WINTRUST

NEWS RELEASE

# Wintrust Financial Corporation Reports Record Earnings for the Second Quarter; Second Quarter Net Earnings Up 37%

2005-07-21

LAKE FOREST, Ill., July 21 /PRNewswire-FirstCall/ -- Wintrust Financial Corporation ("Wintrust" or "the Company") (Nasdaq: WTFC) announced record quarterly net income of $17.2 million for the quarter ended June 30, 2005, an increase of $4.7 million, or 37%, over the $12.5 million recorded in the second quarter of 2004. On a per share basis, net income for the second quarter of 2005 totaled $0.70 per diluted common share, a $0.12 per share, or 21%, increase as compared to the 2004 second quarter total of $0.58 per diluted common share. The return on average equity for the second quarter of 2005 stood at 11.94% versus 13.70% for the second quarter of 2004.

For the first six months of 2005 net income totaled $32.2 million, or $1.35 per diluted common share, an increase of $8.1 million, or 34%, when compared to $24.1 million, or $1.12 per diluted common share, for the same period in 2004. Return on average equity for the first six months of 2005 was 12.28% versus 13.41% for the same period of 2004.

Total assets rose to $7.77 billion at June 30, 2005, an increase of $2.44 billion, or 46%, compared to $5.33 billion a year ago. Total deposits as of June 30, 2005 were $6.30 billion, an increase of $1.98 billion, or 46%, as compared to $4.32 billion at June 30, 2004. Total loans grew to $5.02 billion as of June 30, 2005, a $1.32 billion, or 36%, increase over the $3.70 billion balance as of a year ago. Shareholders' equity increased to $596.9 million, or a book value of $25.33 per share, at June 30, 2005, compared to $374.2 million or a book value of $18.26 per share at June 30, 2004.

"We are very pleased with our results for the second quarter and the first half of 2005 given the challenging interest rate environment. Deposit growth from our recently opened de novo locations has exceeded our expectations and continues to be very strong," commented Edward J. Wehmer, President and Chief Executive Officer. "Our significant

deposit growth coupled with strong but slower loan growth resulted in higher reliance on lower yielding liquidity management assets this quarter. The resulting change in mix of our earning assets restrained the anticipated improvement in our net interest margin which remained relatively flat for the quarter." Mr. Wehmer added, "We continue to be focused on our performance measurement goals, with a commitment to improving both our return on assets and return on equity over the coming year. Through the efforts of each of our employees, we are comfortable with the existing range of the analysts' earnings estimates for 2005 of $2.70 to $2.85 per share."

Wintrust's key operating measures and growth rates for the second quarter of 2005 as compared to the sequential and linked quarters are shown in the table below:

| | Three Months Ended | | | % or basis point (bp) change from 1st Quarter 2005 (5) | % or basis point (bp) change from 2nd Quarter 2004 |
|---|---|---|---|---|---|
| ($ in thousands, except per share data) | June 30, 2005 | March 31, 2005 | June 30, 2004 | | |
| Net income | $17,172 | $15,012 | $12,493 | 58% | 37% |
| Net income per common share - Diluted | $0.70 | $0.65 | $0.58 | 31% | 21% |
| Net revenue (1) | $77,213 | $73,223 | $58,215 | 22% | 33% |
| Net interest income | $53,852 | $49,987 | $36,720 | 31% | 47% |
| Net interest margin (4) | 3.19% | 3.21% | 3.13% | (2) bp | 6 bp |
| Core net interest margin (2) (4) | 3.40% | 3.41% | 3.26% | (1) bp | 14 bp |
| Net overhead ratio (3) | 1.36% | 1.45% | 1.23% | (9) bp | 13 bp |
| Return on average assets | 0.91% | 0.87% | 0.97% | 4 bp | (6) bp |
| Return on average equity | 11.94% | 12.68% | 13.70% | (74) bp | (176) bp |
| At end of period | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| Total assets | $7,768,993 | $7,345,539 | $5,326,179 | 24% | 46% |
| Total loans | $5,023,087 | $4,858,724 | $3,695,551 | 14% | 36% |
| Total deposits | $6,299,050 | $5,926,085 | $4,324,368 | 25% | 46% |
| Total equity | $596,921 | $562,527 | $374,152 | 25% | 60% |

(1) Net revenue is net interest income plus non-interest income.
(2) Core net interest margin excludes interest expense associated with Wintrust's Long-term Debt - Trust Preferred Securities.
(3) The net overhead ratio is calculated by netting total non-interest expense and total non-interest income, annualizing this amount, and dividing by that period's total average assets. A lower ratio indicates a higher degree of efficiency.
(4) See "Supplemental Financial Measures/Ratios" for additional information on this performance measure/ratio.
(5) % change is annualized.

Certain returns, yields, performance ratios, or quarterly growth rates are "annualized" in this presentation to represent an annual time period. This is done for analytical purposes to better discern for decision-making purposes underlying performance trends when compared to full-year or year-over-year amounts. For example, balance sheet growth rates are most often expressed in terms of an annual rate like 20%. As such, a 5% growth rate for a quarter would represent an annualized 20% growth rate. Additional supplemental financial information showing quarterly trends can be found on the Company's website at **http://www.wintrust.com** by choosing "Investor News" and then choosing "Supplemental Financial Info."

Acquisitions, Stock Offering/Regulatory Capital and De Novo Locations - Impacting Comparative Financial Results

Acquisitions

On May 19, 2004, Wintrust announced the completion (effective date of May 1, 2004) of its acquisition of SGB Corporation d/b/a WestAmerica Mortgage Company ("WAMC") and Guardian Real Estate Services, Inc. ("Guardian"), in stock and cash merger transactions (a total of 180,438 shares of common stock were issued). WAMC engages primarily in the origination and purchase of residential mortgages for sale into the secondary market. WAMC's operations are conducted out of its offices located in Oakbrook Terrace, Illinois, with accounting, administrative and secondary marketing operations located in Greenwood Village, Colorado. Guardian provides document preparation and other loan closing services to WAMC and its network of mortgage brokers. Guardian is headquartered in Oakbrook Terrace, Illinois.

On September 30, 2004, Wintrust announced the completion of its acquisition of Northview Financial Corporation

("Northview") in a stock and cash merger transaction (475,148 shares of common stock were issued). Northview was the parent company of Northview Bank and Trust ("Northview Bank") with locations in Northfield, Mundelein and Wheaton, Illinois, and Northview Mortgage, LLC. Northview Bank began operations as a de novo bank in 1993. On December 13, 2004, the bank's locations in Northfield became part of Northbrook Bank & Trust Company, the bank's Mundelein location became part of Libertyville Bank & Trust Company and the bank's Wheaton location was renamed Wheaton Bank & Trust Company.

On October 15, 2004, Wintrust announced the completion (effective date of October 1, 2004) of its acquisition of Town Bankshares, Ltd. ("Town") in a stock and cash merger transaction (372,535 shares of common stock were issued). Town was the parent company of Town Bank with locations in Delafield and Madison, Wisconsin. Town Bank began operations as a de novo bank in 1998.

On January 18, 2005, Wintrust announced the completion (effective date of January 1, 2005) of its cash acquisition of Antioch Holding Company ("Antioch"). Antioch was the parent company of State Bank of The Lakes that has locations in Antioch, Lindenhurst, Grayslake, Spring Grove and McHenry.

On March 31, 2005, Wintrust announced the completion of its acquisition of First Northwest Bancorp, Inc. ("FNBI") in a stock and cash merger transaction (595,123 shares of common stock were issued). FNBI was the parent company of First Northwest Bank with two locations in Arlington Heights, Illinois. First Northwest Bank began operations as a de novo bank in 1995. On May 23, 2005, the bank's locations became part of Village Bank & Trust.

The results of operations of WAMC, Guardian, Northview, Town, Antioch and FNBI are included in Wintrust's consolidated financial results only since their respective effective dates of acquisition.

Stock Offering/Regulatory Capital

On March 30, 2005, Wintrust consummated the partial settlement of the forward sale agreement the Company entered into on December 14, 2004 with Royal Bank of Canada, an affiliate of RBC Capital Markets Corporation, relating to the forward sale by Wintrust of 1.2 million shares of Wintrust's common stock. Pursuant to and in partial settlement of the forward sale agreement, Wintrust issued 1.0 million shares of its common stock, and received $56.1 million from Royal Bank of Canada.

On July 15, 2005, Wintrust announced that all 2,000,000 shares of the 10.50% Cumulative Trust Preferred Securities issued by Wintrust Capital Trust II will be redeemed on August 16, 2005 at a redemption price equal to the $10.00 liquidation amount, plus accrued and unpaid distributions to the Redemption Date, for each Trust Preferred Security. The redemption of the Trust Preferred Securities is a result of the concurrent redemption by Wintrust of its 10.50% Junior Subordinated Debentures due 2030, all of which are held by the Wintrust Capital Trust II. Wintrust

intends to issue additional trust preferred securities in a pooled transaction and use the proceeds from the issuance to fund the redemption of the Trust Preferred Securities and the Debentures. Following the redemption, the Company's capital ratios will continue to comply with all applicable regulatory capital requirements and the capital ratios of the Company's bank subsidiaries will continue to be considered "well capitalized" for regulatory purposes.

De Novo Locations

Over the past 12 months, Wintrust had the following de novo banking location activity:

-- Barrington, Illinois (Northwest Highway, a branch of Barrington Bank & Trust Company) -- opened second quarter of 2005

-- Convenience location in the Wayne Hummer Investments, LLC office in downtown Chicago (a branch of North Shore Community Bank & Trust) -- closed second quarter of 2005

-- Palatine, Illinois (Palatine Bank & Trust, a branch of Barrington Bank & Trust Company) -- opened first quarter of 2005

-- The Sauganash neighborhood of Chicago (North Shore Community Bank & Trust - Sauganash, a branch of North Shore Community Bank & Trust) -- opened fourth quarter 2004

-- Lake Villa, Illinois (Lake Villa Community Bank, a branch of Libertyville Bank & Trust Company) -- opened third quarter 2004

Financial Performance Overview

For the second quarter of 2005, net interest income totaled $53.9 million, increasing $17.1 million, or 47%, compared to the second quarter of 2004 and $3.9 million, or 31% on an annualized basis, over the first quarter of 2005. For the first six months of 2005, net interest income totaled $103.8 million, increasing $30.6 million, or 42%, compared to the first six months of 2004. Average earning assets grew $2.07 billion over the second quarter of 2004, a 44% increase. Loans accounted for $1.37 billion and liquidity management assets accounted for $707 million of the total average earning asset growth compared to the second quarter of 2004.

The provision for loan losses totaled $1.3 million for the second quarter of 2005 compared to $1.2 million for the second quarter of 2004. On a year- to-date basis, the provision for loan losses totaled $2.5 million for the first six

months of 2005 compared to $3.8 million for the first six months of 2004.

The net interest margin for the second quarter of 2005 was 3.19%, compared to 3.13% in the second quarter of 2004 and 3.21% in the first quarter of 2005. The net interest margin improved six basis points in the second quarter of 2005 compared to the second quarter of 2004 as the yield on earning assets increased by 68 basis points, the rate paid on interest-bearing liabilities increased by 63 basis points and the contribution from net free funds improved by one basis point. The earning asset yield improvement in the second quarter of 2005 compared to the second quarter of 2004 was primarily attributable to an 85 basis point increase in the yield on loans. The higher loan yield is reflective of the interest rate increases effected by the Federal Reserve Bank offset somewhat by continued competitive loan pricing pressures, including the pricing related to the premium finance receivables portfolio. The interest- bearing liability rate increase of 63 basis points was due to higher costs of retail deposits as Wintrust faces continued competitive pricing pressures on fixed-maturity time deposits in most markets and the promotional pricing activities associated with opening additional de novo branches and branches acquired through acquisition. The slight decline in net interest margin compared to the first quarter of 2005 was primarily attributable to continued competitive retail deposit pricing pressures, continued promotional pricing activities associated with opening additional de novo branches and branches acquired through acquisition, the acceleration of a portion of the unamortized issuance costs related to the Company's 10.50% Cumulative Trust Preferred Securities and changes in the earning asset mix. Overall, the Company believes it is well positioned for expected future rate increases.

Non-interest income totaled $23.4 million in the second quarter of 2005, increasing $1.9 million, or 8%, compared to the second quarter of 2004. The Company recognized net securities gains of $978,000 primarily related to $818 million par value of securities that were called as required by call option contracts on or before June 30, 2005. The proceeds from the settlement of $265 million of the called securities are included in federal funds sold and cash and due from banks at June 30, 2005. The remaining $553 million of unsettled security trades is included in other assets at June 30, 2005 as required by GAAP. All of the proceeds from the called securities are available for reinvestment in available-for-sale investment securities in future quarters to enable the call option writing program to continue.

Non-interest expense totaled $49.0 million in the second quarter of 2005, increasing $11.6 million, or 31%, over the second quarter of 2004. The net overhead ratio for the second quarter of 2005 was 1.36% compared to 1.23% for the second quarter of 2004.

Non-performing assets totaled $21.9 million, or 0.28% of total assets, at June 30, 2005, compared to $16.5 million, or 0.31% of total assets, at June 30, 2004 and $25.6 million, or 0.35% of total assets, at March 31, 2005. Net charge-offs as a percentage of average loans for the second quarter of 2005 were seven basis points compared to two

basis points in the second quarter of 2004. On a year-to-date basis, net loan charge-offs as a percentage of average loans were seven basis points in both 2005 and 2004. Non-performing assets at June 30, 2005, remain at levels that the Company believes make monitoring and collection of the non-performing assets very manageable.

WINTRUST FINANCIAL CORPORATION
SELECTED FINANCIAL HIGHLIGHTS

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| | 2005 | 2004 | 2005 | 2004 |
| (Dollars in thousands, except per share data) | | | | |
| Selected Financial Condition Data (at end of period): | | | | |
| Total assets | $7,768,993 | $5,326,179 | | |
| Total loans | 5,023,087 | 3,695,551 | | |
| Total deposits | 6,299,050 | 4,324,368 | | |
| Long-term debt - trust preferred securities | 210,135 | 139,587 | | |
| Total shareholders' equity | 596,921 | 374,152 | | |
| Selected Statements of Income Data: | | | | |
| Net interest income | $53,852 | $36,720 | $103,839 | $73,228 |
| Net revenue (1) | 77,213 | 58,215 | 150,436 | 113,409 |
| Income before taxes | 26,903 | 19,631 | 50,591 | 38,004 |
| Net income | 17,172 | 12,493 | 32,184 | 24,087 |
| Net income per common share - Basic | 0.73 | 0.61 | 1.42 | 1.19 |
| Net income per common share - Diluted | 0.70 | 0.58 | 1.35 | 1.12 |
| Selected Financial Ratios and Other Data: | | | | |
| Performance Ratios: | | | | |
| Net interest margin (5) | 3.19% | 3.13% | 3.20% | 3.19% |
| Core net interest margin (2) (5) | 3.40 | 3.26 | 3.40 | 3.32 |
| Non-interest income to average assets | 1.24 | 1.67 | 1.29 | 1.60 |
| Non-interest expense to average assets | 2.61 | 2.90 | 2.70 | 2.85 |
| Net overhead ratio (3) | 1.36 | 1.23 | 1.41 | 1.25 |

| | | | | |
|---|---|---|---|---|
| Efficiency ratio (4) (5) | 64.00 | 64.02 | 64.83 | 63.44 |
| Return on average assets | 0.91 | 0.97 | 0.89 | 0.96 |
| Return on average equity | 11.94 | 13.70 | 12.28 | 13.41 |
| | | | | |
| Average total assets | $7,539,331 | $5,176,454 | $7,279,359 | $5,061,008 |
| Average total shareholders' equity | 576,899 | 366,841 | 528,704 | 361,341 |
| Average loans to average deposits ratio | 82.8% | 88.0% | 84.9% | 87.5% |
| | | | | |
| Common Share Data at end of period: | | | | |
| Market price per common share | $52.35 | $50.51 | | |
| Book value per common share | $25.33 | $18.26 | | |
| Common shares outstanding | 23,567,522 | 20,484,991 | | |
| | | | | |
| Other Data at end of period: | | | | |
| Allowance for loan losses | $39,722 | $28,091 | | |
| Non-performing assets | $21,911 | $16,500 | | |
| Allowance for loan losses to total loans | 0.79% | 0.76% | | |
| Non-performing assets to total assets | 0.28% | 0.31% | | |
| Number of: | | | | |
| Bank subsidiaries | 13 | 10 | | |
| Non-bank subsidiaries | 10 | 9 | | |
| Banking offices | 58 | 42 | | |

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

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CONDITION

| (In thousands) | (Unaudited) June 30, 2005 | December 31, 2004 | (Unaudited) June 30, 2004 |
|---|---|---|---|
| Assets | | | |
| Cash and due from banks | $212,419 | $128,166 | $100,829 |
| Federal funds sold and securities purchased under resale agreements | 355,382 | 47,860 | 75,409 |
| Interest bearing deposits with banks | 5,034 | 4,961 | 3,849 |
| Available-for-sale securities, at fair value | 924,616 | 1,343,477 | 993,485 |
| Trading account securities | 2,815 | 3,599 | 3,293 |
| Brokerage customer receivables | 29,212 | 31,847 | 37,338 |
| Mortgage loans held-for-sale | 142,798 | 104,709 | 83,806 |
| Loans, net of unearned income | 5,023,087 | 4,348,346 | 3,695,551 |
| Less: Allowance for loan losses | 39,722 | 34,227 | 28,091 |
| Net loans | 4,983,365 | 4,314,119 | 3,667,460 |
| Premises and equipment, net | 228,550 | 185,926 | 167,077 |
| Accrued interest receivable and other assets | 669,599 | 129,702 | 131,050 |
| Goodwill | 195,827 | 113,461 | 59,378 |
| Other intangible assets | 19,376 | 11,221 | 3,205 |
| Total assets | $7,768,993 | $6,419,048 | $5,326,179 |
| | | | |
| Liabilities and Shareholders' Equity | | | |
| Deposits: | | | |
| Non-interest bearing | $638,843 | $505,312 | $415,339 |
| Interest bearing | 5,660,207 | 4,599,422 | 3,909,029 |
| Total deposits | 6,299,050 | 5,104,734 | 4,324,368 |
| | | | |
| Notes payable | 4,000 | 1,000 | 1,000 |
| Federal Home Loan Bank advances | 351,888 | 303,501 | 244,019 |
| Subordinated notes | 50,000 | 50,000 | 50,000 |
| Other borrowings | 152,401 | 201,924 | 56,457 |
| Long-term debt - trust preferred securities | 210,135 | 204,489 | 139,587 |
| Accrued interest payable and other liabilities | 104,598 | 79,488 | 136,596 |
| Total liabilities | 7,172,072 | 5,945,136 | 4,952,027 |
| | | | |
| Shareholders' equity: | | | |
| Preferred stock | - | - | - |

| | | | |
|---|---|---|---|
| Common stock | 23,568 | 21,729 | 20,485 |
| Surplus | 411,115 | 319,147 | 258,289 |
| Common stock warrants | 780 | 828 | 998 |
| Retained earnings | 169,134 | 139,566 | 114,368 |
| Accumulated other comprehensive loss | (7,676) | (7,358) | (19,988) |
| Total shareholders' equity | 596,921 | 473,912 | 374,152 |
| Total liabilities and shareholders' equity | $7,768,993 | $6,419,048 | $5,326,179 |

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

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| (In thousands, except per share data) | 2005 | 2004 | 2005 | 2004 |
| Interest income | | | | |
| Interest and fees on loans | $80,890 | $50,995 | $153,169 | $99,445 |
| Interest bearing deposits with banks | 44 | 12 | 72 | 38 |
| Federal funds sold and securities purchased under resale agreements | 351 | 263 | 501 | 414 |
| Securities | 16,921 | 8,924 | 31,350 | 18,702 |
| Trading account securities | 24 | 39 | 46 | 74 |
| Brokerage customer receivables | 447 | 320 | 861 | 634 |
| Total interest income | 98,677 | 60,553 | 185,999 | 119,307 |
| Interest expense | | | | |
| Interest on deposits | 36,288 | 19,136 | 65,259 | 36,865 |
| Interest on Federal Home Loan Bank advances | 3,048 | 1,945 | 5,617 | 3,566 |
| Interest on notes payable and other borrowings | 905 | 384 | 2,684 | 1,130 |
| Interest on subordinated notes | 819 | 705 | 1,601 | 1,407 |
| Interest on long-term debt - trust preferred securities | 3,765 | 1,663 | 6,999 | 3,111 |
| Total interest expense | 44,825 | 23,833 | 82,160 | 46,079 |
| Net interest income | 53,852 | 36,720 | 103,839 | 73,228 |
| Provision for loan losses | 1,294 | 1,198 | 2,525 | 3,762 |
| Net interest income after | | | | |

| | | | | |
|---|---|---|---|---|
| provision for loan losses | 52,558 | 35,522 | 101,314 | 69,466 |
| Non-interest income | | | | |
| Wealth management fees | 7,817 | 8,023 | 15,761 | 16,496 |
| Mortgage banking revenue | 5,555 | 4,966 | 12,083 | 7,256 |
| Service charges on deposit accounts | 1,594 | 973 | 2,933 | 1,946 |
| Gain on sale of premium finance receivables | 1,726 | 2,064 | 3,382 | 3,539 |
| Administrative services revenue | 1,124 | 945 | 2,138 | 1,887 |
| Net available-for-sale securities gains | 978 | 1 | 978 | 853 |
| Other | 4,567 | 4,523 | 9,322 | 8,204 |
| Total non-interest income | 23,361 | 21,495 | 46,597 | 40,181 |
| Non-interest expense | | | | |
| Salaries and employee benefits | 29,181 | 22,294 | 58,644 | 43,073 |
| Equipment expense | 2,977 | 2,182 | 5,726 | 4,351 |
| Occupancy, net | 3,862 | 2,319 | 7,701 | 4,497 |
| Data processing | 1,743 | 1,350 | 3,458 | 2,652 |
| Advertising and marketing | 1,216 | 866 | 2,210 | 1,590 |
| Professional fees | 1,505 | 1,175 | 2,974 | 2,143 |
| Amortization of other intangible assets | 869 | 193 | 1,625 | 393 |
| Other | 7,663 | 7,007 | 14,982 | 12,944 |
| Total non-interest expense | 49,016 | 37,386 | 97,320 | 71,643 |
| Income before taxes | 26,903 | 19,631 | 50,591 | 38,004 |
| Income tax expense | 9,731 | 7,138 | 18,407 | 13,917 |
| Net income | $17,172 | $12,493 | $32,184 | $24,087 |
| Net income per common share - Basic | $0.73 | $0.61 | $1.42 | $1.19 |
| Net income per common share - Diluted | $0.70 | $0.58 | $1.35 | $1.12 |
| Cash dividends declared per common share | $- | $- | $0.12 | $0.10 |
| Weighted average common shares outstanding | 23,504 | 20,358 | 22,672 | 20,250 |
| Dilutive potential common shares | 1,125 | 1,300 | 1,166 | 1,314 |
| Average common shares and dilutive common shares | 24,629 | 21,658 | 23,838 | 21,564 |

SUPPLEMENTAL FINANCIAL MEASURES/RATIOS

The accounting and reporting polices 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), net interest margin (including its individual components), core net interest margin and the efficiency ratio. Management believes that these measures and ratios provide users of the Company's financial information a more meaningful view of the performance of the interest-earning 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 also evaluates the net interest margin excluding the net interest expense associated with the Company's Long-term debt -- trust preferred securities ("Core Net Interest Margin"). Because these instruments are utilized by the Company primarily as capital instruments, management finds it useful to view the net interest margin excluding this expense and deems it to be a more meaningful view of the operational net interest margin of the Company.

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 is shown below:

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|---|---|---|---|---|
| (Dollars in thousands) | 2005 | 2004 | 2005 | 2004 |
| (A) Interest income (GAAP) | $98,677 | $60,553 | $185,999 | $119,307 |
| Taxable-equivalent adjustment: | | | | |
| - Loans | 152 | 103 | 305 | 208 |
| - Liquidity management | | | | |

| | | | | |
|---|---|---|---|---|
| assets | 194 | 66 | 333 | 134 |
| - Other earning assets | 8 | 14 | 13 | 28 |
| Interest income - FTE | $99,031 | $60,736 | $186,650 | $119,677 |
| (B) Interest expense (GAAP) | 44,825 | 23,833 | 82,160 | 46,079 |
| Net interest income - FTE | $54,206 | $36,903 | $104,490 | $73,598 |
| (C) Net interest income (GAAP) (A minus B) | $53,852 | $36,720 | $103,839 | $73,228 |
| Net interest income - FTE | $54,206 | $36,903 | $104,490 | $73,598 |
| Add: Net interest expense on long-term debt - trust preferred securities, (1) | 3,660 | 1,604 | 6,798 | 2,999 |
| Core net interest income - FTE (2) | $57,866 | $38,507 | $111,288 | $76,597 |
| (D) Net interest margin (GAAP) | 3.17% | 3.10% | 3.17% | 3.17% |
| Net interest margin - FTE | 3.19% | 3.13% | 3.20% | 3.19% |
| Core net interest margin - FTE (2) | 3.40% | 3.26% | 3.40% | 3.32% |
| (E) Efficiency ratio (GAAP) | 64.30% | 64.22% | 65.12% | 63.65% |
| Efficiency ratio - FTE | 64.00% | 64.02% | 64.83% | 63.44% |

(1) Interest expense from the long-term debt - trust preferred securities are net of the interest income on the Common Securities owned by the Trusts and included in interest income.

(2) Core net interest income and core net interest margin are by definition a non-GAAP measure/ratio. The GAAP equivalents are the net interest income and net interest margin determined in accordance with GAAP (lines C and D in the table).

LOANS, NET OF UNEARNED INCOME

| | | | % Growth From | % Growth From | |
|---|---|---|---|---|---|
| | June 30, 2005 | December 31, 2004 | June 30, 2004 | December 31, 2004 (1) | June 30, 2004 |
| (Dollars in thousands) | | | | | |
| Balance: | | | | | |
| Commercial and commercial real estate | $2,978,816 | $2,465,852 | $1,943,236 | 42.0% | 53.3% |
| Home equity | 634,607 | 574,668 | 491,661 | 21.0 | 29.1 |
| Residential real estate | 274,459 | 248,118 | 185,770 | 21.4 | 47.7 |
| Premium finance receivables | 793,153 | 770,792 | 790,877 | 5.9 | 0.3 |
| Indirect consumer | | | | | |

| | | | | | |
|---|---|---|---|---|---|
| loans (2) | 192,311 | 171,926 | 179,759 | 23.9 | 7.0 |
| Tricom finance receivables | 39,886 | 29,730 | 28,406 | 68.9 | 40.4 |
| Other loans | 109,855 | 87,260 | 75,842 | 52.2 | 44.8 |
| Total loans, net of unearned income | $5,023,087 | $4,348,346 | $3,695,551 | 31.3% | 35.9% |
| | | | | | |
| Mix: | | | | | |
| Commercial and commercial real estate | 59% | 57% | 53% | | |
| Home equity | 13 | 13 | 13 | | |
| Residential real estate | 5 | 5 | 5 | | |
| Premium finance receivables | 16 | 18 | 21 | | |
| Indirect consumer loans (2) | 4 | 4 | 5 | | |
| Tricom finance receivables | 1 | 1 | 1 | | |
| Other loans | 2 | 2 | 2 | | |
| Total loans, net of unearned income | 100% | 100% | 100% | | |

(1) Annualized
(2) Includes autos, boats, snowmobiles and other indirect consumer loans.

DEPOSITS

| | | | | % Growth From | From |
|---|---|---|---|---|---|
| (Dollars in thousands) | June 30, 2005 | December 31, 2004 | June 30, 2004 | December 31, 2004 (1) | June 30, 2004 |
| Balance: | | | | | |
| Non-interest bearing | $638,843 | $505,312 | $415,339 | 53.3% | 53.8% |
| NOW | 729,083 | 586,583 | 467,143 | 49.0 | 56.1 |
| Wealth Management deposits (2) | 404,721 | 390,129 | 333,572 | 7.5 | 21.3 |
| Money market | 677,180 | 608,037 | 522,210 | 22.9 | 29.7 |
| Savings | 309,859 | 215,697 | 195,163 | 88.0 | 58.8 |
| Time certificate of deposits | 3,539,364 | 2,798,976 | 2,390,941 | 23.3 | 48.0 |
| Total deposits | $6,299,050 | $5,104,734 | $4,324,368 | 47.2% | 45.7% |

| | | | |
|---|---|---|---|
| Mix: | | | |
| Non-interest bearing | 10% | 10% | 10% |
| NOW | 12 | 11 | 11 |
| Wealth Management deposits (2) | 6 | 8 | 8 |
| Money market | 11 | 12 | 12 |
| Savings | 5 | 4 | 4 |
| Time certificate of deposits | 56 | 55 | 55 |
| Total deposits | 100% | 100% | 100% |

(1) Annualized
(2) Represents deposit balances from brokerage customers of Wayne Hummer Investments and trust and asset management customers of Wayne Hummer Trust Company at the Company's subsidiary banks.

NET INTEREST INCOME

The following table presents a summary of Wintrust's average balances, net interest income and related net interest margins, calculated on a fully tax- equivalent basis, for the second quarter of 2005 compared to the second quarter of 2004 (linked quarters):

| | For the Three Months Ended June 30, 2005 | | | For the Three Months Ended June 30, 2004 | | |
|---|---|---|---|---|---|---|
| (Dollars in thousands) | Average | Interest | Rate | Average | Interest | Rate |
| Liquidity management assets (1) (2) (8) | $1,723,855 | $17,510 | 4.07% | $1,016,517 | $9,265 | 3.67% |
| Other earning assets (2) (3) (8) | 31,382 | 479 | 6.12 | 38,202 | 373 | 3.93 |
| Loans, net of unearned income (2) (4) (8) | 5,067,904 | 81,042 | 6.41 | 3,699,021 | 51,098 | 5.56 |
| Total earning assets (8) | $6,823,141 | $99,031 | 5.82% | $4,753,740 | $60,736 | 5.14% |
| Allowance for loan losses | (40,671) | | | (28,633) | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Cash and due from banks | 139,587 | | | 103,892 | | |
| Other assets | 617,274 | | | 347,455 | | |
| Total assets | $7,539,331 | | | $5,176,454 | | |
| | | | | | | |
| Interest-bearing deposits | $5,523,215 | $36,288 | 2.64% | $3,829,382 | $19,136 | 2.01% |
| Federal Home Loan Bank advances | 341,361 | 3,048 | 3.58 | 214,351 | 1,945 | 3.65 |
| Notes payable and other borrowings | 165,014 | 905 | 2.20 | 100,469 | 384 | 1.54 |
| Subordinated notes | 50,000 | 819 | 6.48 | 50,000 | 705 | 5.58 |
| Long-term debt - trust preferred securities | 209,443 | 3,765 | 7.11 | 122,105 | 1,663 | 5.39 |
| Total interest-bearing liabilities | $6,289,033 | $44,825 | 2.85% | $4,316,307 | $23,833 | 2.22% |
| Non-interest bearing deposits | 597,953 | | | 375,986 | | |
| Other liabilities | 75,446 | | | 117,320 | | |
| Equity | 576,899 | | | 366,841 | | |
| Total liabilities and shareholders' equity | $7,539,331 | | | $5,176,454 | | |
| | | | | | | |
| Interest rate spread (5) (8) | | 2.97% | | | 2.92% | |
| Net free funds/ contribution (6) | $534,108 | 0.22 | | $437,433 | 0.21 | |
| Net interest income/Net interest margin (8) | | $54,206 | 3.19% | | $36,903 | 3.13% |
| Core net interest margin (7) (8) | | 3.40% | | | 3.26% | |

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

(2) Interest income on tax-advantaged loans, trading account securities and securities reflects a tax-equivalent adjustment based on a

marginal federal corporate tax rate of 35%. The total adjustments for the three months ended June 30, 2005 and 2004 were $354,000 and $183,000, respectively.

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

(4) Loans, net of unearned income, include mortgages held-for-sale and non-accrual loans.

(5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-bearing liabilities.

(6) Net free funds are the difference between total average earning assets and total average interest-bearing liabilities. The estimated contribution to net interest margin from net free funds is calculated using the rate paid for total interest-bearing liabilities.

(7) The core net interest margin excludes the effect of Wintrust's Long-term Debt - Trust Preferred Securities.

(8) See "Supplemental Financial Measures/Ratios" for additional information on this performance measure/ratio.

The following table presents a summary of Wintrust's average balances, net interest income and related net interest margins, calculated on a fully tax- equivalent basis, for the second quarter of 2005 compared to the first quarter of 2005 (sequential quarters):

| | For the Three Months Ended June 30, 2005 | | | For the Three Months Ended March 31, 2005 | | |
|---|---|---|---|---|---|---|
| (Dollars in thousands) | Average | Interest | Rate | Average | Interest | Rate |
| Liquidity management assets (1) (2) (8) | $1,723,855 | $17,510 | 4.07% | $1,501,675 | $14,745 | 3.98% |
| Other earning assets (2) (3) (8) | 31,382 | 479 | 6.12 | 34,119 | 441 | 5.24 |
| Loans, net of unearned income (2) (4) (8) | 5,067,904 | 81,042 | 6.41 | 4,822,149 | 72,432 | 6.09 |
| Total earning assets (8) | $6,823,141 | $99,031 | 5.82% | $6,357,943 | $87,618 | 5.59% |
| Allowance for loan losses | (40,671) | | | (38,295) | | |
| Cash and due from banks | 139,587 | | | 136,256 | | |

| | | | | | | |
|---|---|---|---|---|---|---|
| Other assets | 617,274 | | | 542,611 | | |
| Total assets | $7,539,331 | | | $6,998,515 | | |
| | | | | | | |
| Interest-bearing deposits | $5,523,215 | $36,288 | 2.64% | $5,005,533 | $28,972 | 2.35% |
| Federal Home Loan Bank advances | 341,361 | 3,048 | 3.58 | 297,732 | 2,568 | 3.50 |
| Notes payable and other borrowings | 165,014 | 905 | 2.20 | 300,850 | 1,779 | 2.40 |
| Subordinated notes | 50,000 | 819 | 6.48 | 50,000 | 782 | 6.25 |
| Long-term debt - trust preferred securities | 209,443 | 3,765 | 7.11 | 204,526 | 3,234 | 6.33 |
| Total interest-bearing liabilities | $6,289,033 | $44,825 | 2.85% | $5,858,641 | $37,335 | 2.58% |
| Non-interest bearing deposits | 597,953 | | | 535,201 | | |
| Other liabilities | 75,446 | | | 124,699 | | |
| Equity | 576,899 | | | 479,974 | | |
| Total liabilities and shareholders' equity | $7,539,331 | | | $6,998,515 | | |
| | | | | | | |
| Interest rate spread (5) (8) | | 2.97% | | | 3.01% | |
| Net free funds/ contribution (6) | $534,108 | | 0.22 | $499,302 | | 0.20 |
| Net interest income/Net interest margin (8) | | $54,206 | 3.19% | | $50,283 | 3.21% |
| Core net interest margin (7) (8) | | 3.40% | | | 3.41% | |

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

(2) Interest income on tax-advantaged loans, trading account securities and securities reflects a tax-equivalent adjustment based on a marginal federal corporate tax rate of 35%. The total adjustments for the three months ended June 30, 2005 was $354,000 and for the

three months ended March 31, 2005 was $296,000.
(3) Other earning assets include brokerage customer receivables and trading account securities.
(4) Loans, net of unearned income, include mortgages held-for-sale and non-accrual loans.
(5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-bearing liabilities.
(6) Net free funds are the difference between total average earning assets and total average interest-bearing liabilities. The estimated contribution to net interest margin from net free funds is calculated using the rate paid for total interest-bearing liabilities.
(7) The core net interest margin excludes the effect of Wintrust's Long-term Debt - Trust Preferred Securities.
(8) See "Supplemental Financial Measures/Ratios" for additional information on this performance measure/ratio.

Net interest income, which is the difference between interest income and fees on earning assets and interest expense on deposits and borrowings, is the major source of earnings for Wintrust. Tax-equivalent net interest income for the quarter ended June 30, 2005 totaled $54.2 million, an increase of $17.3 million, or 47%, as compared to the $36.9 million recorded in the same quarter of 2004. Average loans in the second quarter of 2005 increased $1.37 billion, or 37%, over the second quarter of 2004.

Net interest margin represents tax-equivalent net interest income as a percentage of the average earning assets during the period. For the second quarter of 2005 the net interest margin was 3.19%, an increase of six basis points when compared to the net interest margin of 3.13% in the prior year second quarter, and a two basis point decrease when compared to the net interest margin of 3.21% in the first quarter of 2005. The core net interest margin, which excludes the net interest expense related to Wintrust's Long- term Debt - Trust Preferred Securities, was 3.40% for the second quarter of 2005, 3.26% for the second quarter of 2004 and 3.41% for the first quarter of 2005.

The net interest margin increase of six basis points in the second quarter of 2005 compared to the second quarter of 2004 resulted as the yield on earning assets increased by 68 basis points, the rate paid on interest-bearing liabilities increased by 63 basis points and the contribution from net free funds increased by one basis point. The earning asset yield increase was primarily attributable to an 85 basis point increase in the yield on loans. The higher loan yield is reflective of the interest rate increases effected by the Federal Reserve Bank offset somewhat by continued competitive loan pricing pressures, including the pricing related to the premium finance receivables portfolio. The interest-bearing liability rate increase of 63 basis points was due to higher costs of retail deposits as Wintrust faces continued competitive pricing pressures on fixed-maturity time deposits in most markets and the

promotional pricing activities associated with opening additional de novo branches and branches acquired through acquisition. The slight decline in net interest margin compared to the first quarter of 2005 was primarily attributable to continued competitive retail deposit pricing pressures, continued promotional pricing activities associated with opening additional de novo branches and branches acquired through acquisition, the acceleration of a portion of the unamortized issuance costs related to the Company's 10.50% Cumulative Trust Preferred Securities and changes in the earning asset mix. Overall, the Company believes it is well positioned for expected future rate increases.

The yield on total earning assets for the second quarter of 2005 was 5.82% as compared to 5.14% in the second quarter of 2004. The increase of 68 basis points from the second quarter of 2004 resulted primarily from the rising interest rate environment in the last 12 months offset by the effects of competitive market pressure on loan pricing spreads. The second quarter 2005 yield on loans was 6.41%, an 85 basis point increase when compared to the prior year second quarter yield of 5.56%. Compared to the first quarter of 2005, the yield on earning assets increased 23 basis points primarily as a result of a 32 basis point increase in the yield on total loans. Average loans comprised approximately 74% of total average earning assets in second quarter of 2005, 76% in the first quarter of 2005 and 78% in the second quarter of 2004.

The rate paid on interest-bearing deposits increased to 2.64% in the second quarter of 2005 as compared to 2.01% in the second quarter of 2004. The rate paid on wholesale funding, consisting of Federal Home Loan Bank of Chicago advances, notes payable, subordinated notes, other borrowings and trust preferred securities, increased to 4.44% in the second quarter of 2005 compared to 3.85% in the second quarter of 2004 as a result of higher overnight funding costs, the additional trust preferred borrowings added in 2004 and the acceleration of the unamortized issuance costs related to the Company's 10.50% Cumulative Trust Preferred Securities. The Company utilizes certain borrowing sources to fund the additional capital requirements of the subsidiary banks, manage its capital, manage its interest rate risk position and for general corporate purposes.

The following table presents a summary of Wintrust's average balances, net interest income and related net interest margins, calculated on a fully tax-equivalent basis, for the first six months of 2005 compared to the first six months of 2004:

| | For the Six Months Ended June 30, 2005 | | | For the Six Months Ended June 30, 2004 | | |
|---|---|---|---|---|---|---|
| (Dollars in thousands) | Average | Interest | Rate | Average | Interest | Rate |
| Liquidity | | | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| management assets (1) (2) (8) | $1,613,378 | $32,256 | 4.03% | $1,027,862 | $19,288 | 3.77% |
| Other earning assets (2) (3) (8) | 32,743 | 920 | 5.66 | 37,587 | 736 | 3.94 |
| Loans, net of unearned income (2) (4) (8) | 4,953,408 | 153,474 | 6.25 | 3,576,850 | 99,653 | 5.60 |
| Total earning assets (8) | $6,599,529 | $186,650 | 5.70% | $4,642,299 | $119,677 | 5.18% |
| Allowance for loan losses | (39,473) | | | (27,594) | | |
| Cash and due from banks | 136,584 | | | 105,430 | | |
| Other assets | 582,719 | | | 340,873 | | |
| Total assets | $7,279,359 | | | $5,061,008 | | |
| | | | | | | |
| Interest-bearing deposits | $5,266,607 | $65,259 | 2.50% | $3,719,643 | $36,865 | 1.99% |
| Federal Home Loan Bank advances | 319,667 | 5,617 | 3.54 | 189,628 | 3,566 | 3.78 |
| Notes payable and other borrowings | 231,606 | 2,684 | 2.34 | 150,392 | 1,130 | 1.51 |
| Subordinated notes | 50,000 | 1,601 | 6.37 | 50,000 | 1,407 | 5.57 |
| Long-term debt - trust preferred securities | 206,998 | 6,999 | 6.73 | 110,343 | 3,111 | 5.58 |
| Total interest-bearing liabilities | $6,074,878 | $82,160 | 2.72% | $4,220,006 | $46,079 | 2.19% |
| Non-interest bearing deposits | 566,768 | | | 366,868 | | |
| Other liabilities | 109,009 | | | 112,793 | | |
| Equity | 528,704 | | | 361,341 | | |
| Total liabilities and shareholders' equity | $7,279,359 | | | $5,061,008 | | |
| | | | | | | |
| Interest rate spread (5) (8) | | 2.98% | | | 2.99% | |
| Net free funds/ | | | | | | |

| | | | | |
|---|---|---|---|---|
| contribution (6) | $524,651 | 0.22 | $422,293 | 0.20 |
| Net interest income/Net interest margin (8) | $104,490 | 3.20% | $73,598 | 3.19% |
| Core net interest margin (7) (8) | | 3.40% | | 3.32% |

(1) Liquidity management assets include available-for-sale securities, interest earning deposits with banks, federal funds sold and securities purchased under resale agreements.
(2) Interest income on tax-advantaged loans, trading account securities and securities reflects a tax-equivalent adjustment based on a marginal federal corporate tax rate of 35%. The total adjustments for the six months ended June 30, 2005 was $651,000 and for the six months ended June 30, 2004 was $370,000.
(3) Other earning assets include brokerage customer receivables and trading account securities.
(4) Loans, net of unearned income, include mortgages held-for-sale and non-accrual loans.
(5) Interest rate spread is the difference between the yield earned on earning assets and the rate paid on interest-bearing liabilities.
(6) Net free funds are the difference between total average earning assets and total average interest-bearing liabilities. The estimated contribution to net interest margin from net free funds is calculated using the rate paid for total interest-bearing liabilities.
(7) The core net interest margin excludes the effect of Wintrust's Long-term Debt - Trust Preferred Securities.
(8) See "Supplemental Financial Measures/Ratios" for additional information on this performance measure/ratio.

Tax-equivalent net interest income for the six-months ended June 30, 2005 totaled $104.5 million, an increase of $30.9 million, or 42%, as compared to the $73.6 million recorded in the same period of 2004. The year-to-date net interest margin was 3.20%, an increase of one basis point when compared to the net interest margin of 3.19% in the prior year. The net interest margin increase of one basis point in the first six months of 2005 compared to the fist six months of 2004 resulted as the yield on earning assets increased by 52 basis points, the rate paid on interest-bearing liabilities increased by 53 basis points and the contribution from net free funds increased by two basis points.

NON-INTEREST INCOME

For the second quarter of 2005, non-interest income totaled $23.4 million and increased $1.9 million compared to the prior year second quarter. The increase in non-interest income is primarily a result of higher mortgage banking revenue, higher levels of fees on covered call transactions, including the residual security gains on called securities, and the impact of the recent acquisitions offset by lower wealth management fees and lower gain on sales of premium finance receivables. Non-interest income as a percentage of net revenue was 30% in the second quarter of 2005 and 37% in the second quarter of 2004. The Company uses this as a measuring stick as it works towards balancing the mix of net interest income and non-interest income. The impact of the four community bank acquisitions in the last 12 months has reduced this ratio as their revenue mix is more heavily weighted towards net interest income.

The following table presents non-interest income by category for the three months ended June 30, 2005 and 2004:

| | Three Months Ended June 30, | | $ | % |
|---|---|---|---|---|
| (Dollars in thousands) | 2005 | 2004 | Change | Change |
| Brokerage | $5,393 | $5,862 | (469) | (8.0) |
| Trust and asset management | 2,424 | 2,161 | 263 | 12.2 |
| Total wealth management fees | 7,817 | 8,023 | (206) | (2.6) |
| Mortgage banking revenue | 5,555 | 4,966 | 589 | 11.9 |
| Service charges on deposit accounts | 1,594 | 973 | 621 | 63.9 |
| Gain on sales of premium finance receivables | 1,726 | 2,064 | (338) | (16.3) |
| Administrative services revenue | 1,124 | 945 | 179 | 18.8 |
| Net available-for-sale securities gains | 978 | 1 | 977 | N/M |
| Other: | | | | |
| Fees from covered call and put options | 2,624 | 2,441 | 183 | 7.5 |
| Bank Owned Life Insurance | 550 | 513 | 37 | 7.1 |
| Miscellaneous | 1,393 | 1,569 | (176) | (11.2) |
| Total other | 4,567 | 4,523 | 44 | 1.0 |
| Total non-interest income | $23,361 | $21,495 | 1,866 | 8.7 |

N/M - not meaningful

Wealth management fees are comprised of the trust and asset management revenue of Wayne Hummer Trust

Company and the asset management fees, brokerage commissions, trading commissions and insurance product commissions at Wayne Hummer Investments, Wayne Hummer Asset Management Company and Focused Investments. Wealth management fees totaled $7.8 million in the second quarter of 2005, a $206,000 decrease from the $8.0 million recorded in the second quarter of 2004 and a $127,000 decrease from the $7.9 million recorded in the first quarter of 2005. Revenue from retail brokerage trading in the debt and equity markets declined $469,000 when compared to the second quarter of 2004.

Mortgage banking revenue includes revenue from activities related to originating and selling residential real estate loans into the secondary market. With the addition of WestAmerica and Guardian in May of 2004, this revenue line now includes gains on the sale of mortgage loans to the secondary market, origination fees, rate lock commitment fees, document preparation fees, the impact of capitalizing servicing rights on loans sold and serviced by certain Wintrust subsidiary banks, the impact of amortizing and valuing the capitalized servicing right asset and the impact of valuing mortgage banking derivatives as required by FAS133. For the quarter ended June 30, 2005, this revenue source totaled $5.6 million, an increase of $589,000 compared to the second quarter of 2004. The acquisition of WestAmerica was the primary contributor to the increase over the second quarter of 2004. Mortgage banking revenue will continue to be dependent upon the relative level of long-term interest rates.

Service charges on deposit accounts totaled $1.6 million for the second quarter of 2005, an increase of $621,000, or 64%, when compared to the same quarter of 2004. This increase was primarily due to the impact of the bank acquisitions in 2004 and 2005. The majority of deposit service charges relates to customary fees on overdrawn accounts and returned items. The level of service charges received is substantially below peer group levels, as management believes in the philosophy of providing high quality service without encumbering that service with numerous activity charges.

Wintrust has a philosophy of targeting its average loan-to-deposit ratio in the range of 85-90%. During the second quarter of 2005, the ratio was approximately 83%. In the short-term, the ratio was slightly below the targeted range as deposit growth at recently opened de novo branches was very strong and loan originations were slightly slower than expected as the Company chooses not to compromise on underwriting standards when competing for loan balances. Management believes loan growth will continue to be strong, however, this growth will occur in a safe and sound manner. Wintrust sold premium finance receivables to an unrelated third party financial institution in the second quarter of 2005 and recognized gains of $1.7 million related to this activity, compared with $2.1 million of recognized gains in the second quarter of 2004. It is probable that similar sales of premium finance receivables will occur in the future.

The administrative services revenue contributed by Tricom added $1.1 million to total non-interest income in the second quarter of 2005, an increase of $179,000 from the second quarter of 2004. This revenue comprises income

from administrative services, such as data processing of payrolls, billing and cash management services, to temporary staffing service clients located throughout the United States. Tricom also earns interest and fee income from providing short-term accounts receivable financing to this same client base, which is included in the net interest income category.

Other non-interest income for the second quarter of 2005 totaled $4.6 million compared to $4.5 million in the second quarter of 2004. Premium income from certain covered call transactions totaled $2.6 million in the second quarter of 2005 compared to $2.4 million in the same period of 2004. In addition to the premium received in the second quarter of 2005 for writing these covered call options, the Company recognized net securities gains of $978,000 primarily related to $818 million par value of securities that were called as required by the call option contracts on or before June 30, 2005. The proceeds from the settlement of $265 million of the called securities are included in federal funds sold and cash and due from banks at June 30, 2005. The remaining $553 million of unsettled security trades is included in other assets at June 30, 2005 as required by GAAP. All of the proceeds from the called securities are available for reinvestment in available-for-sale investment securities in future quarters to enable the call option writing program to continue. Management is able to effectively use the proceeds from selling covered call options to offset net interest margin compression and administers such sales in a coordinated process with the Company's overall asset/liability management.

The following table presents non-interest income by category for the six months ended June 30, 2005 and 2004:

| | Six Months Ended June 30, | | $ | % |
|---|---|---|---|---|
| (Dollars in thousands) | 2005 | 2004 | Change | Change |
| Brokerage | $10,914 | $12,158 | (1,244) | (10.2) |
| Trust and asset management | 4,847 | 4,338 | 509 | 11.7 |
| Total wealth management fees | 15,761 | 16,496 | (735) | (4.4) |
| Mortgage banking revenue | 12,083 | 7,256 | 4,827 | 66.5 |
| Service charges on deposit accounts | 2,933 | 1,946 | 987 | 50.7 |
| Gain on sales of premium finance receivables | 3,382 | 3,539 | (157) | (4.4) |
| Administrative services revenue | 2,138 | 1,887 | 251 | 13.3 |
| Net available-for-sale securities gains | 978 | 853 | 125 | 14.7 |
| Other: | | | | |
| Fees from covered call and put options | 5,377 | 4,615 | 762 | 16.5 |
| Bank Owned Life Insurance | 1,148 | 1,022 | 126 | 12.4 |

| | | | | |
|---|---|---|---|---|
| Miscellaneous | 2,796 | 2,567 | 229 | 9.0 |
| Total other | 9,322 | 8,204 | 1,118 | 13.6 |
| Total non-interest income | $46,597 | $40,181 | 6,416 | 16.0 |

On a year-to-date basis, non-interest income totaled $46.6 million and increased $6.4 million compared to the prior year. The increase in non- interest income is primarily a result of increased revenue from mortgage banking activities, premium income from certain covered call transactions and the additional non-interest income added by the recent acquisitions. Revenue recognized from mortgage banking activities increased $4.8 million on a year- to-date basis primarily due to the impact of acquisitions of WAMC and Guardian. Service charges on deposit accounts increased $987,000 primarily due to the acquisitions of Northview, Town, Antioch and FNBI. These increases helped offset a decline in wealth management fees of $735,000.

NON-INTEREST EXPENSE

Non-interest expense for the second quarter of 2005 totaled $49.0 million and increased $11.6 million, or 31%, from the second quarter 2004 total of $37.4 million. All categories of non-interest expense increased as a result of the acquisitions completed in 2004 and 2005.

The following table presents non-interest expense by category for the three months ended June 30, 2005 and 2004:

| | Three Months Ended June 30, | | $ | % |
|---|---|---|---|---|
| (Dollars in thousands) | 2005 | 2004 | Change | Change |
| Salaries and employee benefits | $29,181 | $22,294 | 6,887 | 30.9 |
| Equipment | 2,977 | 2,182 | 795 | 36.5 |
| Occupancy, net | 3,862 | 2,319 | 1,543 | 66.6 |
| Data processing | 1,743 | 1,350 | 393 | 29.1 |
| Advertising and marketing | 1,216 | 866 | 350 | 40.4 |
| Professional fees | 1,505 | 1,175 | 330 | 28.1 |
| Amortization of other intangible assets | 869 | 193 | 676 | 349.1 |
| Other: | | | | |
| Commissions - 3rd party brokers | 902 | 1,222 | (320) | (26.1) |
| Postage | 994 | 723 | 271 | 37.5 |
| Stationery and supplies | 811 | 625 | 186 | 29.7 |
| Miscellaneous | 4,956 | 4,437 | 519 | 11.7 |
| Total other | 7,663 | 7,007 | 656 | 9.4 |

| | | | | |
|---|---|---|---|---|
| Total non-interest expense | $49,016 | $37,386 | 11,630 | 31.1 |

Salaries and employee benefits totaled $29.2 million for the second quarter of 2005, an increase of $6.9 million, or 31%, as compared to the prior year's second quarter total of $22.3 million. Occupancy expense increased as a result of opening four new banking locations during the past twelve months as part of the Company's de novo banking strategy and adding 13 new locations as a result of the four bank acquisitions.

The following table presents non-interest expense by category for the six months ended June 30, 2005 and 2004:

| | Six Months Ended June 30, | | $ | % |
|---|---|---|---|---|
| (Dollars in thousands) | 2005 | 2004 | Change | Change |
| Salaries and employee benefits | $58,644 | $43,073 | 15,571 | 36.2 |
| Equipment | 5,726 | 4,351 | 1,375 | 31.6 |
| Occupancy, net | 7,701 | 4,497 | 3,204 | 71.3 |
| Data processing | 3,458 | 2,652 | 806 | 30.4 |
| Advertising and marketing | 2,210 | 1,590 | 620 | 38.9 |
| Professional fees | 2,974 | 2,143 | 831 | 38.8 |
| Amortization of other intangible assets | 1,625 | 393 | 1,232 | 313.0 |
| Other: | | | | |
| Commissions - 3rd party brokers | 1,915 | 2,234 | (319) | (14.3) |
| Postage | 1,899 | 1,348 | 551 | 40.9 |
| Stationery and supplies | 1,642 | 1,159 | 483 | 41.7 |
| Miscellaneous | 9,526 | 8,203 | 1,323 | 16.1 |
| Total other | 14,982 | 12,944 | 2,038 | 15.7 |
| Total non-interest expense | $97,320 | $71,643 | 25,677 | 35.8 |

ASSET QUALITY

Allowance for Loan Losses

A reconciliation of the activity in the balance of the allowance for loan losses for the three and six months ended June 30, 2005 and 2004 is shown as follows:

| | Three Months Ended | Six Months Ended |
|---|---|---|

| (Dollars in thousands) | June 30, 2005 | June 30, 2004 | 2005 | 2004 |
|---|---|---|---|---|
| Balance at beginning of period | $39,337 | $27,083 | $34,227 | $25,541 |
| Provision for loan losses | 1,294 | 1,198 | 2,525 | 3,762 |
| Allowance acquired in business combinations | - | - | 4,793 | - |
| Charge-offs: | | | | |
| Commercial and commercial real estate loans | 554 | 517 | 1,217 | 1,246 |
| Home equity loans | - | - | - | - |
| Residential real estate loans | - | - | 44 | - |
| Consumer and other loans | 92 | 28 | 139 | 174 |
| Premium finance receivables | 416 | 506 | 859 | 861 |
| Indirect consumer loans | 121 | 84 | 234 | 194 |
| Tricom finance receivables | - | 10 | - | 10 |
| Total charge-offs | 1,183 | 1,145 | 2,493 | 2,485 |
| Recoveries: | | | | |
| Commercial and commercial real estate loans | 46 | 725 | 243 | 865 |
| Home equity loans | - | 6 | - | 6 |
| Residential real estate loans | - | - | - | - |
| Consumer and other loans | 9 | 46 | 15 | 78 |
| Premium finance receivables | 172 | 154 | 312 | 257 |
| Indirect consumer loans | 47 | 24 | 100 | 67 |
| Tricom finance receivables | - | - | - | - |
| Total recoveries | 274 | 955 | 670 | 1,273 |
| Net charge-offs | (909) | (190) | (1,823) | (1,212) |
| Balance at period end | $39,722 | $28,091 | $39,722 | $28,091 |
| Annualized net charge-offs as a percentage of average: | | | | |
| Commercial and commercial real estate loans | 0.07% | (0.05)% | 0.07% | 0.04% |
| Home equity loans | - | - | - | - |
| Residential real estate loans | - | - | 0.02 | - |
| Consumer and other loans | 0.31 | (0.10) | 0.24 | 0.29 |
| Premium finance receivables | 0.12 | 0.17 | 0.13 | 0.15 |
| Indirect consumer loans | 0.16 | 0.14 | 0.14 | 0.14 |
| Tricom finance receivables | - | 0.17 | - | 0.09 |
| Total loans, net of unearned income | 0.07% | 0.02% | 0.07% | 0.07% |
| Net charge-offs as a percentage | | | | |

| | | | | |
|---|---|---|---|---|
| of the provision for loan losses | 70.25% | 15.86% | 72.20% | 32.22% |
| Loans at period-end | | | $5,023,087 | $3,695,551 |
| Allowance as a percentage of loans at period-end | | | 0.79% | 0.76% |

Past Due Loans and Non-performing Assets

The following table sets forth Wintrust's non-performing assets at the dates indicated. The information in the table should be read in conjunction with the detailed discussion following the table.

| June 30, (Dollars in thousands) | March 31, 2005 | June 30, 2005 | 2004 |
|---|---|---|---|
| Loans past due greater than 90 days and still accruing: | | | |
| Residential real estate and home equity | $315 | $131 | $- |
| Commercial, consumer and other | 1,381 | 1,989 | 662 |
| Premium finance receivables | 3,282 | 3,005 | 3,627 |
| Indirect consumer loans | 258 | 259 | 204 |
| Tricom finance receivables | - | - | - |
| Total past due greater than 90 days and still accruing | 5,236 | 5,384 | 4,493 |
| Non-accrual loans: | | | |
| Residential real estate and home equity | 843 | 1,388 | 448 |
| Commercial, consumer and other | 9,599 | 9,968 | 3,925 |
| Premium finance receivables | 6,088 | 8,514 | 5,678 |
| Indirect consumer loans | 145 | 256 | 137 |
| Tricom finance receivables | - | - | - |
| Total non-accrual | 16,675 | 20,126 | 10,188 |
| Total non-performing loans: | | | |
| Residential real estate and home equity | 1,158 | 1,519 | 448 |
| Commercial, consumer and other | 10,980 | 11,957 | 4,587 |
| Premium finance receivables | 9,370 | 11,519 | 9,305 |
| Indirect consumer loans | 403 | 515 | 341 |
| Tricom finance receivables | - | - | - |
| Total non-performing loans | 21,911 | 25,510 | 14,681 |

| | | | |
|---|---|---|---|
| Other real estate owned | - | 56 | 1,819 |
| Total non-performing assets | $21,911 | $25,566 | $16,500 |
| | | | |
| Total non-performing loans by category as a percent of its own respective category: | | | |
| Residential real estate and home equity | 0.13% | 0.17% | 0.07% |
| Commercial, consumer and other | 0.36 | 0.41 | 0.23 |
| Premium finance receivables | 1.18 | 1.50 | 1.18 |
| Indirect consumer loans | 0.21 | 0.27 | 0.19 |
| Tricom finance receivables | - | - | - |
| Total non-performing loans | 0.44% | 0.53% | 0.40% |
| | | | |
| Total non-performing assets as a percentage of total assets | 0.28% | 0.35% | 0.31% |
| | | | |
| Allowance for loan losses as a percentage of non-performing loans | 181.28% | 154.20% | 191.34% |

The provision for loan losses totaled $1.3 million for the second quarter of 2005 compared to $1.2 million for the second quarter of 2004. On a year- to-date basis, the provision for loan losses totaled $2.5 million for the first six months of 2005 compared to $3.8 million for the first six months of 2004. For the quarter ended June 30, 2005, net charge-offs totaled $909,000, up from the $190,000 of net charge-offs recorded in the same period of 2004. On a year-to-date basis, net charge-offs totaled $1.8 million, up from the $1.2 million of net charge-offs recorded in the same period of 2004. On a ratio basis, annualized net charge-offs as a percentage of average loans increased to 0.07% in the second quarter of 2005 from 0.02% in the same period in 2004. On a year-to-date basis, net loan charge-offs as a percentage of average loans were 0.07% of average loans in both 2005 and 2004.

Management believes the allowance for loan losses is adequate to provide for inherent losses in the portfolio. There can be no assurances however, that future losses will not exceed the amounts provided for, thereby affecting future results of operations. The amount of future additions to the allowance for loan losses will be dependent upon management's assessment of the adequacy of the allowance based on its evaluation of economic conditions, changes in real estate values, interest rates, the regulatory environment, the level of past-due and non-performing loans, and other factors.

Non-performing Residential Real Estate and Home Equity

The non-performing residential real estate and home equity loans totaled $1.2 million at June 30, 2005. The balance

declined $361,000 from March 31, 2005. Each non-performing credit is well secured and in the process of collection. Management believes that the current reserves against these credits are appropriate to cover any potential losses.

Non-performing Commercial, Consumer and Other

The commercial, consumer and other non-performing loan category totaled $11.0 million as of June 30, 2005. The balance in this category decreased $977,000 from March 31, 2005. Management believes that the current reserves against these credits are appropriate to cover any potential losses on any of the relatively small number of credits in this category.

Non-performing Premium Finance Receivables

The table below presents the level of non-performing premium finance receivables as of June 30, 2005, March 31, 2005 and June 30, 2004, and the amount of net charge-offs for the quarters then ended.

| (Dollars in thousands) | June 30, 2005 | March 31, 2005 | June 30, 2004 |
|---|---|---|---|
| Non-performing premium finance receivables | $9,370 | $11,519 | $9,305 |
| - as a percent of premium finance receivables outstanding | 1.18% | 1.50% | 1.18% |
| Net charge-offs of premium finance receivables for the quarter | $244 | $303 | $352 |
| - annualized as a percent of average premium finance receivables | 0.12% | 0.14% | 0.17% |

The level of non-performing premium finance receivables as a percent of total premium finance receivables is essentially unchanged from the level reported at June 30, 2004. As noted below, fluctuations in this category may occur due to the timing and nature of account collections from insurance carriers. Management is comfortable with administering the collections at this level of non-performing premium finance receivables and expects that such ratios will remain at relatively low levels.

The ratio of non-performing premium finance receivables fluctuates throughout the year due to the nature and timing of canceled account collections from insurance carriers. Due to the nature of collateral for premium finance receivables, it customarily takes 60-150 days to convert the collateral into cash collections. Accordingly, the level of

non-performing premium finance receivables is not necessarily indicative of the loss inherent in the portfolio. In the event of default, Wintrust has the power to cancel the insurance policy and collect the unearned portion of the premium from the insurance carrier. In the event of cancellation, the cash returned in payment of the unearned premium by the insurer should generally be sufficient to cover the receivable balance, the interest and other charges due. Due to notification requirements and processing time by most insurance carriers, many receivables will become delinquent beyond 90 days while the insurer is processing the return of the unearned premium. Management continues to accrue interest until maturity as the unearned premium is ordinarily sufficient to pay-off the outstanding balance and contractual interest due.

Non-performing Indirect Consumer Loans

Total non-performing indirect consumer loans were $403,000 at June 30, 2005, compared to $515,000 at March 31, 2005. The ratio of these non- performing loans to total indirect consumer loans was 0.21% at June 30, 2005 compared to 0.27% at March 31, 2005. As noted in the Allowance for Loan Losses table, net charge-offs as a percent of total indirect consumer loans were 0.16% for the quarter ended June 30, 2005 compared to 0.14% in the same period in 2004. The level of non-performing and net charge-offs of indirect consumer loans continues to be below standard industry ratios for this type of lending.

WINTRUST SUBSIDIARIES AND LOCATIONS

Wintrust is a financial holding company whose common stock is traded on the Nasdaq Stock Market(R) (Nasdaq: WTFC). Its 13 community bank subsidiaries are: Lake Forest Bank & Trust Company, Hinsdale Bank & Trust Company, North Shore Community Bank & Trust Company in Wilmette, Libertyville Bank & Trust Company, Barrington Bank & Trust Company, Crystal Lake Bank & Trust Company, Northbrook Bank & Trust Company, Advantage National Bank in Elk Grove Village, Village Bank & Trust in Arlington Heights, Beverly Bank & Trust Company in Chicago, Wheaton Bank & Trust Company, State Bank of The Lakes in Antioch and Town Bank in Delafield, Wisconsin. The banks also operate facilities in Illinois in Buffalo Grove, Cary, Chicago, Clarendon Hills, Downers Grove, Glencoe, Gurnee, Grayslake, Highland Park, Highwood, Hoffman Estates, Lake Bluff, Lake Villa, Lindenhurst, McHenry, Mundelein, Northfield, Palatine, Prospect Heights, Ravinia, Riverside, Roselle, Sauganash, Skokie, Spring Grove, Wauconda, Western Springs and Winnetka, and in Madison, Wisconsin.

Additionally, the Company operates various non-bank subsidiaries. First Insurance Funding Corporation, one of the largest commercial insurance premium finance companies operating in the United States, serves commercial loan customers throughout the country. Tricom, Inc. of Milwaukee provides high- yielding, short-term accounts receivable financing and value-added out-sourced administrative services, such as data processing of payrolls, billing and cash management services, to temporary staffing service clients located throughout the United States. WestAmerica Mortgage Company engages primarily in the origination and purchase of residential mortgages for

sale into the secondary market through origination offices located throughout the United States. Loans are also originated nationwide through relationships with wholesale and correspondent offices. Guardian Real Estate Services, Inc. of Oakbrook Terrace provides document preparation and other loan closing services to WestAmerica Mortgage Company and its network of mortgage brokers. Northview Mortgage, LLC engages primarily in the origination of residential mortgages for sale into the secondary market through Wintrust bank locations in Northfield, Mundelein and Wheaton, Illinois. Wayne Hummer Investments, LLC is a broker-dealer providing a full range of private client and brokerage services to clients located primarily in the Midwest. Focused Investments LLC is a broker-dealer that provides a full range of investment solutions to clients through a network of community-based financial institutions throughout the Midwest. Wayne Hummer Asset Management Company provides money management services and advisory services to individual accounts as well as the Wayne Hummer Companies' proprietary mutual funds. Wayne Hummer Trust Company, a trust subsidiary, allows Wintrust to service customers' trust and investment needs at each banking location. Wintrust Information Technology Services Company provides information technology support, item capture and statement preparation services to the Wintrust subsidiaries.

As of June 30, 2005, Wintrust operated a total of 58 banking offices and is in the process of constructing several additional branch facilities. All of the Company's banking subsidiaries are locally managed with large local boards of directors. Wintrust Financial Corporation has been one of the fastest growing bank groups in Illinois.

FORWARD-LOOKING STATEMENTS

This press release contains forward-looking statements related to Wintrust's financial performance that are based on estimates. Wintrust intends such forward-looking statements to be covered by the safe harbor provision for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and is including this statement for purposes of invoking these safe harbor provisions. Actual results could differ materially from those addressed in the forward-looking statements due to factors such as changes in economic conditions, competition, or other factors that may influence the anticipated growth rate of loans and deposits, the quality of the loan portfolio and loan and deposit pricing, unanticipated changes in interest rates that negatively impact net interest income, lower than anticipated residential mortgage loan originations, future events that may cause unforeseen loan or lease losses, slower than anticipated development and growth of Tricom and the trust and investment business, unanticipated changes in the temporary staffing industry, the ability to adapt successfully to technological changes to compete effectively in the marketplace, competition and the related pricing of brokerage and asset management products, unforeseen difficulties in integrating the acquisitions of Advantage National Bancorp, Inc., Village Bancorp, Inc., WestAmerica Mortgage Company, Guardian Real Estate Services, Inc., Northview Financial Corporation, Town Bankshares, Ltd., Antioch Holding Company and First Northwest Bancorp, Inc. with Wintrust, the ability to pursue additional acquisition and expansion strategies and the ability to attract and retain experienced senior management. Therefore, there can be no assurances that future actual results will correspond to these

forward-looking statements.

SOURCE  Wintrust Financial Corporation
-0- 07/21/2005
/CONTACT:  Edward J. Wehmer, President & Chief Executive Officer, or David A. Dykstra, Senior Executive Vice President & Chief Operating Officer, both of Wintrust Financial Corporation, +1-847-615-4096/
/Web site:  http://www.wintrust.com /
(WTFC)

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