonprofits throughout the area. By the time the first PPP round fully closed, we'd booked 12,000 loans, for \$3.5 billion. Of that, 8,000 were under \$150,000 and 900 were to local nonprofits.

When the most recent round came up in early 2021, we were ready. Not only was our portal up and stable, and our bankers by their phones to support our customers, we were also ready to immediately start reaching out to those businesses in communities that needed the most help. In addition to our traditional outreach, we created PPP Resource Centers at several of our locations. These locations had computers, printers, and knowledgeable

staff to help at-risk businesses navigate the PPP process, gather the needed documentation and submit their loans. This round saw another 7,500 loans, for \$1.3 billion, with about 5,500 of them under \$150,000 and more than 475 to local nonprofits.

Throughout the year, we were inundated with messages of gratitude from PPP customers. Here are just a handful of examples of what they had to say.

**“What I didn't realize before this pandemic is how important a personal banking relationship is.**

After the COVID-19 pandemic interfered so abruptly and devastatingly to my company, I became astutely aware of the necessity to have a personal and meaningful relationship with a bank.”

**BECCA SHEADE,**  
*Elgin Pediatric Therapy*

It was a hard time, especially for restaurants...It was so nice when I went into the local branch. They knew every single step. **They kept me informed every step of the way. I have to say, it was effortless.** Within a week, there was the money in my account.”

**ELAINE APOSTOLOPOULOS,**  
*Paul's Family Restaurant*

“When the sky fell and the pandemic was upon us, you were there for us. Not just with words, but with the infrastructure and resources needed to navigate the government programs to secure much needed help. **I spoke to you after-hours and on weekends, and never once did I not receive a response.**

You were intent on helping us secure much-needed capital. For this I thank you, your staff, and Wintrust.”

**JEFF JACOBS,**  
*Universal Lenders, LLC*

“Your help in seeing through our PPP application has literally been a lifesaver for us. **The fact that you have been able to return emails and phone calls within minutes is truly amazing.”**

**SAMUEL GRILL,**  
*Forum Properties, Inc.*

“We truly appreciate all you and the bank did for us little guys. **This is exactly why we bank with the smaller neighborhood bank. You guys actually care about your customers, and it shows in these unprecedented times.”**

**DAN COLLINS,**  
*Collins Construction Group, Inc*

“To get a phone call from you on a Sunday morning to keep our application moving through the system says it all. **I know that we are not your biggest or best customer, but you treated us as if we were.”**

**BOB CESARIO,**  
*Service Mechanical Industries, Inc.*

**“Your team is made up of heroes.”**

**JACK HUBBARD,**  
*St. Meyer & Hubbard*

“Wintrust has touched the lives of more than the 492 families that work at Blue Plate. That's a lot of people, that's a lot of rent and mortgages to support, that is a lot of mouths to feed, that's a lot of school costs to cover, and that's just the beginning. We now can continue our work due to the on-going critical support Wintrust is providing us. I, and the entire Blue Plate family, will be forever thankful for the Wintrust support during this unfathomable crisis. I know how hard your group has been working over the past month on our behalf.”

**JIM HORAN,**  
*Blue Plate*

“We had a direct contact to walk to us through the entire process.

**If I reach out in the evening, I receive a response in the evening. There are no ‘banker hours.’”**

**NICOLE MURRAY,**  
*Will County Habitat for Humanity*

“Because of Wintrust, we saved a lot of jobs. I could tell **you cared more about what we were going through rather than being just a number to your bank.**”

**BRIAN O'NEIL,**  
*Sales Empowerment Group*

## The added benefit of PPP & of **Knowing Your Banker**

We've said it a few times in this letter and we've said it repeatedly for our entire existence: We believe our personal touch, our relationship focus, and our accessibility, make the real difference in why our customers—especially commercial middle market customers—work with us. These aren't just banking relationships. It's personal. We know the businesses. We know what they do for their communities. We know the number of employees and their families they support.

So, while our commercial and business banking teams were trying to take care of their customers and put up solid numbers in the middle of a pandemic, they dropped everything to make sure their customers and long-term prospects could participate in PPP. Our bankers understood that it wasn't just about numbers. We were helping thousands of businesses, generations of work, and tens of thousands of employees and their families get through the pandemic.

Once again, this was where our model proved itself. As we worked with our current customers on their PPP applications, we heard from non-customers asking if they could submit through Wintrust. Many of them couldn't get a hold of their bankers at other banks. They got caught in crashed systems, understaffed call centers and full voice mail boxes.

Our commercial and business banking teams estimate that we took in almost 1,400 PPP applications from non-customers in the first rounds of PPP. About 320 of those were middle-market commercial prospects. After that experience, 141 switched to us by the end of 2020, with more expected throughout 2021. That brought in \$404 million in commitments, \$228 million outstanding, and \$271 million in new deposits.

“I want to thank you for all your knowledge and compassion helping my company through the PPP loan process. **My banker made the whole process, from application to approval, very easy for us.**”

**MATT HONZELKA,**  
*MH Renovations, LLC*



# A year of change

There's one more shared experience from 2020 that we haven't touched on, but need to. The events of Memorial Day weekend 2020, followed by our nation's profound response, were a stark reminder of our role and responsibility in creating change. As a company that is based in one of the most diverse areas in the country and committed to serving the many different kinds of communities and people who make up this area, we know the importance of equity and inclusion.

Our work in this space is not new. When we decided to become "Chicago's Bank" and "Wisconsin's Bank," we knew what that meant. It meant committing to economic growth and empowerment of all our communities. We've made that commitment, but realize that we're not done.

The events of 2020 required that we take ownership of where we are, and find ways to get where we need to be. We want to ensure we are creating change that is lasting and sustainable. That means creating more opportunities for inclusion within our organization, and also better serving more diverse areas within our footprint.

In the summer, we held a special meeting of our board members to discuss what we are doing well, and what we could do better. It helped provide a space for us to have a thoughtful conversation about areas of growth.

For the first time in 2020, we recognized Juneteenth as a cultural floating holiday to be used in whatever way our employees feel is appropriate. Related to the holiday, we offered an employee matching donation program for a select group of organizations focused on supporting the Black community.

We also continued to strengthen some of the relationships we already had and the efforts we were already making. We expanded partnerships with organizations focused on equity, like the Chicago Urban League. We worked to finalize plans for our new location set to open in the spring of 2021 in the North Lawndale neighborhood of Chicago. And, we continued to learn and grow through events hosted through our business resource groups. This is just scratching the surface of the commitment we have to this work.



# Looking forward

Although many of the challenges of 2020 carried over, we have an end to this pandemic in sight. As vaccines roll out across the country, they bring the hope of something different. We may not get quite back to how things were before, but it will be an improvement over last year and that's promising.

As we gear up for what will hopefully be some in-person celebrations for our 30th anniversary, we want to take a minute to say thank you. As always, your trust and investment in us is what keeps us moving forward. We continue to be a company committed to delivering for our customers, communities, employees, and shareholders.

Thirty years later, our foundation remains strong. One of the ways we prove that to you and show you our value is through our tangible book value per common share (non-GAAP), which grew nicely to \$53.23 at the end of 2020 compared to \$49.70 from 2019, despite the circumstances. You're investing in a reliable company that can grow through the ups, but also through the downs. We're incredibly grateful for the accomplishments from 2020, and also for the safety and health of the people who are part of the Wintrust family.

We invite you to tune in virtually for our annual meeting at 9 a.m. CDT, May 27, 2021. Until then, thank you for being a shareholder.



*Edward J. Wehmer*

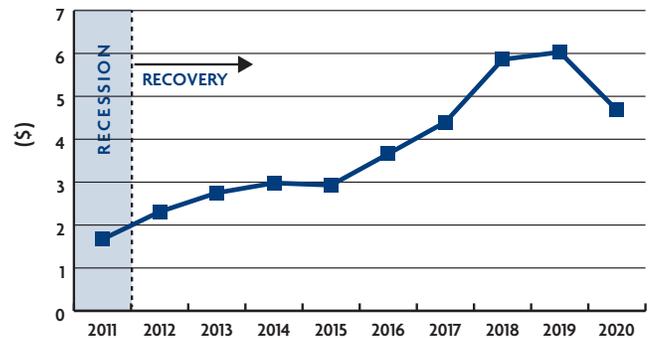
Edward J. Wehmer  
Founder & Chief Executive  
Officer



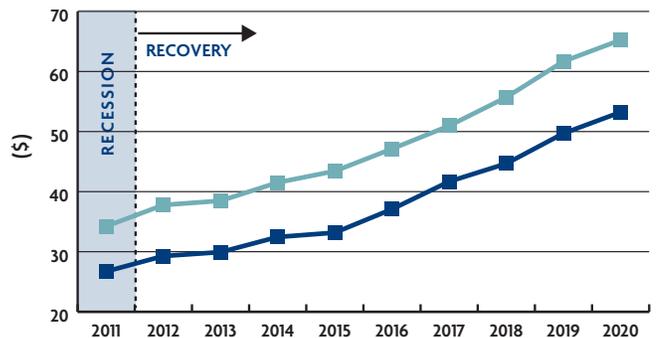
*David A. Dykstra*

David A. Dykstra  
Vice Chairman &  
Chief Operating Officer

## NET INCOME PER COMMON SHARE-DILUTED



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



<sup>1</sup> 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.

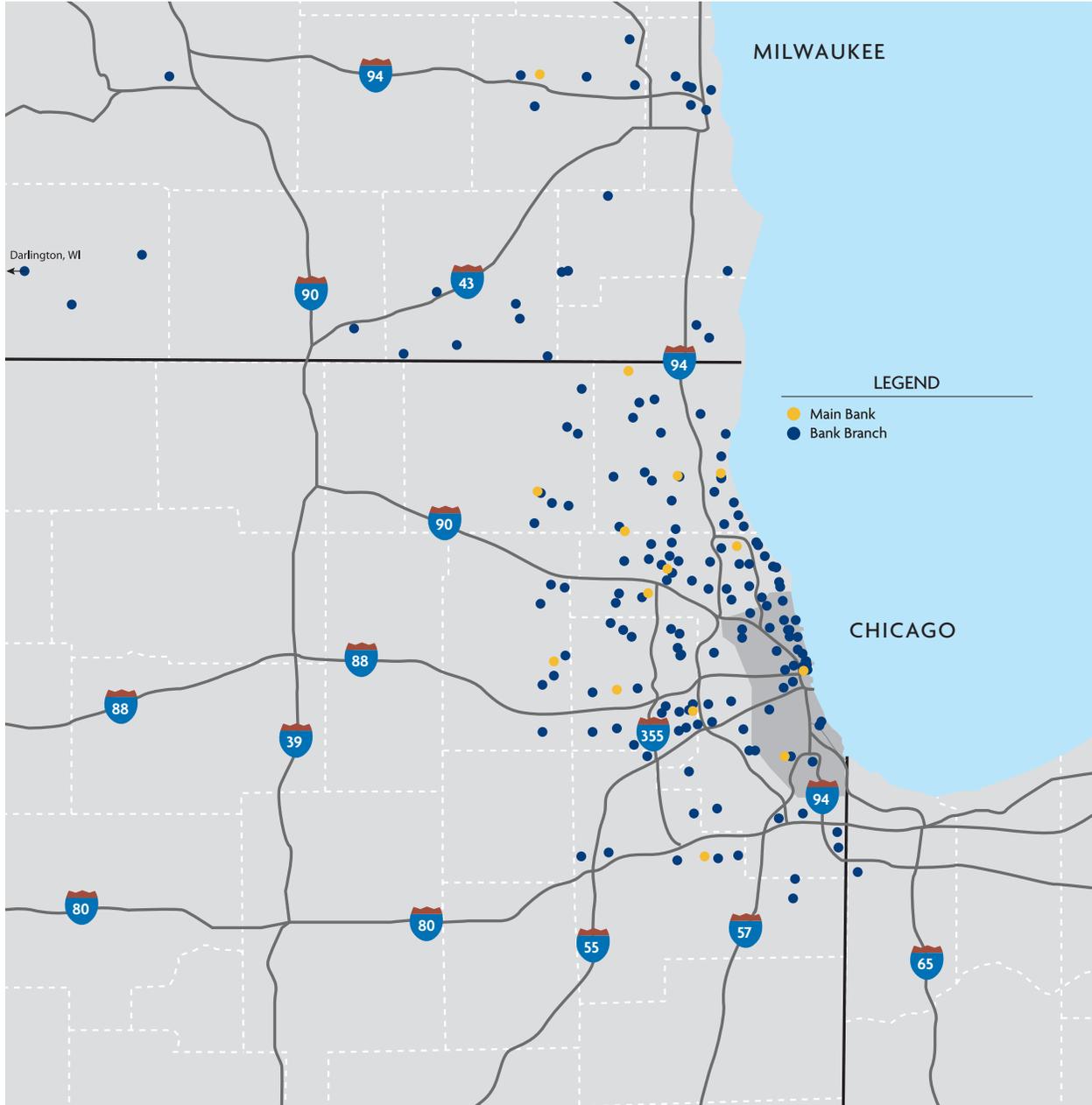
# WINTRUST

COMMUNITY BANKS

## OUR COMMUNITY BANK BRANDS


## OUR SPECIALIZED BRANDS


## OUR BANK LOCATIONS



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## 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,				
	2020	2019	2018	2017	2016
<b>Reconciliation of Non-GAAP Net Interest Margin and Efficiency Ratio:</b>					
<b>(A) Interest Income (GAAP)</b>	\$ 1,293,020	\$ 1,385,142	\$ 1,170,810	\$ 946,468	\$ 812,457
Taxable-equivalent adjustment:					
-Loans	2,241	3,935	3,403	3,760	2,282
-Liquidity management assets	2,165	2,280	2,258	3,713	3,630
-Other earning assets	9	9	11	14	40
<b>(B) Interest Income (non-GAAP)</b>	\$ 1,297,435	\$ 1,391,366	\$ 1,176,482	\$ 953,955	\$ 818,409
<b>(C) Interest Expense (GAAP)</b>	253,113	330,223	205,907	114,392	90,264
<b>(D) Net Interest Income (GAAP) (A minus C)</b>	1,039,907	1,054,919	964,903	832,076	722,193
<b>(E) Net interest Income (non-GAAP) (B minus C)</b>	1,044,322	1,061,143	970,575	839,563	728,145
<b>Net interest margin (GAAP)</b>	2.72 %	3.45 %	3.59 %	3.41 %	3.24 %
<b>Net interest margin, fully taxable equivalent (non-GAAP)</b>	2.73	3.47	3.61	3.44	3.26
<b>(F) Non-interest income</b>	\$ 604,189	\$ 407,172	\$ 356,150	\$ 319,506	\$ 325,430
<b>(G) (Losses) gains on investment securities, net</b>	(1,926)	3,525	(2,898)	45	7,645
<b>(H) Non-interest expense</b>	1,040,095	928,126	826,088	731,817	681,685
<b>Efficiency ratio (H/(D+F-G))</b>	63.19 %	63.63 %	62.40 %	63.55 %	65.55 %
<b>Efficiency ratio (non-GAAP) (H/(E+F-G))</b>	63.02	63.36	62.13	63.14	65.18
<b>Reconciliation of Non-GAAP Tangible Common Equity Ratio:</b>					
Total shareholders' equity (GAAP)	\$ 4,115,995	\$ 3,691,250	\$ 3,267,570	\$ 2,976,939	\$ 2,695,617
(I) Less: Convertible preferred stock (GAAP)	—	—	—	—	(126,257)
Less: Non-convertible preferred stock (GAAP)	(412,500)	(125,000)	(125,000)	(125,000)	(125,000)
Less: Goodwill and other intangible assets (GAAP)	(681,747)	(692,277)	(622,565)	(519,505)	(520,438)
<b>(J) Total tangible common shareholders' equity (non-GAAP)</b>	\$ 3,021,748	\$ 2,873,973	\$ 2,520,005	\$ 2,332,434	\$ 1,923,922
<b>(K) Total assets (GAAP)</b>	\$ 45,080,768	\$ 36,620,583	\$ 31,244,849	\$ 27,915,970	\$ 25,668,553
Less: Goodwill and other intangible assets (GAAP)	(681,747)	(692,277)	(622,565)	(519,505)	(520,438)
<b>(L) Total tangible assets (non-GAAP)</b>	\$ 44,399,021	\$ 35,928,306	\$ 30,622,284	\$ 27,396,465	\$ 25,148,115
<b>Common equity to assets ratio (GAAP) (M/K)</b>	8.2 %	9.7 %	10.1 %	10.2 %	9.5 %
<b>Tangible common equity ratio (non-GAAP) (J/L)</b>	6.8	8.0	8.2	8.5	7.7
<b>Tangible common equity ratio, assuming full conversion of preferred stock (non-GAAP) (J-I)/L)</b>	6.8	8.0	8.2	8.5	8.2
<b>Reconciliation of Non-GAAP Tangible Book Value per Common Share:</b>					
Total shareholders' equity (GAAP)	\$ 4,115,995	\$ 3,691,250	\$ 3,267,570	\$ 2,976,939	\$ 2,695,617
Less: Preferred stock (GAAP)	(412,500)	(125,000)	(125,000)	(125,000)	(251,257)
<b>(M) Total common equity</b>	\$ 3,703,495	\$ 3,566,250	\$ 3,142,570	\$ 2,851,939	\$ 2,444,360
<b>(N) Actual common shares outstanding</b>	56,770	57,822	56,408	55,965	51,881
<b>Book value per common share (M/N)</b>	\$ 65.24	\$ 61.68	\$ 55.71	\$ 50.96	\$ 47.12
<b>Tangible book value per common share (Non-GAAP) (J/N)</b>	53.23	49.70	44.67	41.68	37.08
<b>Reconciliation of Non-GAAP Return on Average Tangible Common Equity:</b>					
(O) Net income applicable to common shares	\$ 271,613	\$ 347,497	\$ 334,966	\$ 247,904	\$ 192,362
Add: Intangible asset amortization	11,018	11,844	4,571	4,401	4,789
Less: Tax effect of intangible asset amortization	(2,732)	(3,068)	(1,164)	(1,494)	(1,803)
After-tax intangible asset amortization	8,286	8,776	3,407	2,907	2,986
<b>(P) Tangible net income applicable to common shares (non-GAAP)</b>	\$ 279,899	\$ 356,273	\$ 338,373	\$ 250,811	\$ 195,348
Total average shareholders' equity	\$ 3,926,688	\$ 3,461,535	\$ 3,098,740	\$ 2,842,081	\$ 2,549,929
Less: Average preferred stock	(306,455)	(125,000)	(125,000)	(165,114)	(251,258)
<b>(Q) Total average common shareholders' equity</b>	\$ 3,620,233	\$ 3,336,535	\$ 2,973,740	\$ 2,676,967	\$ 2,298,671
Less: Average intangible assets	(686,064)	(641,802)	(548,223)	(519,910)	(506,241)
<b>(R) Total average tangible common shareholders' equity (non-GAAP)</b>	\$ 2,934,169	\$ 2,694,733	\$ 2,425,517	\$ 2,157,057	\$ 1,792,430
<b>Return on average common equity (O/Q)</b>	7.50 %	10.41 %	11.26 %	9.26 %	8.37 %
<b>Return on average tangible common equity (non-GAAP) (P/R)</b>	9.54	13.22	13.95	11.63	10.90
<b>Reconciliation of Non-GAAP Pre-Tax, Pre-Provision Income:</b>					
Income before taxes	\$ 389,781	\$ 480,101	\$ 460,133	\$ 389,997	\$ 331,854
Add: Provision for credit losses	214,220	53,864	34,832	29,768	34,084
<b>Pre-tax income, excluding provision for credit losses (non-GAAP)</b>	\$ 604,001	\$ 533,965	\$ 494,965	\$ 419,765	\$ 365,938