



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Wintrust Financial Corporation

Person to be contacted regarding this report:	David Dykstra
UST Sequence Number:	222
CPP Funds Received:	250,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 19, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	2260406
Holding Company Docket Number: (For Thrift Holding Companies)	N/A
FDIC Certificate Number: (For Depository Institutions)	N/A
City:	Lake Forest
State:	Illinois

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	The Company originated in excess of \$10 billion of loans, including funding of new loans, advances on prior commitments and renewals of maturing loans consisting of over 193,000 individual credits. See further detailed discussions later in this document.
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The increased lending by major type of loans is discussed below in the response section titled "What actions were you able to take that you may not have taken without the capital infusion of CPP funds?".
<input checked="" type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	Growth in our deposit funding facilitated by the CPP funds and the \$600 million of funding provided by the loan securitization resulted in an increased securities portfolio. It is management's intention to continue to increase lending and reduce the level of assets invested in securities.

<input type="checkbox"/>	Make other investments	
<input checked="" type="checkbox"/>	Increase reserves for non-performing assets	Reserves for non-performing assets are established by GAAP regardless of CPP funds. However, the CPP funding helped offset the negative impact of higher reserves during the current adverse credit cycle thereby allowing the Company to have sufficient resources to expand lending.
<input checked="" type="checkbox"/>	Reduce borrowings	The additional funds were useful in allowing the Company to reduce its borrowings under its senior line of credit by approximately \$27 million and to avoid any additional borrowings under such line. In a time when credit from other banks was tight, the funds provided flexibility to expand lending
<input checked="" type="checkbox"/>	Increase charge-offs	The additional capital allowed the Company to be more aggressive in liquidating problem loans and other assets. Without the additional capital, the Company may have marketed the assets over a more extended period of time in an attempt to achieve a higher valuation.
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	During 2009, the Company was able to purchase a portfolio of life insurance premium finance loans for a discounted purchase price of approximately \$746 million. This purchase allowed the Company to bolster its earnings and its existing portfolio of such assets.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	In addition to using a portion of the capital to grow our balance sheet in both deposits and loans, some of the capital was held on a non-leveraged basis to increase the Company's capital ratios.

What actions were you able to avoid because of the capital infusion of CPP funds?

Without the additional capital funds from the Capital Purchase Program, our prudent management philosophy and strict underwriting standards likely would have required the Company to restrain lending due to the need to preserve capital during these uncertain economic conditions. The Capital Purchase Program funds allowed us to continue to lend and avoid restraining our lending.

The receipt of the Capital Purchase Program funds also allowed the Company to avoid raising additional common equity during a time period when (a) the capital markets were not very receptive to such capital events, and (b) when the Company's common stock price was trading at a level that was not favorable to the Company (the trading range of the Company's common stock during the first half of 2009 was \$9.70 to \$22.75); whereas, the Company raised a net amount of new common equity of approximately \$210 million in March 2010 at a price of \$33.25 per share. Being able to raise additional common equity in more favorable market conditions further strengthens the Company's financial condition and positions it to continue to be active in lending and supporting the communities that our banks and other subsidiaries serve.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The additional capital provided by the Capital Purchase Program funds were primarily used by the Company to grow its deposits and loans, including origination of home mortgage lending. Total outstanding loans of the Company increased from approximately \$7.6 billion at December 31, 2008 to approximately \$9.0 billion (inclusive of approximately \$600 million of loans which were securitized in 2009 and not included in the December 2009 balances).

Growth in outstanding loans by major category in 2009 were as follows:

- a) Commercial and Commercial Real Estate loans increased from \$4.779 billion at 12/31/08 to \$5.040 billion at 12/31/09.
- b) Home Equity loans increased from \$896 million at 12/31/08 to \$930 million at 12/31/09.
- c) Residential Real Estate loans increased from \$263 million at 12/31/08 to \$306 million at 12/31/09.
- d) Commercial Premium Finance Receivables increased from \$1.244 billion at 12/31/08 to \$1.330 billion at 12/31/09 (assuming the \$600 million of loans securitized in 2009 were included on the balance sheet at 12/31/09). These loans are generally made to small businesses to finance insurance premiums related to their business operations.
- e) Life Insurance Premium Finance Receivables increased from \$103 million at 12/31/08 to \$1.198 billion at 12/31/09 due to originations of new loans and the purchase of Life Insurance Premium Finance Receivables with a purchase price of approximately \$746 million during 2009.

The Company also originated approximately \$4.7 billion of home mortgage loans during 2009 of which approximately \$4.5 billion were generally sold to investors in the secondary market. This level of mortgage loan production was approximately three times more than what the Company originated in 2008.

In total, the Company originated in excess of \$10 billion of loans, including funding of new loans, advances on prior commitments and renewals of maturing loans consisting of over 193,000 individual credits. These loans were to a wide variety of businesses and individuals and we consider such loans to be essential to assisting growth in the economy. Without the \$250 million of Capital Purchase Program funds, this level of lending would not have been possible.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

The CPP funds presented an opportunity for the Company. By providing us with a significant source of cost effective capital, the CPP