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WINTRUST FINANCIAL CORP
Form 424B4
September 16, 2003

PROSPECTUS

Filed pursuant to Rule 424(b) (4)
File Nos. 333-108452
333-108827

1,197,486 SHARES

WINTRUST FINANCIAL CORPORATION
COMMON STOCK

Wintrust Financial Corporation is offering 1,197,486 shares of its common stock.

Our common stock is traded on the Nasdaq National Market under the symbol "WTFC." The last reported sale price of our common stock as reported on Nasdaq on September 15, 2003 was \$35.80 per share.

INVESTING IN OUR COMMON STOCK INVOLVES RISKS THAT ARE DESCRIBED IN THE "RISK FACTORS" SECTION BEGINNING ON PAGE 13.

PRICE \$35.80 PER SHARE

	PER SHARE	TOTAL
Public offering price.....	\$35.80	\$42,869,999
Underwriting discount.....	\$ 2.14	\$ 2,562,620
Proceeds, before expenses, to Wintrust...	\$33.66	\$40,307,379

The underwriters may also purchase up to an additional 179,622 shares of common stock from us at the public offering price, less the underwriting discount, within 30 days from the date of this prospectus to cover over-allotments, if any.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THESE SECURITIES OR DETERMINED IF THIS PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THESE SECURITIES ARE NOT SAVINGS ACCOUNTS, DEPOSITS OR OTHER OBLIGATIONS OF ANY BANK AND ARE NOT INSURED OR GUARANTEED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION OR ANY OTHER GOVERNMENTAL AGENCY.

The shares of common stock will be ready for delivery on or about September 19, 2003.

RBC CAPITAL MARKETS
U.S. BANCORP PIPER JAFFRAY
RAYMOND JAMES
STIFEL, NICOLAUS & COMPANY
INCORPORATED
SANDLER O'NEILL & PARTNERS, L.P.

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[MAP SHOWING LOCATIONS OF CURRENT AND
PENDING BANKING AND SUBSIDIARY OFFICES]

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You should rely only on the information provided or incorporated by reference in this prospectus. We have not, and the underwriters have not, authorized any other person to provide you with different information. This prospectus is not an offer to sell, nor is it seeking an offer to buy, these securities in any state where the offer or sale is not permitted. The information in this prospectus is complete and accurate as of the date on the front cover, but the information may have changed since that date.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

We make certain forward-looking statements in this prospectus and in the documents incorporated by reference into this prospectus that are based upon our current expectations and projections about current events. We intend these forward-looking statements to be covered by the safe harbor provisions for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995, and we are including this statement for purposes of these safe harbor provisions. You can identify these statements from our use of the words "may," "will," "should," "could," "would," "plan," "potential," "estimate," "project," "believe," "intend," "anticipate," "expect," "target" and similar expressions. These forward-looking statements include statements relating to:

- o our goals, intentions and expectations;
- o our business plans and growth strategies; and
- o estimates of our risks and future costs and benefits.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including among other things, changes in general economic and business conditions and the risks and other factors set forth in the "Risk Factors" section beginning on page 13.

Because of these and other uncertainties, our actual future results, performance or achievements, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, our past results of operations do not necessarily indicate our future results. You should not place undue reliance on any forward-looking statement, which speak only as of the date they were made. We will not update these forward-looking

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statements, even though our situation may change in the future, unless we are obligated to do so under the federal securities laws. We qualify all of our forward-looking statements by these cautionary statements.

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PROSPECTUS SUMMARY

The items in the following summary are described in more detail later in this prospectus or in the other information incorporated by reference into this prospectus. This summary provides an overview of selected information and does not contain all of the information you should consider. Therefore, you should also read the more detailed information included in this prospectus, our consolidated financial statements and the other information that is incorporated by reference in this prospectus before making a decision to invest in our common stock. Unless otherwise indicated, the information in this prospectus assumes that the underwriters will not exercise their option to purchase additional shares to cover over-allotments.

ABOUT WINTRUST FINANCIAL CORPORATION

We are a financial holding company headquartered in Lake Forest, Illinois, with total assets of approximately \$4.1 billion at June 30, 2003. We currently operate seven community banks, primarily in affluent suburbs of Chicago, which provide community-oriented, personal and commercial banking services primarily to individuals and small to mid-size businesses through 32 banking facilities. Each of our banks provides a full complement of commercial and consumer loan and deposit products and services. We provide wealth management services through our trust company, investment adviser and broker-dealer subsidiaries to customers, primarily in the Midwest, as well as to customers of our banks. In addition, we are involved in specialty lending through a number of operating subsidiaries or divisions of certain of our banks. Our specialty lending niches include one of the five largest, based on management's estimates, commercial insurance premium finance companies in the United States; a company which provides accounts receivable financing and administrative services to the temporary staffing industry; and an indirect auto lending business which purchases loans through Chicago-area automobile dealerships.

FINANCIAL SUMMARY

We have grown from \$1.3 billion in assets at December 31, 1998 to \$4.1 billion in assets at June 30, 2003 and our diluted earnings per share have increased at a compound annual growth rate of 32% over the five-year period ended December 31, 2002. The following table highlights the financial performance of our organization for the five-year period ended December 31, 2002 and six-month periods ended June 30, 2003 and June 30, 2002.

	AS OF OR FOR THE SIX MONTHS ENDED JUNE 30,		AS OF OR FOR THE YEAR ENDED DECEMBER 31,			
	2003	2002	2002	2001	2000	1999
	(DOLLARS IN THOUSANDS, EXCEPT PER SHARE DATA)					
Total revenue.....	\$ 91,780	\$ 73,108	\$ 158,800	\$ 102,812	\$ 79,306	\$ 50,000
Net income.....	17,282	12,669	27,875	18,439	11,155	5,000

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Earnings per share (diluted).....	0.94	0.77	1.60	1.27	0.83	
Total assets.....	4,132,394	3,219,400	3,721,555	2,705,422	2,102,806	1,67
Loans.....	2,896,148	2,308,945	2,556,086	2,018,479	1,547,596	1,27
Mortgage loans held-for-sale.....	84,643	27,735	90,446	42,904	10,424	
Total deposits.....	3,419,946	2,608,507	3,089,124	2,314,636	1,826,576	1,46
Common shareholders' equity.....	249,399	205,999	227,002	141,278	102,276	9
Return on average assets.	0.90%	0.88%	0.87%	0.79%	0.60%	
Return on average equity.	14.74%	15.85%	14.76%	15.24%	11.51%	

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The following table shows the compound annual growth rates we achieved over the one-, two-, three-, four- and five-year periods ended December 31, 2002.

	COMPOUND ANNUAL GROWTH RATES				
	1 YEAR	2 YEAR	3 YEAR	4 YEAR	5 YEAR
	-----	-----	-----	-----	-----
Total revenue.....	54.5%	41.5%	40.3%	37.2%	38
Net income.....	51.2	58.1	43.5	45.4	41
Earnings per share (diluted).....	26.0	38.8	29.9	34.4	32
Total assets.....	37.6	33.0	30.4	28.9	28
Loans.....	26.6	28.5	26.3	27.3	29
Total deposits.....	33.5	30.0	28.3	25.9	27
Common shareholders' equity.....	60.7	49.0	34.7	31.8	27

COMMUNITY BANKING

Each of our existing banking subsidiaries was founded as a de novo, or new, banking organization within the last approximately twelve years. Our financial performance has been and continues to be affected by costs associated with growing market share in deposits and loans, opening new banks and branch facilities, and building an experienced management team. Our recent financial performance generally reflects the improved profitability of our operating subsidiaries as they mature, offset by the costs of establishing new banks and opening new branch facilities. Our experience has been that it generally takes from 13 to 24 months for new banks to first achieve operational profitability depending on the number and timing of branch facilities added.

The following table provides information regarding each of our existing banks as of June 30, 2003.

BANK	DATE OPENED	TOTAL ASSETS (IN THOUSANDS)	NUMBER OF FACILITIES
-----	-----	-----	-----
Lake Forest.....	December 1991	\$1,011,051	7
Hinsdale.....	October 1993	688,015	5
North Shore Community.....	September 1994	817,750	7
Libertyville.....	October 1995	540,577	5

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Barrington.....	December 1996	488,672	2
Crystal Lake.....	December 1997	356,999	5
Northbrook.....	November 2000	217,091	1

We are in the process of organizing our eighth de novo bank in Beverly, a residential neighborhood on the southwest side of Chicago, which we expect to open during 2003. In addition, we recently announced plans to acquire two existing community-oriented banks, both relatively newly formed de novo banks. One of the banks opened in 1995 and the other opened in 2001. Each of these banks has two banking offices, all located in northwest suburban Chicago. Combined, the two banks had total assets of approximately \$181 million at June 30, 2003. Both of the acquisitions are expected to close during the fourth quarter of 2003. See "Recent Developments."

WEALTH MANAGEMENT SERVICES

We currently offer a full range of wealth management services through four separate subsidiaries, including trust and investment services, asset management and securities brokerage services marketed primarily under the Wayne Hummer name. We acquired the Wayne Hummer operations, based in the Chicago area, in February 2002. Wayne Hummer Investments, our broker-dealer subsidiary, has been in operation since 1931.

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Through Wayne Hummer Trust Company we offer trust and investment services to existing bank customers and are also targeting small to mid-size businesses and affluent individuals whose needs command the personalized attention offered by our experienced trust professionals. Assets under administration at the trust company were approximately \$485.3 million at June 30, 2003.

Through Wayne Hummer Investments, a registered broker-dealer, we provide a full range of private client and securities brokerage services to approximately 35,000 clients, located primarily in the Midwest. Client assets at the brokerage firm were approximately \$4.2 billion at June 30, 2003. Focused Investments, LLC, a broker-dealer and wholly-owned subsidiary of Wayne Hummer Investments, provides a full range of investment services to clients through a network of relationships with community-based financial institutions primarily in Illinois.

Wayne Hummer Asset Management Company, a registered investment adviser, provides money management services and advisory services to individuals and institutional accounts as well as four proprietary mutual funds, and also provides portfolio management and financial supervision for a wide range of pension and profit-sharing plans. We acquired Lake Forest Capital Management Company, a registered investment adviser, in February 2003. Lake Forest Capital Management Company is operating as a separate division of Wayne Hummer Asset Management Company. At June 30, 2003, individual accounts managed by Wayne Hummer Asset Management Company, including the accounts of Lake Forest Capital Management Company, totaled approximately \$704.9 million, while the four managed mutual funds had approximately \$309.8 million in total assets.

SPECIALTY LENDING

We conduct our specialty lending businesses through indirect non-bank subsidiaries and divisions of our banks.

Through First Insurance, our most significant specialized lending

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niche, we make loans to businesses to finance the insurance premiums they pay on their commercial insurance policies. The loans are originated by First Insurance Funding working through independent medium and large insurance agents and brokers located throughout the nation. The insurance premiums we finance are primarily for commercial customers' purchases of liability, property and casualty and other commercial insurance. This lending involves relatively rapid turnover of the loan portfolio and high volume of loan originations. Because of the indirect nature of this lending and because the borrowers are located nationwide, this segment may be more susceptible to third party fraud. The majority of these loans are purchased by our banks in order to more fully utilize their lending capacity. These loans generally provide the banks higher yields than alternative investments. Since the second quarter of 1999, we have also been selling some of the loan originations to an unrelated third party with servicing retained. First Insurance originated \$1.1 billion in loan (premium finance receivables) volume in the first six months of 2003 compared to \$837.4 million in the first six months of 2002.

Through Tricom, Inc. we provide high-yielding, short-term accounts receivable financing and value-added, outsourced administrative services, such as data processing of payrolls, billing and cash management services, to the temporary staffing industry. Tricom's clients, located throughout the United States, provide staffing services to businesses in diversified industries. During the first six months of 2003, Tricom processed payrolls with associated client billings of approximately \$142.2 million compared to \$108.3 million during the first six months of 2002.

We engage in other specialty lending through divisions of our banks, including indirect auto lending which we conduct through a division of Hinsdale Bank, medical and municipal equipment leasing, small aircraft lending, mortgage broker warehouse lending and loans to condominium, homeowner and community associations. These other specialty loans and leases together comprised

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approximately 11% of our loan and lease portfolio at June 30, 2003. The indirect automobile loans are diversified among many individual borrowers, secured by new and used automobiles and are generated by a network of automobile dealers located in the Chicago area with which we have established relationships. Like other consumer loans, the indirect auto loans are subject to the banks' established credit standards. We regard substantially all of these loans as prime quality loans. Management continually monitors the dealer relationships to deter third party fraud, and the banks are not dependent on any one dealer as a source of such loans. At June 30, 2003, we had \$167.2 million of indirect auto loans which comprised approximately 6% of our loan portfolio. Management is not pursuing growth in this segment and anticipates that this portfolio will comprise a smaller portion of the net loan portfolio in the future.

OPERATIONAL STRATEGY

Since our first bank was opened in 1991, we have been committed to the same fundamental operational strategy, the key elements of which include the following:

- o MAINTAINING DECISION-MAKING AUTHORITY LOCALLY WITHIN EACH OF OUR OPERATING SUBSIDIARIES AND PROVIDING A HIGH LEVEL OF PERSONAL AND PROFESSIONAL SERVICE. Our community banking philosophy is driven by our emphasis on local independence and decision-making authority within each of our banks. While senior management of Wintrust provides expertise to each of our subsidiaries in the areas of capital planning, long-term strategic planning, marketing and advertising, financial

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management, investment and asset/liability management, and technology, the separate management teams of each of the banks, as well as First Insurance, Wayne Hummer Trust Company, Tricom and the Wayne Hummer Companies have full managerial responsibilities for customer service and the ongoing day-to-day operations of their respective organizations, subject to the oversight of our Board of Directors and the boards of our subsidiaries. Our operating subsidiaries enjoy the competitive advantages of being able to tailor products and services to meet the differing needs of the customers that they serve, to quickly make decisions affecting customers, and to participate actively in their communities.

- o EMPLOYING FEWER, BUT HIGHLY QUALIFIED AND PRODUCTIVE INDIVIDUALS AT RELATIVELY HIGH COMPENSATION RATES AND FOCUSING ON LOW NET OVERHEAD RATIOS. Key to our growth and profitability is our management's extensive experience in providing community banking and financial services, and retaining highly qualified managers is critical to our strategy. Our banks' presidents and chief executive officers were selected not only for their years of banking experience but also for their business development skills and their strong ties to the communities they serve. Our practice of employing fewer, but highly qualified and productive individuals at all levels of the organization is key to maintaining a decentralized management structure. Although our management compensation levels may be relatively high, we believe our organizational structure allows us to continue to improve and maintain favorable net overhead ratios as the banks, First Insurance, Wayne Hummer Trust Company and Tricom mature.
- o MARKETING INNOVATIVE DEPOSIT AND LOAN PRODUCTS. Our banks offer local residents competitive retail products designed to attract customers and to provide the banks with the opportunity to introduce and cross-sell their full range of personalized banking services. Each of our banks has developed a strong customer base within its communities through the utilization of creative community-oriented marketing programs. Our banks market their products aggressively through newspaper and other advertising, special promotions and frequently sponsored community events. While competitive pricing may create pressure on

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our net interest margin at times, to be more responsive to the needs of consumers in their specific markets, the banks have also introduced a variety of deposit and loan products to appeal to the unique needs of different types of bank customers, such as different age groups and other special segments of the target markets. In addition, each of our banks has a large board of directors comprised of experienced business persons and other individuals prominent within their respective communities who assist the banking officers with business development.

- o PURSUING A NUMBER OF SPECIALTY LENDING NICHES. We currently finance loans in several different specialty lending niches to more fully utilize our lending capacity, to diversify our loan portfolio, and to enhance the profitability of our banks. In

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addition to premium finance loans originated by First Insurance, short-term accounts receivables financed by Tricom, and indirect auto loans, we also engage in mortgage warehouse lending, medical and municipal equipment leasing, homeowners and condominium association lending and small aircraft lending. Loans in our specialty lending niches tend to be higher yielding than other commercial and consumer loans in our banks' portfolios, but may involve greater credit risks than generally associated with loan portfolios of more traditional community banks due to marketability of the collateral or because we do not have direct customer relationships with the underlying borrowers.

- o FOCUS ON GENERATING FEE INCOME TO AUGMENT NET INTEREST INCOME. During 2002 and the first half of 2003, we generated fee income from a variety of sources including the origination and sale of mortgage loans, account service charges, trust, asset management and brokerage fees, premium income from selling covered call options on fixed income securities we own, as well as gains on sales of premium finance receivables and securities. In addition, we earn administrative fees at Tricom related to its payroll processing business. Non-interest income as a percentage of total revenue increased to 38% for the year ended December 31, 2002, from 28% in 2001 and was 40% for the first six months of 2003.

GROWTH STRATEGY

Key elements of our growth strategy include the following:

- o INTERNAL GROWTH OF OUR EXISTING BANKS. Due to our de novo strategy, we believe we have not yet realized the full deposit and asset generation potential in the communities now served by our existing banking facilities. We believe we can leverage our existing infrastructure to support additional business while maintaining a high level of personalized customer service and responsiveness. As consolidation and the trend toward nationwide franchises continue in the financial services industry, management expects that more individuals and small businesses will become disenchanted with the perceived lower level of service offered by the larger institutions, providing continuing market share opportunity for us. We may from time to time compete for deposits, particularly in our newer markets, with aggressive pricing, which may reduce our net interest margin. With management's focus on balancing further asset growth with earnings growth, our current strategy is to continue less aggressive deposit pricing at those banks with significant market share and more established customer bases.
- o EXPANDING INTO ATTRACTIVE MARKETS WITH LIMITED LOCAL BANKING COMPETITION. We plan to continue our geographic expansion by leveraging our existing banks and opening new branch facilities in nearby communities where management believes targeted customers would be attracted to a community banking alternative. We have plans to add four to five new branches of existing banks over the next 12 months. We also intend to continue the formation of additional de novo banks in attractive markets in and around the Chicago

metropolitan area. We are currently organizing our eighth de novo bank in Beverly, a residential neighborhood on the southwest side of Chicago, which we expect to open during 2003. We will continue to be impacted by start-up costs related to this bank, as well as additional de novo bank and branch formations that we expect to undertake in the future.

In addition, part of our strategy is to pursue potential acquisitions of other community-oriented banks that are already operating in desirable markets in the greater Chicago metropolitan area. We recently announced the signing of definitive agreements to acquire two banks, both relatively newly formed, with banking locations in four communities in northwest suburban Chicago that we do not now serve. See "Recent Developments." In pursuing acquisitions, we face potential competition from other bidders, and we have not always been successful in acquiring other banks due to seller price expectations or other factors. These and other acquisitions, if any, could have a short-term dilutive effect on earnings per share although the two pending acquisitions are not expected to have any material impact on 2003 or 2004 earnings per share.

- o AUGMENTING THE LOAN PORTFOLIO WITH OUR SPECIALTY LENDING NICHES TO ALLOW THE BANKS TO MORE FULLY UTILIZE THEIR LENDING CAPACITY AND ADDING RELATED FINANCIAL SERVICES BUSINESSES TO INCREASE FEE INCOME. Our specialty lending niches have enhanced the profitability of our community banks by optimizing their earning asset base and allowing them to diversify their loan portfolios. We plan to continue to build our sales staff at First Insurance to further increase loan volume in our premium finance business, seeking to increase our market penetration in selected geographic markets. Certain of our related financial services businesses also contribute to higher fee income, such as administrative service fees earned by Tricom for payroll processing. We may pursue acquisitions or development of additional specialty lending businesses engaged in asset generation suitable for bank investment and/or secondary market sales. We may also pursue acquisitions or development of related financial services businesses to augment fee income. Management intends to continue to explore various commercial and consumer finance activities and to seek attractive potential acquisition candidates. Acquisitions, if any, could have a short-term dilutive effect on earnings per share.

- o GROWTH OF WEALTH MANAGEMENT SERVICES PROVIDED TO SMALL AND MID-SIZED BUSINESSES AND AFFLUENT INDIVIDUALS. Our acquisitions of the Wayne Hummer Companies in 2002 and Lake Forest Capital Management Company in February 2003 significantly expanded our wealth management customer base and have enabled us to diversify our revenue stream. As part of our strategy to build and grow our wealth management business, we are continuing to recruit talented brokers, cross-market our expanded base of brokerage and investment management products and services to our banking clients while offering trust services and estate planning products, as well as traditional banking services, to wealth management customers. We are also exploring potential opportunities to offer our insured bank deposit program to other financial services

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firms. In April 2003, we hired Thomas M. McDonald, with more than 30 years of experience in the investment services industry, as the new president and chief executive officer of Wayne Hummer Investments to further enhance the leadership of this segment of our business.

OFFICE LOCATION

Our principal executive offices are located at 727 North Bank Lane, Lake Forest, Illinois 60045-1951, and our telephone number is (847) 615-4096.

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RECENT DEVELOPMENTS

We recently announced two planned acquisitions of community-oriented banks. We believe that together the acquisitions provide an attractive opportunity to expand into the northwest Chicago metropolitan area, in suburban markets we consider desirable. Both transactions are subject to approval by regulators, approval by the target company's shareholders and other closing conditions. We currently expect to close these transactions in the fourth quarter of 2003. We do not expect these transactions to have a material impact on our 2003 or 2004 earnings per share or our regulatory capital ratios.

On July 2, 2003, we announced the signing of a definitive agreement to acquire Advantage National Bancorp, Inc., the parent company of Advantage National Bank, in a stock merger transaction, with an aggregate purchase price of approximately \$24.4 million, assuming all Advantage warrants are exercised. The number of shares to be issued in the merger will be determined at closing based on a floating exchange ratio. Depending on the average price of our common stock at the closing of the merger, we may issue up to 1,049,304 shares of our stock in the merger. Advantage National Bank, a de novo bank that began operations in January 2001, has one location in Elk Grove Village and one location in Roselle, Illinois, both northwest suburbs of Chicago. Advantage had total assets of approximately \$107 million at June 30, 2003.

On August 7, 2003, we announced the signing of a definitive agreement to acquire Village Bancorp, Inc. in a stock merger transaction, with an aggregate purchase price of approximately \$9.0 million. The number of shares to be issued in the merger will be determined at closing based on a floating exchange ratio. Depending on the average price of our common stock at the closing of the merger, we may issue up to 360,000 shares of our stock in the merger. Village is the parent company of Village Bank and Trust-Arlington Heights that has one location in each of Arlington Heights and Prospect Heights, Illinois. Village Bank began operations as a de novo bank in 1995. Village had total assets of approximately \$74 million as of June 30, 2003.

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THE OFFERING

Common stock offered.....	1,197,486 shares
Offering price per share.....	\$35.80
Common stock to be outstanding	

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after the offering.....	18,669,522 shares(1)
Use of proceeds.....	We intend to use the net proceeds to increase the capital at our bank growth opportunities and for general purposes.
Risk Factors.....	See "Risk Factors" beginning on page 10 of this prospectus for information included in this prospectus discussion of factors you should consider before deciding to invest in our common stock.
Nasdaq National Market symbol.....	WTFC

SUMMARY CONSOLIDATED FINANCIAL DATA

The summary consolidated financial data presented below as of or for each of the years in the five-year period ended December 31, 2002, are derived from our audited historical financial statements. The summary data presented below as of or for the six-month periods ended June 30, 2003 and 2002, are derived from unaudited consolidated financial statements. In our opinion, all adjustments, consisting only of normal recurring adjustments, necessary for a fair statement of results as of or for the six-month periods have been included. Per share amounts have been adjusted to reflect the 3-for-2 stock split effected as a stock dividend effective as of March 14, 2002. This information should be read in conjunction with "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the consolidated financial statements and the notes thereto incorporated by reference into this prospectus from our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and our Quarterly Report on Form 10-Q for the period ended June 30, 2003. Results for past periods are not necessarily indicative of results that may be expected for any future period, and results for the six-month period ended June 30, 2003 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2003.

	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
	2003 (1)	2002 (2)	2002 (2)	2001	2000	1999
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)						
STATEMENT OF INCOME DATA:						
Total interest income..	\$ 96,504	\$ 86,509	\$ 182,233	\$ 166,455	\$ 148,184	\$ 109,184
Total interest expense.	41,572	39,924	84,105	92,441	87,184	61,184
Net interest income.	54,932	46,585	98,128	74,014	61,000	47,999
Provision for loan losses.....	5,493	4,831	10,321	7,900	5,055	3,055
Net interest income						

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after provision for loan losses..	49,439	41,754	87,807	66,114	55,945	44,
Non-interest Income:						
Gain on sale of premium finance receivables.....	2,270	1,594	3,374	4,564	3,831	1,
Fees on mortgage loans sold.....	9,142	3,951	12,259	7,831	2,911	3,
Wealth management fees.....	12,953	12,001	25,229	1,996	1,971	1,
Service charges on deposit accounts.	1,722	1,491	3,121	2,504	1,936	1,
Administrative services revenues	2,159	1,753	3,501	4,084	4,402	
Premium finance defalcation-partial settlement(3)....	--	1,250	1,250	--	--	
Securities (losses) gains, net.....	606	(153)	107	337	(40)	
Other.....	7,996	4,636	11,831	7,482	3,295	1,
	-----	-----	-----	-----	-----	-----
Total non-interest income.....	36,848	26,523	60,672	28,798	18,306	9,
	-----	-----	-----	-----	-----	-----

(See footnotes on page 11)

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	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
	2003 (1)	2002 (2)	2002 (2)	2001	2000	1999
	-----	-----	-----	-----	-----	-----
(IN THOUSANDS, EXCEPT PER SHARE AMOUNTS)						
Non-interest Expense:						
Salaries and employee benefits	\$ 35,715	\$ 28,762	\$ 63,442	\$ 35,628	\$ 28,119	\$ 20,
Equipment expense...	3,758	3,526	7,191	6,297	5,101	3,
Occupancy expense, net.....	3,785	3,153	6,691	4,821	4,252	2,
Data processing.....	2,079	2,056	4,161	3,393	2,837	2,
Advertising and marketing.....	1,043	1,057	2,302	1,604	1,309	1,
Professional fees...	1,704	1,296	2,801	2,055	1,681	1,
Amortization of intangibles.....	298	117	324	685	713	
Premium finance defalcation(3)...	--	--	--	--	4,320	
Other non-interest expenses.....	11,038	8,618	19,072	11,300	9,471	7,
	-----	-----	-----	-----	-----	-----
Total non-interest expense.....	59,420	48,585	105,984	65,783	57,803	39,

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Income before taxes and cumulative effect of accounting change...	26,867	19,692	42,495	29,129	16,448	14,
Income tax expense (benefit).....	9,585	7,023	14,620	10,436	5,293	4,
Income before cumulative effect of accounting change	17,282	12,669	27,875	18,693	11,155	9,
Cumulative effect of change in accounting for derivatives, net of tax.....	--	--	--	(254)	--	--
Net income.....	\$ 17,282	\$ 12,669	\$ 27,875	\$ 18,439	\$ 11,155	\$ 9,
COMMON SHARE DATA:						
Earnings per share:						
Basic.....	\$ 1.00	\$ 0.82	\$ 1.71	\$ 1.34	\$ 0.85	\$ 0
Diluted.....	0.94	0.77	1.60	1.27	0.83	0
Cash dividends per common share(4).....	0.08	0.06	0.12	0.093	0.067	
Book value per share...	14.31	12.15	13.19	9.72	7.92	7
Weighted average common shares outstanding:						
Basic.....	17,360	15,513	16,334	13,734	13,066	12,
Diluted.....	18,473	16,526	17,445	14,545	13,411	12,
SELECTED FINANCIAL CONDITION DATA (AT END OF PERIOD):						
Total assets.....	\$4,132,394	\$3,219,400	\$3,721,555	\$2,705,422	\$2,102,806	\$1,679,
Loans.....	2,896,148	2,308,945	2,556,086	2,018,479	1,547,596	1,270,
Mortgage loans held-for-sale.....	84,643	27,735	90,446	42,904	10,424	8,
Total deposits.....	3,419,946	2,608,507	3,089,124	2,314,636	1,826,576	1,463,
Notes payable.....	26,000	58,650	44,025	46,575	27,575	8,
Subordinated notes.....	50,000	--	25,000	--	--	--
Long term debt - trust preferred securities	76,816	51,050	50,894	51,050	51,050	31,
Total shareholders' equity.....	249,399	205,999	227,002	141,278	102,276	92,

(See footnotes on following page)

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	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
	2003 (1)	2002 (2)	2002 (2)	2001	2000	1999
	-----	-----	-----	-----	-----	-----

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SELECTED FINANCIAL
RATIOS AND OTHER
DATA:

Performance Ratios:

Net interest margin(5) (6) (7)...	3.14%	3.52%	3.34%	3.49%	3.66%	3
Net interest spread(5) (8) (9)...	2.92	3.22	3.06	3.08	3.29	3
Non-interest income to average assets(5).....	1.92	1.85	1.89	1.24	0.99	0
Non-interest expense to average assets(3) (5).....	3.10	3.38	3.30	2.83	3.12	2
Net overhead ratio(3) (5) (10)...	1.18	1.54	1.41	1.59	2.13	2
Efficiency ratio(3) (11) (7)...	64.86	65.96	66.41	63.66	72.33	68
Return on average assets(3) (5).....	0.90	0.88	0.87	0.79	0.60	0
Return on average equity(3) (5).....	14.74	15.85	14.76	15.24	11.51	11
Average loan-to-average deposit ratio....	86.1	90.4	88.5	87.4	87.7	8
Dividend payout ratio(4) (5).....	8.5	7.7	7.5	7.4	8.0	
Asset Quality Ratios:						
Non-performing loans to total loans.....	0.47%	0.48%	0.49%	0.64%	0.63%	0
Allowance for loan losses to:						
Total loans.....	0.74	0.69	0.72	0.68	0.67	0
Non-performing loans.....	156.42	143.39	146.63	105.63	107.75	126
Net charge-offs to average loans(3) (5).....	0.19	0.23	0.24	0.26	0.24	0
Non-performing assets to total assets.....	0.35	0.37	0.34	0.48	0.46	0
Other data at end of period:						
Number of banking facilities.....	32	31	31	29	28	

SUPPLEMENTAL FINANCIAL MEASURES/RATIOS

Certain non-GAAP performance measures and ratios are used by management to evaluate and measure our performance. These include taxable-equivalent net interest income (including its individual components), net interest margin (including its individual components), and the efficiency ratio. Management believes that these measures and ratios provide users of our financial

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information a more accurate view of the performance of the interest-earning assets and interest-bearing liabilities and of our operating efficiency for comparative purposes than the most directly comparable GAAP measures. Other financial holding companies may define or calculate these measures and ratios differently. See the table below for supplemental data and the corresponding reconciliation to GAAP financial measures for the six months ended June 30, 2003 and 2002, and for the years ended December 31, 1998 through 2002.

Management reviews yields on certain asset categories and the net interest margin of the company, and our banking subsidiaries, on a fully taxable-equivalent basis or "FTE." In this non-GAAP presentation, net interest income is adjusted to reflect tax-exempt interest income on an equivalent before-tax basis. This measure ensures comparability of net interest income arising from both taxable and tax-exempt sources. Net interest income on a taxable-equivalent basis is also used in the calculation of our 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.

The following table reconciles the GAAP calculations to the financial measures and ratios used by management as discussed above.

	SIX MONTHS ENDED JUNE 30,		YEAR ENDED DECEMBER 31,			
	2003 ----	2002 ----	2002 ----	2001 ----	2000 ----	1999 ----
	(IN THOUSANDS)					
(A) INTEREST INCOME						
(GAAP).....	\$96,504	\$86,509	\$182,233	\$166,455	\$148,184	\$109,000
FTEA - Loans(1).....	265	356	685	793	518	
FTEA - Liquidity management assets(1).....	134	43	209	65	48	
FTEA - Other earning assets(1).....	39	--	--	--	--	
Interest income - FTE	96,942	86,908	183,127	167,313	148,750	109,000
(B) INTEREST EXPENSE						
(GAAP).....	41,572	39,924	84,105	92,441	87,184	61,000
Net interest income - FTE.....	\$55,370	\$46,984	\$99,022	\$74,872	\$61,566	\$48,000
(C) NET INTEREST INCOME (GAAP) (A MINUS B)...	\$54,932	\$46,585	\$98,128	\$74,014	\$61,000	\$47,000
(D) NET INTEREST MARGIN (GAAP).....	3.12%	3.49%	3.31%	3.45%	3.63%	3.30%
Net interest margin - FTE.....	3.14	3.52	3.34	3.49	3.66	3.30
(E) EFFICIENCY RATIO (GAAP).....	65.17	66.32	66.79	64.19	72.85	68.00
Efficiency ratio - FTE.....	64.86	65.96	66.41	63.66	72.33	68.00

RISK FACTORS

You should carefully consider the following risk factors before you decide to buy our common stock. You should also consider the other information in this prospectus, as well as the documents incorporated by reference in this prospectus.

DE NOVO OPERATIONS AND BRANCH OPENINGS IMPACT OUR PROFITABILITY.

Our financial results have been and will continue to be impacted by our strategy of de novo bank formations and branch openings. We have employed this strategy to build an infrastructure that management believes can support additional internal growth in our banks' respective markets. We expect to open our eighth de novo bank in late 2003, and expect to undertake additional de novo bank formations or branch openings as we expand into additional communities in and around Chicago. In addition, our pending acquisitions involve relatively recently formed de novo banks. Based on our experience, management believes that it generally takes from 13 to 24 months for new banks to first achieve operational profitability, depending on the number of branch facilities opened, the impact of organizational and overhead expenses, the start-up phase of generating deposits and the time lag typically involved in redeploying deposits into attractively priced loans and other higher yielding earning assets. However, it may take longer than expected or than the amount of time we have historically experienced for new banks and/or branch facilities to reach profitability, and there can be no guarantee that these new banks or branches will ever be profitable. To the extent we undertake additional de novo bank, branch and business formations, our level of reported net income, return on average equity and return on average assets will be impacted by start-up costs associated with such operations, and we are likely to continue to experience the effects of higher expenses relative to operating income from the new operations. These expenses may be higher than we expected or than our experience has shown.

WE COULD ENCOUNTER DIFFICULTIES OR UNEXPECTED DEVELOPMENTS RELATED TO OUR PENDING ACQUISITIONS.

The two merger transactions that we have pending are our first bank acquisitions. Both of these banks operate in markets we have not previously served. While we currently expect to close both the Advantage and the Village transactions in the fourth quarter of 2003, subject to receipt of required regulatory and shareholder approvals, we may not be successful in completing the acquisitions as planned if, for example, all of the closing conditions are not met. If we do complete the acquisitions, we may be adversely impacted if we have difficulty integrating these banks into our organization or if the composition or quality of the banks' assets or liabilities that we acquire differ significantly from our expectations. In addition, our net income and earnings per share could be adversely impacted if we incur greater than anticipated costs associated with operating these banks, if we have difficulty retaining key personnel at the banks, or if we are unable to grow the businesses of the banks as contemplated.

WE DEPEND ON OUR ABILITY TO ATTRACT AND RETAIN KEY PERSONNEL; WE RELY HEAVILY ON OUR MANAGEMENT TEAM, AND THE UNEXPECTED LOSS OF KEY MANAGERS MAY ADVERSELY AFFECT OUR OPERATIONS.

Our success to date has been influenced strongly by our ability to attract and to retain senior management experienced in banking and financial services. Retention of senior managers and appropriate succession planning will

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continue to be critical to the successful implementation of our strategies. We have entered into 64 employment contracts with our executive officers, and certain senior officers who we consider to be key employees. It is also important as we grow to be able to attract and retain additional qualified senior and middle management. We do not currently maintain key-man life insurance policies; however, we do maintain bank-owned life insurance policies on most of our executive officers to offset liabilities under employment contracts. The unexpected loss of services of any key management personnel, or the inability to recruit and retain qualified personnel in the future, could have an adverse effect on our business and financial results.

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OUR ALLOWANCE FOR LOAN LOSSES MAY PROVE TO BE INSUFFICIENT TO ABSORB LOSSES THAT MAY OCCUR IN OUR LOAN PORTFOLIO.

Our allowance for loan losses is established in consultation with management of our operating subsidiaries and is maintained at a level considered adequate by management to absorb loan losses that are inherent in the portfolios. At June 30, 2003, our allowance for loan losses was 156.42% of total non-performing loans and 0.74% of total loans. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates, that may be beyond our control, and such losses may exceed current estimates. Rapidly growing and de novo bank loan portfolios are, by their nature, unseasoned. As a result, estimating loan loss allowances for our newer banks is more difficult, and therefore the banks may be more susceptible to changes in estimates, and to losses exceeding estimates, than banks with more seasoned loan portfolios. Although management believes that the allowance for loan losses is adequate to absorb losses that may develop in our existing portfolios of loans and leases, there can be no assurance that the allowance will prove sufficient to cover actual loan or lease losses in the future.

OUR PREMIUM FINANCE BUSINESS INVOLVES UNIQUE OPERATIONAL RISKS AND COULD EXPOSE US TO SIGNIFICANT LOSSES.

Of our total loans at June 30, 2003, 22%, or \$625.8 million, were comprised of commercial insurance premium finance receivables that we generated through First Insurance. These loans, intended to enhance the average yield of earning assets of our banks, involve a different, and possibly higher, level of risk of delinquency or collection than generally associated with loan portfolios of more traditional community banks. First Insurance also faces unique operational and internal control challenges due to the relatively rapid turnover of the premium finance loan portfolio and high volume of new loan originations. The average term to maturity of these loans is less than 12 months, and the average loan size when originated is approximately \$30,000.

Because we conduct lending in this segment primarily through relationships with a large number of unaffiliated insurance agents and because the borrowers are located nationwide, risk management and general supervisory oversight may be more difficult than in our banks. We may also be more susceptible to third party fraud. Acts of fraud are difficult to detect and deter, and we cannot assure investors that our risk management procedures and controls will prevent losses from fraudulent activity. For example, in the third quarter of 2000, we recorded a non-recurring after-tax charge of \$2.6 million in connection with a series of fraudulent loan transactions perpetrated against First Insurance by one independent insurance agency located in Florida. Although we have since enhanced our internal controls system at First Insurance, we may continue to be exposed to the risk of significant loss in our premium finance

business.

Due to continued growth in origination volume of premium finance receivables, since the second quarter of 1999, we have been selling some of the loans First Insurance originates to an unrelated third party. We have recognized gains on the sales of the receivables, and the proceeds of sales have provided us with additional liquidity. Consistent with our strategy to be asset driven, we expect to pursue similar sales of premium finance receivables in the future; however, we cannot assure you that there will continue to be a market for the sale of these loans and the extent of our future sales of these loans will depend on the level of new volume growth in relation to our capacity to retain the loans within our subsidiary banks' loan portfolios. Because we have a recourse obligation to the purchaser of premium finance loans that we sell, we could incur losses in connection with the loans sold if collections on the underlying loans prove to be insufficient to repay to the purchaser the principal amount of the loans sold plus interest at the negotiated buy-rate and if the collection shortfall on the loans sold exceeds our estimate of losses at the time of sale.

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OUR STRATEGY OF PURSUING SPECIALTY LENDING NICHEs MAY EXPOSE US TO CREDIT RISKS THAT ARE UNIQUE FOR A COMMUNITY BANKING ORGANIZATION OF OUR SIZE.

At June 30, 2003, approximately 33% of our total loan portfolio consisted of loans we make in what we consider to be specialty lending niches. In addition to our premium finance loans, we engage in indirect auto lending, accounts receivable financing, mortgage broker warehouse lending, loans to condominium, homeowner and community associations, and to a much lesser extent, medical and municipal equipment leasing and small aircraft lending.

Our portfolio of automobile loans are originated indirectly through unaffiliated automobile dealers located throughout the Chicago metropolitan area. At June 30, 2003, our indirect auto loans were \$167.2 million and comprised approximately 6% of our loan portfolio. Because we are lending through third-party originators, our indirect auto portfolio may be relatively riskier than direct consumer lending. Also, because the indirect auto loan industry is highly competitive, the cost of collection and repossession of the underlying collateral may significantly reduce the profitability of this portfolio, particularly in a recessionary environment.

Through Tricom we finance payrolls of companies engaged in the temporary staffing business. At June 30, 2003, these finance receivables totaled \$24.1 million and represented approximately 1% of our loan portfolio. The principal source of repayments on the loans we make in this niche are payments to our borrowers from their customers who are located throughout the United States. While we employ lockboxes and other cash management techniques to protect our interests, to the extent third parties fail to pay or fraudulently engage in the conversion of funds through misuse or nonuse of the lockbox or the creation of ghost payrolls, we may suffer losses.

Our lease financing niche may involve a higher degree of credit risk than mortgage or consumer lending due primarily to the potential for relatively rapid depreciation of medical equipment and other assets securing leases. Similarly, in the event of a default of loans originated in our aircraft lending program, the marketability of the collateral may make it more difficult to convert this collateral to cash, especially in an adverse economic environment. In our condominium and homeowner association lending niche, we may face difficulties in securing repayment from our association borrowers to the extent

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they are unable to collect assessments from their members, and we may suffer losses if we are unable to enforce liens against homeowner properties.

OUR WEALTH MANAGEMENT BUSINESSES ARE VULNERABLE TO FLUCTUATIONS IN THE TRADING VOLUME AND PRICE LEVELS OF SECURITIES; WE FACE STRONG COMPETITION FOR NEW BROKERS WE SEEK TO HIRE.

The success of the strategy we are pursuing to grow our wealth management business is largely dependent on our ability to identify, hire and retain talented securities brokers with investment services experience. We face strong competition for qualified brokers, and many potential candidates are subject to restrictive covenants with existing employers. If we are unable to significantly increase the size of our investment services sales force as planned, we may have difficulty attracting new accounts and increasing assets under management and may be unable to improve the profitability of this segment of our business.

The results of our wealth management subsidiaries depend heavily on conditions in the financial markets and on economic conditions generally, both domestically and abroad. Because currently a significant portion of our revenue in these businesses is derived from commissions, margin interest revenue and principal transactions, further declines in stock prices, trading volumes or liquidity could result in the failure of buyers and sellers of securities to fulfill their settlement obligations, and in the failure of our brokerage clients to fulfill their credit obligations, which could adversely affect our profitability.

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WE MAY BE ADVERSELY AFFECTED BY INTEREST RATE CHANGES.

Our interest income and interest expense are affected by general economic conditions and by the policies of regulatory authorities, including the monetary policies of the Federal Reserve. Changes in interest rates may influence the growth rate of loans and deposits, the quality of the loan portfolio and loan and deposit pricing. While we have taken measures intended to manage the risks of operating in a changing interest rate environment, there can be no assurance that such measures will be effective in avoiding undue interest rate risk. For example, due to historically low prevailing interest rates, beginning in late 2001, we moved to an asset/liability position intended to benefit us in a rising rate scenario. As interest rates declined further over the last 18 months, we have suffered compression in our net interest margin as a result of this strategy. However, the significant decline in interest rates to historic lows has also led to significant increases in mortgage loan origination volume since 2001. We recorded fees on mortgage loans sold of \$9.1 million in the first six months of 2003 and \$12.3 million in 2002, compared to \$7.8 million in 2001. This source of non-interest income is likely to decline in periods of rising interest rates.

The success of our covered call option program, which we have used in effect to hedge our interest rate risk, may also be affected by changes in interest rates. With the decline in interest rates over the last two years to historically low levels, we have been able to augment the total return of our investment securities portfolio by selling call options on fixed-income securities we own. We recorded fee income of \$6.0 million during 2002 compared to \$4.3 million in 2001, from premiums earned on these covered call option transactions. During the first six months of 2003, we recorded fee income of \$4.8 million on these transactions. In a rising interest rate environment, particularly if the yield curve remains steep, the amount of premium income we

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earn on these transactions will likely decline. In addition, we have decreased our covered call option activity as rates have increased recently. Our opportunities to sell covered call options may be limited in the future if rates continue to rise.

OUR FUTURE SUCCESS IS DEPENDENT ON OUR ABILITY TO COMPETE EFFECTIVELY IN THE HIGHLY COMPETITIVE BANKING INDUSTRY.

The financial services business is highly competitive, and we encounter strong direct competition for deposits, loans and other financial services in all of our market areas. In recent years, several major bank holding companies have entered or expanded in the Chicago metropolitan market, and are pursuing aggressive branching initiatives in the area. Generally, these financial institutions are significantly larger than we are and have greater access to capital and other resources. Our ability to compete effectively in the marketplace is also dependent on our ability to adapt successfully to technological changes within the banking and financial services industries.

OUR BUSINESS MAY BE ADVERSELY AFFECTED BY THE HIGHLY REGULATED ENVIRONMENT IN WHICH WE OPERATE.

We are subject to extensive federal and state legislation, regulation and supervision. The burden of regulatory compliance has increased under current legislation and banking regulations and is likely to continue to have or may have a significant impact on the financial services industry. Recent legislative and regulatory changes, as well as changes in regulatory enforcement policies and capital adequacy guidelines, are increasing our costs of doing business and, as a result, may create an advantage for our competitors who may not be subject to similar legislative and regulatory requirements. In addition, future regulatory changes, including changes to regulatory capital requirements, could have an adverse impact on our future results. Self regulatory organizations, such as the New York Stock Exchange and the National Association of Securities Dealers, require our securities brokerage subsidiaries to comply with extensive rules and regulations, and we could also be adversely affected by applicable changes in these regulations.

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SINCE OUR BUSINESS IS CONCENTRATED IN THE CHICAGO METROPOLITAN AREA, A DOWNTURN IN THE CHICAGO ECONOMY MAY ADVERSELY AFFECT OUR BUSINESS.

Currently, our lending and deposit gathering activities are concentrated primarily in the greater Chicago metropolitan area. Our success depends on the general economic condition of Chicago and its surrounding areas. Declining economic conditions could reduce our growth rate, impair our ability to collect loans, and generally affect our financial condition and results of operations.

THERE IS FLUCTUATION IN THE TRADING MARKET FOR OUR COMMON STOCK; YOU MAY NOT BE ABLE TO RESELL YOUR SHARES AT OR ABOVE THE PRICE YOU PAY FOR THEM.

The price of our shares of common stock subject to this offering may be greater than the market price for our common stock following the offering. The price of our common stock has been, and will likely continue to be, subject to fluctuations based on, among other things, economic and market conditions for financial services companies and the stock market in general, as well as changes in investor perceptions of our company.

Our common stock is traded on the Nasdaq National Market under the

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symbol "WTRF". The maintenance of an active public trading market depends, however, upon the existence of willing buyers and sellers, the presence of which is beyond our control or the control of any market maker, and there can be no assurance that our shareholders will be able to sell their shares at or above the offering price. A number of shares of our common stock are covered by resale registration statements. We estimate that there are currently approximately 665,000 of those shares outstanding that have not yet been resold. These remaining shares may be freely sold from time to time in the market. The market price of our common stock could drop significantly if shareholders sell or are perceived by the market as intending to sell large blocks of our shares. In addition, we have plans to issue up to a maximum of approximately 1.4 million additional shares of our common stock in two pending bank acquisitions expected to close during the fourth quarter of 2003.

OUR SHAREHOLDER RIGHTS PLAN AND PROVISIONS IN OUR ARTICLES OF INCORPORATION AND OUR BY-LAWS MAY DELAY OR PREVENT AN ACQUISITION OF US BY A THIRD PARTY.

Our board of directors has implemented a shareholder rights plan. The rights, which are attached to our shares and trade together with our common stock, have certain anti-takeover effects. The plan may discourage or make it more difficult for another party to complete a merger or tender offer for our shares without negotiating with our board of directors or to launch a proxy contest or to acquire control of a larger block of our shares. If triggered, the rights will cause substantial dilution to a person or group that attempts to acquire us without approval of our board of directors, and under certain circumstances, the rights beneficially owned by the person or group may become void. The plan also may have the effect of limiting shareholder participation in certain transactions such as mergers or tender offers whether or not such transactions are favored by incumbent directors and key management. In addition, our executive officers may be more likely to retain their positions with us as a result of the plan, even if their removal would be beneficial to shareholders generally.

Our articles of incorporation and our by-laws contain provisions, including a staggered board provision, that make it more difficult for a third party to gain control or acquire us without the consent of our board of directors. These provisions also could discourage proxy contests and may make it more difficult for dissident shareholders to elect representatives as directors and take other corporate actions.

These provisions of our governing documents may have the effect of delaying, deferring or preventing a transaction or a change in control that might be in the best interest of our shareholders.

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USE OF PROCEEDS

Our net proceeds from the sale of 1,197,486 shares of our common stock in this offering will be approximately \$40.1 million after deducting the underwriting discount and aggregate offering expenses payable by us. The offering expenses are estimated to be approximately \$225,000. If the underwriters' over-allotment option is exercised in full, the net proceeds will be approximately \$46.1 million.

We intend to use the net proceeds of this offering to increase the capital at our banks to pursue further growth and for general corporate purposes.

CAPITALIZATION

The following table sets forth our total indebtedness and capitalization at June 30, 2003, on an historical basis and as adjusted for the offering (assuming no exercise of the underwriters' over-allotment option) as if such sale had been consummated on June 30, 2003. This data should be read in conjunction with the consolidated financial statements and notes thereto incorporated by reference into this prospectus from our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and from our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003.

	JUNE
	----- ACTUAL ----- (DOLLARS)
INDEBTEDNESS:	
Other borrowings (including securities sold under agreements to repurchase, federal funds purchased and Federal Home Loan Bank advances).....	\$197,439
Notes payable under revolving credit line with an unaffiliated commercial bank..	26,000
Subordinated notes.....	50,000
Long-term debt--trust preferred securities(1).....	76,816

Total indebtedness.....	350,255

SHAREHOLDERS' EQUITY:	
Preferred stock, no par value; 20,000,000 shares authorized, of which 100,000 shares are designated Junior Serial Preferred Stock A; no shares issued and outstanding.....	--
Common stock, no par value; 30,000,000 shares authorized; 17,428,118 shares issued and outstanding; 18,625,604 shares issued and outstanding as adjusted(2).....	17,428
Surplus.....	158,597
Common stock warrants to acquire 263,886 shares(3).....	1,030
Retained earnings.....	72,861
Accumulated other comprehensive loss.....	(517)

Total shareholders' equity.....	249,399

Total capitalization.....	\$599,654
	=====
CAPITAL RATIOS:	
Leverage ratio(4).....	7.5%
Tier 1 capital ratio.....	8.4
Total risk-based capital ratio.....	10.5

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Our common stock is traded on the Nasdaq National Market under the symbol "WIFC". The following table sets forth the high and low sales prices reported on the Nasdaq National Market for our common stock for the periods indicated and the semi-annual dividends paid by us during such periods. The following information gives effect to a 3-for-2 stock split effective as of March 14, 2002.

	HIGH	LOW	DIVIDEND
	----	---	-----
2003			

First Quarter.....	\$33.65	\$27.19	\$0.0800
Second Quarter.....	32.40	27.74	--
Third Quarter (through September 15).....	36.18	29.30	\$0.0800
2002			

First Quarter.....	\$22.99	\$18.33	\$0.0600
Second Quarter.....	34.58	22.22	--
Third Quarter.....	36.00	26.54	\$0.0600
Fourth Quarter.....	32.66	25.45	--
2001			

First Quarter.....	\$12.75	\$10.54	\$0.0467
Second Quarter.....	17.62	11.67	--
Third Quarter.....	21.41	16.27	\$0.0467
Fourth Quarter.....	22.13	17.93	--

As of September 12, 2003, there were approximately 1,195 shareholders of record of our common stock.

COMMON STOCK DIVIDEND POLICY

In January 2000, our board of directors approved the payment of our first semi-annual cash dividend on our common stock. We have continued to pay a semi-annual cash dividend since that time. The final determination of timing, amount and payment of dividends on our common stock is at the discretion of our board of directors and will depend upon our profitability, financial condition, capital requirements and other relevant factors, including the restrictions described below. Although we have increased the dividend rate every year since we initiated payment of dividends, as a growing company we expect to continue to retain at least 90% of our earnings to fund future growth and to build our franchise.

Because the principal source of our income at the holding company level is dividends from our banks, our ability to pay dividends on common stock in the future may be largely dependent on the banks' ability to pay dividends to us. Any payment of dividends by the banks is subject to certain restrictions imposed by federal and state banking laws and regulations. As a financial holding company, our banks are now required to maintain capital sufficient to meet the "well-capitalized" standards set by the regulators and will be able to pay dividends to us only so long as their capital continues to exceed these levels. Additionally, de novo banks are prohibited from paying dividends during the first three years of operations.

Our ability to pay cash dividends on our common stock is also subject to statutory restrictions and restrictions arising under the terms of our outstanding and any future debt securities and trust preferred securities. The terms of such securities generally restrict payment of dividends on common stock until required payments and distributions are made on those securities and may impose additional restrictions in the future. Under applicable corporate law, we

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are permitted to pay dividends only to the extent of our shareholders' equity. Federal regulation of bank holding companies may also impose restrictions on the ability of a bank holding company to pay dividends.

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UNDERWRITING

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters named below have severally agreed to purchase from us an aggregate of 1,197,486 shares of common stock in the amount set forth opposite their respective names.

UNDERWRITERS	NUMBER OF SHARES
-----	-----
RBC Dain Rauscher Inc.....	455,045
U.S. Bancorp Piper Jaffray Inc.....	263,447
Raymond James & Associates, Inc.....	179,623
Stifel, Nicolaus & Company, Incorporated.....	179,623
Sandler O'Neill & Partners, L.P.....	119,748
-----	-----
Total.....	1,197,486
	=====

The underwriting agreement provides that the underwriters' obligations are subject to specified conditions precedent and that the underwriters are committed to purchase all of the shares of our common stock offered hereby if the underwriters purchase any of such shares of common stock.

The underwriters have advised us that they propose to offer the shares of common stock to the public at the public offering price set forth on the cover page of this prospectus and to selected dealers at such price less a concession not in excess of \$1.28 per share. The underwriters may allow and such dealers may realow a discount not in excess of \$0.10 per share to certain other brokers and dealers. After the offering, the public offering price, concession, discount and other selling terms may be changed by the underwriters.

We have granted to the underwriters an option, exercisable for 30 days after the date of this prospectus, to purchase up to 179,622 additional shares of our common stock solely to cover over-allotments, if any, at the same price per share to be paid by the underwriters for the other shares of common stock offered hereby.

The underwriters' commissions are shown in the following table. These amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares of common stock.

	NO EXERCISE	FULL EXERCISE
	-----	-----
Per share.....	\$ 2.14	\$ 2.14
Total.....	\$2,562,620	\$2,947,011

In connection with the offering of the shares of our common stock, the underwriters and any selling group members and their respective affiliates may engage in transactions effected in accordance with Rule 104 of Regulation M promulgated by the SEC that are intended to stabilize, maintain or otherwise

affect the market price of the shares of our common stock. Such transactions may include over-allotment transactions in which an underwriter creates a short position for its own account by selling more shares of our common stock than it is committed to purchase from us. In such a case, to cover all or part of the short position, the underwriters may purchase shares of our common stock in the open market following completion of the initial offering of the shares of our common stock. The underwriters also may engage in stabilizing transactions in which they bid for, and purchase, shares of our common stock at a level above that which might otherwise prevail in the open market for the purpose of preventing or retarding a decline in the market price of the shares of our common stock. The underwriters may also reclaim any selling concession allowed to a dealer if the underwriters repurchase shares distributed by that dealer. Any of the foregoing transactions may result in the maintenance of a price for the shares of

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our common stock at a level above that which might otherwise prevail in the open market. Neither we nor the underwriters makes any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of the shares of our common stock. The underwriters are not required to engage in any of the foregoing transactions and, if commenced, such transactions may be discontinued at any time without notice. These transactions may be effected on the Nasdaq National Market, in the over-the-counter market or otherwise.

In connection with this offering, some underwriters may also engage in passive market making transactions in our common stock on the Nasdaq National Market. Passive market making consists of displaying bids on the Nasdaq National Market limited by the prices of independent market makers and effecting purchases limited by those prices in response to order flow. Rule 103 of Regulation M promulgated by the SEC limits the amount of net purchases that each passive market maker may make and the displayed size of each bid. Passive market making may stabilize the market price of our common stock at a level above that which might otherwise prevail in the open market and, if commenced, may be discontinued at any time.

We agreed to indemnify the underwriters and their controlling persons against specified liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments the underwriters may be required to make in respect thereof.

We and our executive officers and directors have agreed that, except as described in this prospectus, for a period of 90 days after the date of this prospectus, we and they will not, without the prior written consent of RBC Dain Rauscher Inc. on behalf of the underwriters, directly or indirectly, (1) offer, pledge (except for pledges granted prior to the date of this prospectus), sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of (subject to some exceptions) any shares of our common stock, or any securities convertible into, or exercisable or exchangeable for, our common stock or (2) enter into any swap or other agreement that transfers, in whole or in part, any economic equivalent of ownership of shares of our common stock.

We have agreed that, except pursuant to a publicly announced stock repurchase program to purchase shares of our common stock or under our stock option plan or employee stock purchase plan, we will not for a period of 180 days after the date of this prospectus, without the prior written consent of RBC Dain Rauscher Inc. on behalf of the underwriters, purchase, redeem or call for

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redemption, or prepay or give notice of prepayment (or announce any redemption or call for redemption, or any prepayment or notice of prepayment) of, any of our securities.

The underwriters may make copies of this prospectus available over the Internet to customers or through their websites.

Certain representatives of the underwriters or their affiliates have performed and may in the future perform investment banking and other financial services for us and our affiliates for which they may receive advisory or transaction fees, as applicable, plus out-of-pocket expenses, of the nature and in amounts customary in the industry for these financial services.

The underwriters have informed us that they do not intend to confirm sales to any discretionary account without the prior written approval of the customer in compliance with NASD Rule 2720(1).

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TRANSFER AGENT

The transfer agent for our common stock is Illinois Stock Transfer Company, 209 West Jackson Boulevard, Suite 903, Chicago, Illinois 60606.

LEGAL MATTERS

Certain legal matters relating to the common stock offered by this prospectus have been passed upon for us by Vedder, Price, Kaufman & Kammholz, P.C., Chicago, Illinois. Certain legal matters have been passed upon for the underwriters by Jones Day, Chicago, Illinois.

EXPERTS

Ernst & Young LLP, independent auditors, have audited our consolidated financial statements included in our Annual Report on Form 10-K for the year ended December 31, 2002, as set forth in their report, which is incorporated by reference in our Annual Report and in this prospectus. Our financial statements are incorporated by reference in this prospectus in reliance on Ernst & Young LLP's report, given on their authority as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

This prospectus is a part of a Registration Statement on Form S-3 that we filed with the SEC under the Securities Act. This prospectus does not contain all the information set forth in the registration statement, certain parts of which are omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the securities offered by this prospectus, reference is made to the registration statement, including the exhibits to the registration statement and the documents incorporated by reference.

We file annual, quarterly and special reports, proxy statements and other information with the SEC. Our filings are available to the public over the Internet at the SEC's web site at <http://www.sec.gov>. You may also read and copy any document we file with the SEC at its public reference facilities at 450 Fifth Street, N.W., Washington, D.C. 20549. You can also obtain copies of the

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documents at prescribed rates by writing to the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the operation of the public reference facilities. Our SEC filings are also available on our web site at <http://www.wintrust.com>, and at the office of the Nasdaq National Market. For further information on obtaining copies of our public filings at the Nasdaq National Market, you should call (212) 656-5060.

DOCUMENTS INCORPORATED BY REFERENCE

We "incorporate by reference" into this prospectus the information we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is an important part of this prospectus.

Some information contained in this prospectus updates and supersedes the information incorporated by reference and some information that we file subsequently with the SEC will automatically update this prospectus. We incorporate by reference the documents listed below:

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- o our Annual Report on Form 10-K for the fiscal year ended December 31, 2002, filed with the SEC on March 27, 2003 (File No. 0-21923);
- o our Quarterly Report on Form 10-Q for the quarter ended March 31, 2003, filed with the SEC on May 14, 2003 (File No. 0-21923);
- o our Quarterly Report on Form 10-Q for the quarter ended June 30, 2003, filed with the SEC on August 14, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on January 16, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on February 4, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on April 18, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on April 24, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on May 30, 2003 (File No. 0-21923);
- o our Current Report on Form 8-K filed with the SEC on July 17, 2003 (File No. 0-21923); and
- o the descriptions of (a) our Common Stock contained in our Registration Statement on Form 8-A dated January 3, 1997 (File No. 0-21923), and (b) the associated preferred share purchase rights contained in our Registration Statement on Form 8-A dated August 28, 1998 (File No. 0-21923).

We also incorporate by reference any filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after

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the initial filing of the registration statement that contains this prospectus and before the time that all of the shares offered by this prospectus are sold.

Any statement contained in a document incorporated by reference in this prospectus shall be deemed to be modified or superseded for purposes of this prospectus to the extent that a statement contained in this prospectus, or in any other document filed later which is also incorporated in this prospectus by reference, modifies or supersedes the statement. Any statement so modified or superseded shall not be deemed to constitute a part of this prospectus except as so modified or superseded. The information contained in this prospectus should be read together with the information in the documents incorporated in this prospectus by reference.

You may request, either orally or in writing, and we will provide, a copy of these filings at no cost by contacting David A. Dykstra, our Chief Operating Officer, at the following address and phone number:

Wintrust Financial Corporation
727 North Bank Lane
Lake Forest, Illinois 60045-1951
(847) 615-4096

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1,197,486 SHARES

WINTRUST FINANCIAL CORPORATION

COMMON STOCK

PRICE \$35.80 PER SHARE

RBC CAPITAL MARKETS

U.S. BANCORP PIPER JAFFRAY

RAYMOND JAMES

STIFEL, NICOLAUS & COMPANY

INCORPORATED

SANDLER O'NEILL & PARTNERS, L.P.

SEPTEMBER 16, 2003
