

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

WINTRUST FINANCIAL CORP

Form S-4

October 24, 2003

As filed with the Securities and
Exchange Commission on October 24, 2003.

Registration No. 333-

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

WINTRUST FINANCIAL CORPORATION
(Exact Name of Registrant as Specified in its Charter)

ILLINOIS
(State or Other Jurisdiction of
Incorporation or Organization)

6022
(Primary Standard Industrial
Classification Code Number)

36-3873352
(I.R.S. Employer
Identification Number)

727 NORTH BANK LANE
LAKE FOREST, ILLINOIS 60045-1951
(847) 615-4096
(Address, Including Zip Code, and Telephone Number, Including Area Code,
of Registrant's Principal Executive
Offices)

DAVID A. DYKSTRA
SENIOR EXECUTIVE VICE PRESIDENT AND CHIEF OPERATING OFFICER
727 NORTH BANK LANE
LAKE FOREST, ILLINOIS 60045-1951
(847) 615-4096
(Name, Address, Including Zip Code, and Telephone Number,
Including Area Code, of Agent for Service)

COPIES TO:

Jennifer R. Evans, Esq.
Jennifer Durham King, Esq.
Vedder, Price, Kaufman & Kammholz, P.C.
222 North LaSalle Street, Suite 2600
Chicago, Illinois 60601
(312) 609-7500

APPROXIMATE DATE OF COMMENCEMENT OF PROPOSED SALE TO THE PUBLIC: As
soon as practicable after the Registration Statement becomes effective.

If the securities being registered on this Form are being offered in
connection with the formation of a holding company and there is compliance with
General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering
pursuant to Rule 462(b) under the Securities Act, please check the following box
and list the Securities Act registration statement number of the earlier
effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. |_|

CALCULATION OF REGISTRATION FEE

TITLE OF EACH CLASS OF SECURITIES TO BE REGISTERED	AMOUNT TO BE REGISTERED	PROPOSED MAXIMUM OFFERING PRICE PER SHARE (1)	PROPOSED MAXIMUM AGGREGATE OFFERING PRICE (1)
Common stock, without par value*	360,000	\$18.88	\$6,796,800

THE REGISTRANT HEREBY AMENDS THIS REGISTRATION STATEMENT ON SUCH DATE OR DATES AS MAY BE NECESSARY TO DELAY ITS EFFECTIVE DATE UNTIL THE REGISTRANT SHALL FILE A FURTHER AMENDMENT WHICH SPECIFICALLY STATES THAT THIS REGISTRATION STATEMENT SHALL THEREAFTER BECOME EFFECTIVE IN ACCORDANCE WITH SECTION 8(a) OF THE SECURITIES ACT OF 1933, AS AMENDED, OR UNTIL THE REGISTRATION STATEMENT SHALL BECOME EFFECTIVE ON SUCH DATE AS THE COMMISSION, ACTING PURSUANT TO SAID SECTION 8(a), MAY DETERMINE.

The information in this proxy statement/prospectus is not complete and may be changed. We may not offer or sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This proxy statement/prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED OCTOBER 24, 2003

VILLAGE BANCORP, INC.
LOGO

WINTRUST FINANCIAL CORPORATION
LOGO

PROXY STATEMENT OF VILLAGE

PROSPECTUS OF WINTRUST

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

DEAR VILLAGE STOCKHOLDERS:

You are cordially invited to attend a special meeting of stockholders of Village Bancorp, Inc. which will be held on _____, 2003 at _____ a.m. at Village Bank and Trust-Arlington Heights, 311 South Arlington Heights Road, Arlington Heights, Illinois.

At the special meeting, you will be asked to approve a merger agreement between Village and Wintrust Financial Corporation that provides for Wintrust's

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

acquisition of Village. If the merger is completed, your shares of Village common stock will be converted into the right to receive shares of Wintrust common stock. The exact number of shares of Wintrust common stock that you will receive will depend upon the average price of Wintrust common stock determined at the time of closing and the number of shares of Village common stock outstanding at that time. The number of Village shares outstanding may increase if any of the currently outstanding warrants are exercised. Assuming only the lowest priced warrants to purchase 75,000 shares of Village common stock are exercised prior to closing, if the average price per share of Wintrust common stock is equal to or greater than \$35.00, then you would receive 0.2274 shares of Wintrust common stock in the merger for each share of Village that you own.

Wintrust's common stock is traded on the Nasdaq National Market under the symbol "WTFC." The closing price of Wintrust common stock on October 22, 2003 was \$39.91.

The merger cannot be completed unless the holders of at least two-thirds of the voting power of outstanding Village common stock approve the merger agreement. YOUR BOARD OF DIRECTORS HAS UNANIMOUSLY APPROVED THE MERGER AGREEMENT AND RECOMMENDS THAT YOU APPROVE IT.

Additional information regarding the transaction, the merger agreement, Village and Wintrust is set forth in the attached proxy statement/prospectus. This document also serves as the prospectus for up to 360,000 shares of Wintrust common stock that may be issued by Wintrust in connection with the merger. WE URGE YOU TO READ THIS ENTIRE DOCUMENT CAREFULLY, INCLUDING "RISK FACTORS" BEGINNING ON PAGE 13.

Sincerely,

Thomas H. Roth
Chairman
Village Bancorp, Inc.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES REGULATORY BODY HAS APPROVED OR DISAPPROVED OF THE SECURITIES TO BE ISSUED UNDER THIS PROXY STATEMENT/PROSPECTUS OR DETERMINED IF THIS PROXY STATEMENT/PROSPECTUS IS TRUTHFUL OR COMPLETE. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THE SECURITIES TO BE ISSUED IN CONNECTION WITH THE MERGER ARE NOT SAVINGS OR DEPOSIT ACCOUNTS OR OTHER OBLIGATIONS OF ANY BANK OR NONBANK SUBSIDIARY OF ANY OF THE PARTIES, AND THEY ARE NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE BANK INSURANCE FUND OR ANY OTHER GOVERNMENTAL AGENCY.

THIS PROXY STATEMENT/PROSPECTUS IS DATED _____, 2003, AND IS FIRST BEING MAILED TO VILLAGE STOCKHOLDERS ON OR ABOUT _____, 2003.

AVAILABLE INFORMATION

As permitted by SEC rules, this document incorporates certain important business and financial information about Wintrust from other documents that are not included in or delivered with this document. These documents are available to you without charge upon your written or oral request. Your requests for these documents should be directed to the following:

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

WINTRUST FINANCIAL CORPORATION
727 NORTH BANK LANE
LAKE FOREST, ILLINOIS 60045
ATTENTION: DAVID A. DYKSTRA
CHIEF OPERATING OFFICER
(847) 615-4096

IN ORDER TO ENSURE TIMELY DELIVERY OF THESE DOCUMENTS, YOU SHOULD MAKE YOUR REQUEST BY _____, 2003 TO RECEIVE THEM BEFORE THE SPECIAL MEETING.

YOU CAN ALSO OBTAIN DOCUMENTS INCORPORATED BY REFERENCE IN THIS DOCUMENT THROUGH THE SEC'S WEBSITE AT WWW.SEC.GOV. SEE "WHERE YOU CAN FIND MORE INFORMATION" BEGINNING ON PAGE ___.

VILLAGE BANCORP, INC.

311 South Arlington Heights Road
Arlington Heights, Illinois 60005

Notice of Special Meeting of Stockholders

to be held

_____, 2003

DATE:

TIME:

PLACE: Village Bank and Trust-Arlington Heights
311 South Arlington Heights Road
Arlington Heights, Illinois 60005

To Village Bancorp, Inc. Stockholders:

We are pleased to notify you of and invite you to a special meeting of stockholders. At the meeting you will be asked to vote on the following matters:

- o Approval of the Agreement and Plan of Merger, dated as of August 7, 2003, that provides for Wintrust Financial Corporation to acquire Village, as described in the attached proxy statement/prospectus.
- o To transact any other business that properly comes before the special meeting, or any adjournments or postponements of the special meeting.

Holders of record of Village common stock at the close of business on _____, 2003 may vote at the special meeting. Approval of the merger agreement requires the affirmative vote at the special meeting of holders of at least two-thirds of the voting power of the issued and outstanding shares of Village common stock.

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

THE BOARD OF DIRECTORS OF VILLAGE UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" APPROVAL OF THE MERGER AGREEMENT.

To ensure that your shares are voted at the special meeting, please promptly complete, sign and return the proxy form in the enclosed envelope whether or not you plan to attend the meeting in person. Stockholders who attend the special meeting may revoke their proxies and vote in person, if they so desire.

Arlington Heights, Illinois
_____, 2003

By Order of the Board of Directors

Thomas H. Roth
Chairman

TABLE OF CONTENTS

	PAGE
QUESTIONS AND ANSWERS ABOUT THE MERGER.....	1
SUMMARY.....	3
Historical Comparative Per Share Data; Pro Forma Per Share Data.....	8
Selected Financial Data of Wintrust.....	10
RISK FACTORS.....	13
There is fluctuation in the trading market of Wintrust's common stock and the market price of the common stock you will receive in the merger is uncertain.....	13
The anticipated benefits of the merger may never be realized.....	13
Village's stockholders will not control Wintrust's future operations.....	13
De novo operations and branch openings impact Wintrust's profitability...	14
Wintrust's allowance for loan losses may prove to be insufficient to absorb losses that may occur in its loan portfolio.....	14
Wintrust's premium finance business involves unique operational risks and could expose it to significant losses.....	14
Wintrust may be adversely affected by interest rate changes.....	15
Wintrust's future success is dependent on its ability to compete effectively in the highly competitive banking industry.....	15
Wintrust's business may be adversely affected by the highly regulated environment in which it operates.....	15
Since Wintrust's business is concentrated in the Chicago metropolitan area, a downturn in the Chicago economy may adversely affect its business.....	16
Wintrust's shareholder rights plan and provisions in its articles of incorporation and by-laws may delay or prevent an acquisition of Wintrust by a third party.....	16
CAUTION ABOUT FORWARD-LOOKING STATEMENTS.....	17
SPECIAL MEETING OF VILLAGE STOCKHOLDERS.....	18
Date, place, time and purpose.....	18
Record date, voting rights, quorum and required vote.....	18
Voting and revocability of proxies.....	18

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Appraisal rights.....	18
DESCRIPTION OF THE MERGER.....	21
General	21
The Companies	21
Background of the merger.....	22
Wintrust's reasons for the merger.....	23
Village's reasons for the merger and recommendation of the board of directors.....	24
Accounting Treatment.....	25
Tax consequences of the merger.....	25
Regulatory approvals.....	26
Interests of certain persons in the merger.....	27
Voting agreement.....	28
Restrictions on resale of Wintrust common stock.....	28
DESCRIPTION OF THE MERGER AGREEMENT.....	28
Time of completion.....	28
Consideration to be received in the merger.....	29
Exchange of certificates.....	33
Conduct of business pending the merger and certain covenants.....	33
Representations and warranties.....	34

i

TABLE OF CONTENTS (continued)

	PAGE
Conditions to completion of the merger.....	36
Minimum net worth closing condition	37
Termination.....	37
Termination fee.....	37
Management and operations after the merger.....	38
Employee benefit matters.....	38
Expenses.....	38
Nasdaq stock listing.....	38
COMPARISON OF SHAREHOLDER RIGHTS.....	38
Authorized capital stock.....	38
Payment of dividends.....	38
Advance notice requirements for presentation of business and nominations of directors at annual meetings of shareholders.....	39
Quorum	39
Election, classification and number of board of directors.....	39
Removal of directors.....	40
Filling vacancies on the board of directors.....	40
Amendment of certificate/articles of incorporation and by-laws.....	40
Mergers, acquisitions and other transactions.....	40
Business combinations with interested shareholders.....	41
Limitations on directors' liability.....	41
Indemnification.....	42
Action by shareholders without a meeting.....	42
Special meetings of shareholders.....	42
Preemptive rights.....	42
Appraisal rights of dissenting stockholders.....	42
Certain anti-takeover effects of Wintrust's articles and by-laws and Illinois law.....	43

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Rights plan.....	43
LEGAL MATTERS.....	44
EXPERTS.....	44
SHAREHOLDER PROPOSALS.....	44
WHERE YOU CAN FIND MORE INFORMATION.....	45
INCORPORATION OF CERTAIN INFORMATION BY REFERENCE.....	45
ANNEX A: AGREEMENT AND PLAN OF MERGER.....	A-1
ANNEX B: DELAWARE APPRAISAL RIGHTS LAW.....	B-1
ANNEX C: VOTING AGREEMENT.....	C-1

ii

QUESTIONS AND ANSWERS ABOUT THE MERGER

- Q: WHAT AM I BEING ASKED TO VOTE ON? WHAT IS THE PROPOSED TRANSACTION?
- A: You are being asked to vote on the approval of a merger agreement that provides for Wintrust's acquisition of Village. Wintrust will own all of Village's outstanding common stock after the merger is completed and you will become a shareholder of Wintrust.
- Q: WHAT WILL I BE ENTITLED TO RECEIVE IN THE MERGER?
- A: If the merger is completed, your shares of Village common stock will be converted into the right to receive shares of Wintrust common stock. The exact number of shares you receive will depend upon the average price of Wintrust common stock determined at the time of closing and the extent to which outstanding Village warrants are exercised prior to closing. Assuming only the lowest priced warrants to purchase 75,000 shares of Village common stock are exercised prior to closing, if the average price per share of Wintrust common stock is equal to or greater than \$35.00, then you would receive 0.2274 shares of Wintrust common stock in the merger for each share of Village that you own. See "Description of the merger agreement--Consideration to be received in the merger" on page ____.
- Q: WHY DO VILLAGE AND WINTRUST WANT TO MERGE?
- A: Village believes that the proposed merger will provide Village stockholders with substantial benefits, and Wintrust believes that the merger will further its strategic growth plans. Wintrust does not currently have banking offices in the communities served by Village Bank. As a larger company, Wintrust can provide the capital and resources that Village Bank needs to compete more effectively and to offer a broader array of products and services to better serve its banking customers. To review the reasons for the merger in more detail, see "Description of the merger--Wintrust's reasons for the merger" on page __ and "Description of the merger--Village's reasons for the merger and recommendation of the board of directors" on page __.
- Q: WHAT DOES THE VILLAGE BOARD OF DIRECTORS RECOMMEND?
- A: Village's board of directors unanimously recommends that you vote "FOR"

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

adoption of the merger agreement. Village's board of directors has determined that the merger agreement and the merger are in the best interests of Village and its stockholders. To review the background and reasons for the merger in greater detail, see pages ___ to ___.

Q: WHAT VOTE IS REQUIRED TO ADOPT THE MERGER AGREEMENT?

A: Holders of at least two-thirds of the voting power of the outstanding shares of Village common stock must vote in favor of the merger. All of Village's and Village Bank's directors and officers who own Village common stock have agreed to vote their shares in favor of the merger at the special meeting. These stockholders owned approximately 51.68% of Village's outstanding common stock on the record date. Wintrust shareholders will not be voting on the merger agreement. See "Description of the merger--Interests of certain persons in the merger" on page ___ and "Description of the merger--Voting agreement" on page ___.

Q: WHAT DO I NEED TO DO NOW? HOW DO I VOTE?

A: After you have carefully read and considered the information contained in this proxy statement/prospectus, please complete, sign, date and mail your proxy form in the enclosed return envelope as soon as possible. This will enable your shares to be represented at the special meeting. You may also vote in person at the special meeting. If you do not return a properly executed proxy form and do not vote at the special meeting, this will have the same effect as a vote against the approval of the merger agreement. If you sign, date and send in your proxy form, but you do not indicate how you want to vote, your proxy will be voted in favor of approval of the merger agreement. You may change your vote or revoke your proxy prior to the special

1

meeting by filing with the secretary of Village a duly executed revocation of proxy, submitting a new proxy form with a later date, or voting in person at the special meeting.

Q: WHAT IF I OPPOSE THE MERGER? DO I HAVE APPRAISAL RIGHTS?

A: Village stockholders who do not vote in favor of the merger agreement and otherwise comply with all of the procedures of Section 262 of the Delaware General Corporation Law will be entitled to receive payment in cash of the estimated fair value of their shares of Village common stock as ultimately determined under the statutory process. This value could be more, the same as or less than the merger consideration. A copy of this provision is attached as Annex B to this proxy statement/prospectus.

Q: WHAT ARE THE TAX CONSEQUENCES OF THE MERGER TO ME?

A: In general, the conversion of your shares of Village common stock into Wintrust common stock in the merger will be tax-free for United States federal income tax purposes. However, you will recognize gain or loss on cash received instead of fractional shares of Wintrust's common stock. You should consult with your tax adviser for the specific tax consequences of the merger to you. See "Description of the merger--Tax consequences of the merger" on page ___.

Q: SHOULD I SEND IN MY STOCK CERTIFICATES NOW?

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

- A: No. Either at the time of closing or shortly after the merger is completed, Wintrust's exchange agent will send you a letter of transmittal with instructions informing you how to send in your stock certificates to the exchange agent. You should use the letter of transmittal to exchange your Village stock certificates for new certificates representing the shares of Wintrust common stock you will own after the merger is complete. DO NOT SEND IN YOUR STOCK CERTIFICATES WITH YOUR PROXY FORM.
- Q: WHEN IS THE MERGER EXPECTED TO BE COMPLETED?
- A: We will try to complete the merger as soon as possible. Before that happens, the merger agreement must be approved and adopted by Village's stockholders and we must obtain the necessary regulatory approvals. Assuming stockholders vote at least two-thirds of Village's outstanding shares of common stock in favor of the merger agreement and we obtain the other necessary approvals, we expect to complete the merger during the fourth quarter of 2003.
- Q: IS COMPLETION OF THE MERGER SUBJECT TO ANY CONDITIONS BESIDES STOCKHOLDER APPROVAL?
- A: Yes. The transaction must receive the required regulatory approvals, and there are other customary closing conditions that must be satisfied. As a condition to Wintrust's obligation to close, as of the last day of the month preceding the closing date, Village Bank must have a minimum net worth of at least \$4.8 million and Village must have stockholders' equity of at least \$4.6 million and no more than \$480,000 in debt, determined in accordance with the merger agreement. The merger agreement does not prohibit Village from paying dividends to stockholders prior to the completion of the merger to the extent that it has adequate capital and funds to pay such dividends and to satisfy the minimum net worth requirements described above.
- Q: WHO CAN ANSWER MY OTHER QUESTIONS?
- A: If you have more questions about the merger or how to submit your proxy, or if you need additional copies of this proxy statement/prospectus or the enclosed proxy form, you should contact Village's Chairman, Thomas H. Roth, or Elizabeth A. Chartier at (847) 483-6000.

2

SUMMARY

This summary highlights selected information in this proxy statement/prospectus and may not contain all of the information important to you. To understand the merger more fully, you should read this entire document carefully, including the annexes and the documents referred to in this proxy statement/prospectus. A list of the documents incorporated by reference appears on page ___.

INFORMATION ABOUT WINTRUST AND VILLAGE

WINTRUST FINANCIAL CORPORATION (See page ___)
727 North Bank Lane
Lake Forest, Illinois 60045

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

(847) 615-4096

Wintrust Financial Corporation, an Illinois corporation, is a financial holding company headquartered in Lake Forest, Illinois. Wintrust operates eight 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 34 banking facilities. The banks include Advantage National Bank, which Wintrust recently acquired in connection with its acquisition of Advantage National Bancorp, Inc. This transaction, which was announced on July 2, 2003, was completed on October 1, 2003. Wintrust also provides wealth management services through its trust company, investment adviser and broker-dealer subsidiaries to customers located primarily in the Midwest, as well as to customers of its banks. In addition, Wintrust is involved in specialty lending through a number of operating subsidiaries or divisions of certain of its banks. As of September 30, 2003, Wintrust had consolidated total assets of \$4.3 billion, deposits of \$3.5 billion and shareholders' equity of \$299.9 million. Wintrust's common stock trades on the Nasdaq National Market under the symbol "WTFC."

VILLAGE BANCORP, INC. (See page ___)
311 South Arlington Heights Road
Arlington Heights, Illinois 60005
(847) 483-6000

Village, a Delaware corporation, is a bank holding company headquartered in Arlington Heights, Illinois. Its primary business is operating its bank subsidiary, Village Bank and Trust--Arlington Heights, an Illinois chartered bank with offices in Arlington Heights and Prospect Heights, Illinois. As of September 30, 2003, Village had consolidated total assets of \$79.7 million, deposits of \$71.7 million and stockholders' equity of \$4.7 million. There is no established trading market for Village's common stock.

THE MERGER AND THE MERGER AGREEMENT (See page ___)

Wintrust's acquisition of Village is governed by a merger agreement. The merger agreement provides that, if all of the conditions are satisfied or waived, a newly formed subsidiary of Wintrust will be merged with and into Village. After the consummation of the merger, Village will become a wholly owned subsidiary of Wintrust. We encourage you to read the merger agreement, which is included as Annex A to this proxy statement/prospectus.

REASONS FOR THE MERGER (See page ___)

Village's board of directors unanimously determined that the merger agreement and the merger consideration were in the best interests of Village and its stockholders and unanimously recommends that Village's stockholders vote in favor of the approval and adoption of the merger agreement and the transactions contemplated by the merger agreement.

In its deliberations and in making its determination, Village's board of directors considered many factors including, without limitation, the following:

- o the business, earnings, operations, financial condition, management, prospects, capital levels and asset quality of both Village and Wintrust;

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

- o Wintrust's access to capital and managerial resources relative to that of Village;
- o the value of the merger consideration represented a significant premium over the current book value of Village common stock;
- o its desire to provide stockholders with the prospects for greater future appreciation on their initial investments in Village common stock than Village could achieve independently;
- o Wintrust common stock is traded on the Nasdaq National Market and has substantially greater liquidity than the shares of Village common stock;
- o projections and recommendations of third-party investment analysts that it reviewed;
- o Wintrust's more diverse financial products and services will enable Village Bank to better serve its customers and enhance its competitive position in the communities in which it operates;
- o the effect of the merger on Village Bank's employees, customers and community; and
- o Wintrust's long-term growth strategy in the Chicago metropolitan area.

Wintrust's board of directors concluded that the merger is in the best interests of Wintrust and its shareholders. In deciding to approve the merger, Wintrust's board of directors considered a number of factors, including:

- o management's view that the acquisition of Village provides an attractive opportunity to expand into new communities within the northwest Chicago metropolitan area, which it considers a desirable market;
- o Village's community banking orientation and its compatibility with Wintrust and its subsidiaries;
- o a review of the demographic, economic and financial characteristics of the markets in which Village operates, including existing and potential competition and history of the market areas with respect to financial institutions;
- o management's review of the business, operations, earnings and financial condition, including capital levels and asset quality, of Village Bank since its de novo formation in 1995; and
- o the likelihood of regulators approving the merger without undue conditions or delay.

BOARD RECOMMENDATION TO VILLAGE STOCKHOLDERS (See page __)

Village's board of directors believes that the merger of Village with Wintrust is in the best interests of Village and Village's stockholders. VILLAGE'S BOARD OF DIRECTORS UNANIMOUSLY RECOMMENDS THAT YOU VOTE "FOR" THE MERGER.

VILLAGE SPECIAL MEETING (See page __)

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

The special meeting of stockholders will be held at Village Bank and Trust--Arlington Heights, located at 311 South Arlington Heights Road, Arlington Heights, Illinois, on _____ at ____ a.m., Chicago time. Village's board of directors is soliciting proxies for use at the special meeting. At the special meeting, Village stockholders will be asked to vote on a proposal to approve the merger agreement.

RECORD DATE FOR THE SPECIAL MEETING; REVOCABILITY OF PROXIES (See page __)

You may vote at the special meeting if you own shares of Village common stock of record at the close of business on _____, 2003. You will have one vote for each share of Village common stock you owned on that date. You may revoke your proxy at any time before the vote at the special meeting.

4

VOTE REQUIRED (See page __)

To approve the merger, at least two-thirds of the voting power of the outstanding shares of Village common stock must be voted in favor of the merger agreement at the special meeting. To satisfy the quorum requirements set forth in Village's by-laws, stockholders holding at least a majority of the voting power of the outstanding shares of Village common stock entitled to vote at the special meeting must be present in person or by proxy at the special meeting. Stockholders may vote their shares in person at the special meeting or by executing and returning the enclosed proxy form.

All of Village's and Village Bank's directors and officers who own shares of Village common stock have committed to vote their shares in favor of the merger. At the record date, these stockholders owned 543,725 shares, constituting approximately 51.68% of the shares entitled to vote at the meeting. See "Description of the merger--Voting agreement" on page __.

WHAT VILLAGE STOCKHOLDERS WILL RECEIVE (See page __)

If the merger is completed, shares of Village common stock that you own immediately before the completion of the merger will be converted into the right to receive shares of Wintrust common stock. For each of your shares of Village common stock, you will receive a number of shares of Wintrust common stock equal to an "exchange ratio" to be calculated as set forth in the merger agreement. The exchange ratio will be determined by dividing a specified per share value of Village common stock by the average high and low price of Wintrust common stock during the 10-day trading period ending two trading days before the merger closing date. The value of the Wintrust common stock you will receive in the merger will vary depending on the average price of Wintrust's common stock at closing to the extent the price is less than \$25.00 per share or greater than \$35.00 per share.

The merger agreement provides that the average high and low per share price of Wintrust common stock to be used in determining the exchange ratio may not be higher than \$35.00 nor less than \$25.00. Within that price range, the exchange ratio varies as the average price of Wintrust common stock changes so that per share value of merger consideration which Village stockholders receive remains constant and the number of Wintrust shares you receive will change. However, if the average price of Wintrust common stock is outside of that range, then the exchange ratio does not change as Wintrust's stock price changes. As a result, if the average price of Wintrust common stock is less than \$25.00, then you will receive a lower per share value of merger consideration at closing than

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

you would receive if the average price of Wintrust common stock is within or above the range, but if the average price of Wintrust common stock is greater than \$35.00, then you would receive greater per share consideration at closing.

The specified per share value of Village common stock used to compute the exchange ratio is determined using a formula set forth in the merger agreement. Under the formula, the specified per share value of Village common stock is determined by dividing a fixed dollar amount of aggregate consideration which Wintrust will provide to Village stockholders and warrant holders in the merger by the number of shares of Village common stock outstanding at the closing date. Thus, the calculation of the per share value of the merger consideration and the exchange ratio will also vary depending on whether the holders of warrants to purchase Village common stock exercise their warrants prior to completion of the merger. Generally, if the warrant holders do not exercise their warrants, then Village stockholders will receive a higher per share merger consideration than they would receive if warrants are exercised. It is currently anticipated that only the warrants to purchase 75,000 shares of Village common stock at \$6.50 per share will be exercised prior to closing.

Village stockholders will not receive fractional shares of Wintrust common stock. Instead, they will receive a cash payment for any fractional shares based on the value of Wintrust common stock determined in the manner described above.

Once the merger is complete, Illinois Stock Transfer Company, Wintrust's exchange agent, will mail you materials and instructions for exchanging your Village stock certificates for Wintrust stock certificates. You should not send in your Village stock certificates until you receive the transmittal materials and instructions from the exchange agent.

5

REGULATORY APPROVALS (See page ___)

The merger cannot be completed until Wintrust receives the necessary regulatory approval of each of the Board of Governors of the Federal Reserve System, or the Federal Reserve, and the Illinois Office of Banks and Real Estate, or the IOBRE. Wintrust submitted an application to the Federal Reserve Bank of Chicago seeking approval of the merger, which was approved on October 16, 2003. Wintrust also filed the required notice with the IOBRE.

NEW WINTRUST SHARES WILL BE ELIGIBLE FOR TRADING ON NASDAQ (See page ___)

The shares of Wintrust common stock to be issued in the merger can be traded on the Nasdaq National Market.

CONDITIONS TO THE MERGER (See page ___)

The completion of the merger is subject to the fulfillment of a number of conditions, including:

- o approval of the merger agreement at the special meeting by at least two-thirds of the outstanding shares of Village common stock;
- o approval of the transaction by the appropriate regulatory authorities, including the Federal Reserve, and IOBRE, and expiration or termination of all waiting periods required by law;

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

- o maintenance by Village of certain minimum net worth and stockholders' equity requirements; and
- o the representations and warranties made by the parties in the merger agreement must be materially true and correct as of the effective date of the merger or as otherwise required in the merger agreement.

TERMINATION (See page __)

Subject to conditions and circumstances described in the merger agreement, either Wintrust or Village may terminate the merger agreement if, among other things, any of the following occur:

- o the merger is not completed by January 31, 2004 (or April 30, 2004 if there is a delay due to regulatory approval);
- o in certain circumstances, if a condition to the merger has become impossible to satisfy;
- o a party has materially breached the merger agreement and failed to cure the breach;
- o the holders of at least two-thirds of the voting power of Village common stock do not approve the merger; or
- o in certain circumstances, if Village has received a superior offer to sell to a third party.

TERMINATION FEE (See page __)

Under certain circumstances described in the merger agreement, Wintrust may demand a \$500,000 termination fee from Village if the transaction is not consummated.

INTERESTS OF OFFICERS AND DIRECTORS IN THE MERGER THAT ARE DIFFERENT THAN YOURS (See page__)

You should be aware that some of Village's directors and officers may have interests in the merger that are different from, or in addition to, their interests as stockholders. Village's board of directors was aware of these interests and took them into account in approving the merger. For example, the merger agreement obligates Wintrust to enter into employment agreements with certain officers of Village and Village Bank. Additionally, Village's Chairman, Thomas H. Roth, holds warrants to purchase 75,000 shares of Village common stock at an exercise price of \$7.50, and warrants to purchase 75,000 shares at an

6

exercise price of \$8.33. Pursuant to the merger agreement, in the event the merger is consummated, Mr. Roth will receive cash consideration for any of the warrants with an exercise price of \$7.50 that remain unexercised at closing, equal to the number of such warrants multiplied by the difference between (a) the per share value of the merger consideration and (b) \$7.50.

Also, Village owes Mr. Roth amounts that have not yet been paid to him for services rendered to Village and Village Bank, including Mr. Roth's prior assumption of certain obligations of Village Bank as well as his role in connection with the merger. The remaining unpaid amount is \$230,000. Under the

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

merger agreement, Wintrust is obligated to make a capital contribution in the amount of \$300,000 to Village at the effective time. This is intended to provide Village sufficient cash to pay these amounts to Mr. Roth at closing.

Wintrust is also obligated under the merger agreement to provide continuing indemnification to Village and Village Bank directors and officers, and to provide such directors and officers with directors' and officers' liability insurance for a period of five years, subject to certain conditions set forth in the merger agreement.

VOTING AGREEMENT (See page __)

All of Village's and Village Bank's directors and officers who are stockholders of Village have agreed to vote all of their shares of common stock in favor of the merger agreement at the special meeting. Together, they own approximately 51.68% of Village's outstanding shares of common stock. These voting agreements terminate if the merger agreement is terminated in accordance with its terms. A copy of the form of voting agreement is attached to this proxy statement/prospectus as Annex C.

ACCOUNTING TREATMENT OF THE MERGER (See page __)

The merger will be accounted for as a purchase transaction in accordance with accounting principles generally accepted in the United States.

CERTAIN DIFFERENCES IN SHAREHOLDER RIGHTS (See page __)

When the merger is completed, Village stockholders, whose rights are governed by Delaware law and Village's certificate of incorporation and by-laws, automatically will become Wintrust shareholders, and their rights will then be governed by Illinois law, as well as Wintrust's articles of incorporation and by-laws, in addition to laws and requirements that apply to public companies.

APPRAISAL RIGHTS (See page __)

Village stockholders may dissent from the merger and, upon complying with the requirements of Delaware law, receive cash in the amount of the fair value of their shares instead of shares of Wintrust common stock.

A copy of the section of the Delaware General Corporation Law pertaining to appraisal rights is attached as Annex B to this proxy statement/prospectus. You should read the statute carefully and consult with your legal counsel if you intend to exercise these rights.

TAX CONSEQUENCES OF THE MERGER (See page __)

Your receipt of the merger consideration generally will be tax-free for United States federal income tax purposes, except that you will recognize gain or loss to the extent you receive cash instead of fractional shares of Wintrust common stock and income, gain or loss to the extent that you receive cash in exchange for unexercised warrants to purchase common stock. You should consult your tax adviser for a full understanding of the federal, state, local and foreign tax consequences of the merger to you.

HISTORICAL COMPARATIVE PER SHARE DATA; PRO FORMA PER SHARE DATA

The table below shows the reported high and low sales prices of

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Wintrust's common stock during the periods indicated. This information gives effect to a 3-for-2 stock split, effected in the form of a 50% stock dividend, as of March 14, 2002.

	HIGH	LOW
	----	---
YEAR ENDED DECEMBER 31, 2001		
First Quarter.....	\$12.75	\$10.54
Second Quarter.....	17.62	11.67
Third Quarter.....	21.41	16.27
Fourth Quarter.....	22.13	17.93
YEAR ENDED DECEMBER 31, 2002		
First Quarter.....	\$22.99	\$18.33
Second Quarter.....	34.58	22.22
Third Quarter.....	36.00	26.54
Fourth Quarter.....	32.66	25.45
YEAR ENDING DECEMBER 31, 2003		
First Quarter.....	\$33.65	\$27.19
Second Quarter.....	32.40	27.74
Third Quarter.....	38.89	29.30
Fourth Quarter (through October 22, 2003).....	41.90	37.64

The following table presents selected comparative per share data for Wintrust common stock and Village common stock on a historical and pro forma combined basis, giving effect to the merger using the purchase method of accounting. The pro forma combined information is not necessarily indicative of the actual results that would have occurred had the merger been consummated at the beginning of the periods indicated, or of the future operations of the combined entity.

	NINE MONTHS ENDED SEPTEMBER 30, 2003	YEAR ENDED DECEMBER 31, 2002
	-----	-----
WINTRUST HISTORICAL:		
Diluted earnings per share.....	\$ 1.46	\$ 1.60
Cash dividends declared per share.....	0.16	0.12
Book value per share (at period end).....	15.87	13.19
WINTRUST PRO FORMA COMBINED(1):		
Diluted earnings per share.....	\$ 1.45	\$ 1.58
Cash dividends declared per share.....	0.16	0.12
Book value per share (at period end).....	16.13	13.51
VILLAGE HISTORICAL:		
Diluted earnings per share.....	\$ 0.18	\$ (0.03)
Cash dividends declared per share.....	-	-
Book value per share (at period end).....	4.51	4.36
VILLAGE PRO FORMA COMBINED(1):		
Diluted earnings per share.....	\$ 0.35	\$ 0.38
Cash dividends declared per share.....	0.04	0.03
Book value per share (at period end).....	3.85	3.23

(1) Computed using an exchange ratio of 0.2389, assuming a Wintrust common stock price of \$35.00 or greater, and assuming no warrants to purchase Village common stock are exercised.

The following table sets forth the last sales prices as reported by Nasdaq for Wintrust common stock on the dates indicated, and the equivalent per share value for Village common stock, giving effect to the merger as of the same

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

dates:

	CLOSING PRICE WINTRUST COMMON STOCK -----	HISTORICAL PRICE VILLAGE COMMON STOCK -----	VILLAGE EQUIVALENT PER SHARE VALUE (3) -----
August 6, 2003(1).....	\$33.85	(2)	\$8.36
October 22, 2003.....	\$39.91	(2)	\$9.53

-
- (1) Trading date preceding the date of public announcement of the proposed merger.
 - (2) There is currently no market value for the shares of Village being acquired since Village is not a publicly traded company.
 - (3) Assumes no exercises prior to closing of outstanding warrants to purchase Village common stock. To the extent warrants are exercised, the equivalent per share value will decrease.

9

SELECTED FINANCIAL DATA OF WINTRUST

The selected 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 Wintrust's audited historical financial statements. The summary data presented below as of or for the nine-month periods ended September 30, 2003 and 2002, are derived from unaudited consolidated financial statements. In Wintrust's 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 Wintrust's Annual Report on Form 10-K for the fiscal year ended December 31, 2002, and Wintrust's 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 nine-month period ended September 30, 2003 are not necessarily indicative of results that may be expected for the entire year ending December 31, 2003.

	NINE MONTHS ENDED SEPTEMBER 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..	\$ 148,977	\$134,054	\$ 182,233	\$ 166,455	\$ 148,184	\$ 148,184
Total interest expense..	62,153	62,054	84,105	92,441	87,184	87,184
	-----	-----	-----	-----	-----	-----
Net interest income..	86,824	72,000	98,128	74,014	61,000	61,000
Provision for loan						

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

losses.....	8,402	7,335	10,321	7,900	5,055
Net interest income after provision for loan losses..	78,442	64,665	87,807	66,114	55,945
Non-interest Income:					
Gain on sale of premium finance receivables.....	3,470	2,250	3,374	4,564	3,831
Fees on mortgage loans sold.....	13,712	7,745	12,259	7,831	2,911
Wealth management fees.....	20,669	18,726	25,229	1,996	1,971
Service charges on deposit accounts.	2,611	2,289	3,121	2,504	1,936
Administrative services revenues	3,178	2,694	3,501	4,084	4,402
Premium finance defalcation-partial settlement(3)....	--	1,250	1,250	--	--
Securities (losses) gains, net.....	637	43	107	337	(40)
Other.....	11,014	7,483	11,831	7,482	3,295
Total non-interest income.....	55,291	42,480	60,672	28,798	18,306

(See footnotes on page ___)

10

		NINE MONTHS ENDED SEPTEMBER 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.	\$ 55,673	\$ 45,625	\$ 63,442	\$ 35,628	\$ 28,119	\$ 20,000
Equipment expense....	5,727	5,286	7,191	6,297	5,101	4,500
Occupancy expense, net.....	5,626	4,853	6,691	4,821	4,252	3,500
Data processing.....	3,193	3,129	4,161	3,393	2,837	2,500
Advertising and marketing.....	1,645	1,653	2,302	1,604	1,309	1,000
Professional fees....	2,565	2,033	2,801	2,055	1,681	1,500
Amortization of intangibles.....	448	237	324	685	713	600
Premium finance defalcation(3)....	--	--	--	--	4,320	4,000
Other non-interest						

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

expenses.....	16,382	13,713	19,072	11,300	9,471	
	-----	-----	-----	-----	-----	-----
Total non-interest expense.....	91,259	76,529	105,984	65,783	57,803	3
	-----	-----	-----	-----	-----	-----
Income before taxes and cumulative effective of accounting change....	42,454	30,616	42,495	29,129	16,448	1
Income tax expense (benefit).....	15,265	10,663	14,620	10,436	5,293	
	-----	-----	-----	-----	-----	-----
Income before cumulative effect of accounting change.	27,189	19,953	27,875	18,693	11,155	
Cumulative effect of change in accounting for derivatives, net of tax.....	--	--	--	(254)	--	
	-----	-----	-----	-----	-----	-----
Net income.....	\$ 27,189	\$ 19,953	\$ 27,875	\$ 18,439	\$ 11,155	\$
	=====	=====	=====	=====	=====	=====
COMMON SHARE DATA:						
Earnings per share:						
Basic.....	\$ 1.56	\$ 1.24	1.71	1.34	0.85	
Diluted.....	1.46	1.16	1.60	1.27	0.83	
Cash dividends per common share(4).....	0.16	0.12	0.12	0.093	0.067	
Book value per share....	15.87	12.71	13.19	9.72	7.92	
Weighted average common shares outstanding:						
Basic.....	17,445	16,047	16,334	13,734	13,066	1
Diluted.....	18,582	17,136	17,445	14,545	13,411	1
SELECTED FINANCIAL CONDITION DATA (AT END OF PERIOD):						
Total assets.....	\$4,304,877	\$3,576,775	\$3,721,555	\$2,705,422	\$2,102,806	\$1,67
Total loans.....	2,949,143	2,483,892	2,556,086	2,018,479	1,547,596	1,27
Total deposits.....	3,529,196	2,971,485	3,089,124	2,314,636	1,826,576	1,46
Notes payable.....	26,000	63,625	44,025	46,575	27,575	
Subordinated notes.....	50,000	--	25,000	--	--	
Long term debt - trust preferred securities	76,512	51,050	50,894	51,050	51,050	3
Total shareholders' equity.....	299,874	218,028	227,002	141,278	102,276	9

(See footnotes on following page)

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

	SEPTEMBER 30,		YEAR ENDED DECEMBER 31,			
	2003 (1)	2002 (2)	2002 (2)	2001	2000	1999
SELECTED FINANCIAL RATIOS AND OTHER DATA:						
Performance Ratios:						
Non-interest income to average assets (5)...	1.86%	1.85%	1.89%	1.24%	0.99%	0.9%
Non-interest expense to average assets (3) (5)	3.07	3.33	3.30	2.83	3.12	2.8
Net overhead ratio (3) (5) (6)	1.21	1.48	1.41	1.59	2.13	2.1
Return on average assets (3) (5)	0.91	0.87	0.87	0.79	0.60	0.6
Return on average equity (3) (5)	14.92	14.98	14.76	15.24	11.51	11.5
Average loan-to-average deposit ratio	87.1	89.1	88.5	87.4	87.7	86.5
Dividend payout ratio (4) (5)	8.2	7.7	7.5	7.4	8.0	7.8
Asset Quality Ratios:						
Non-performing loans to total loans	0.48%	0.49%	0.49%	0.64%	0.63%	0.6%
Allowance for loan losses to:						
Total loans	0.77	0.69	0.72	0.68	0.67	0.6
Non-performing loans	160.33	142.16	146.63	105.63	107.75	126.5
Net charge-offs to average loans (3) (5) .	0.19	0.23	0.24	0.26	0.24	0.2
Non-performing assets to total assets	0.34	0.35	0.34	0.48	0.46	0.4
Other data at end of period:						
Number of banking facilities	32	31	31	29	28	28

12

RISK FACTORS

In addition to the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the caption "Caution About Forward-Looking Statements" on page __, you should consider the following risk factors carefully in deciding whether to vote for the adoption of the merger agreement.

THERE IS FLUCTUATION IN THE TRADING MARKET OF WINTRUST'S COMMON STOCK AND THE MARKET PRICE OF THE COMMON STOCK YOU WILL RECEIVE IN THE MERGER IS UNCERTAIN.

You will receive Wintrust common stock in the merger. The number of shares you receive will depend on the average price of Wintrust common stock

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

prior to the merger. Changes in the market price of Wintrust common stock may result from a variety of factors, including general market and economic conditions, the future financial condition and operating results of Wintrust, changes in Wintrust's business, operations and prospects and regulatory considerations, many of which are beyond Wintrust's control.

The price of Wintrust common stock at completion of the merger may vary from its price on the date the merger agreement was signed, from its price on the date of this proxy statement/prospectus, from its price on the date of the special meeting and from the average price during the 10-day pricing period used to determine the number of shares you are to receive. You will not be entitled to receive additional cash or shares in the merger if the price of Wintrust common stock on the closing date of the merger is less than the average price during the pricing period. Because the merger will be completed after the date of the special meeting, at the time of the special meeting you will not know what the market value of the Wintrust common stock you will receive after the merger will be. See "Description of the merger agreement -- Consideration to be received in the merger."

Wintrust's common stock is traded on the Nasdaq National Market under the symbol "WTFC". The maintenance of an active public trading market depends, however, upon the existence of willing buyers and sellers, the presence of which is beyond Wintrust's control or the control of any market maker. In addition to the shares of Wintrust common stock to be issued in the merger, Wintrust also has shares of common stock covered by resale registration statements and estimates 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 Wintrust's common stock could drop significantly if shareholders sell or are perceived by the market as intending to sell large blocks of its shares. Additionally, in September 2003, Wintrust completed the sale of 1,377,108 shares of its common stock in an underwritten public offering at a public offering price of \$35.80 per share and, on October 1, 2003, Wintrust completed its acquisition of Advantage National Bancorp, Inc. In connection with that acquisition, Wintrust will issue a total of approximately 670,900 shares of its common stock.

THE ANTICIPATED BENEFITS OF THE MERGER MAY NEVER BE REALIZED.

The success of the merger will depend partly on Wintrust's ability to grow the business of Village Bank and to compete effectively in Village's markets and surrounding communities. Wintrust has not previously operated in the near northwest suburbs of Chicago and may not succeed in attracting new customers in these markets or in interesting Village customers in the expanded products and services that Wintrust offers to its banking customers. If Wintrust is not successful in growing the business of Village Bank, the anticipated benefits of the merger may never be realized.

VILLAGE'S STOCKHOLDERS WILL NOT CONTROL WINTRUST'S FUTURE OPERATIONS.

Together, Village's stockholders own 100% of Village and have absolute power to approve or reject any matters requiring stockholder approval under Delaware law and Village's certificate of incorporation and by-laws. After the merger, Village stockholders will become owners of less than 2% of the outstanding shares of Wintrust common stock. Even if all former Village stockholders voted together on all matters presented to Wintrust shareholders from time to time, the former Village stockholders most likely would not have a significant impact on the approval or rejection of future Wintrust proposals submitted to a shareholder vote.

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

DE NOVO OPERATIONS AND BRANCH OPENINGS IMPACT WINTRUST'S PROFITABILITY.

Wintrust's financial results have been and will continue to be impacted by its strategy of de novo bank formations and branch openings. Wintrust has employed this strategy to build an infrastructure that management believes can support additional internal growth in its banks' respective markets. Wintrust expects to open its eighth de novo bank in late 2003, and expects to undertake additional de novo bank formations or branch openings as it expands into additional communities in and around Chicago. In addition, Wintrust's recent and pending acquisitions involve relatively recently formed de novo banks. Based on Wintrust's experience, its 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 Wintrust has 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 Wintrust undertakes additional de novo bank, branch and business formations, its 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 it is likely to continue to experience the effects of higher expenses relative to operating income from the new operations. These expenses may be higher than Wintrust expected or than its experience has shown.

WINTRUST'S ALLOWANCE FOR LOAN LOSSES MAY PROVE TO BE INSUFFICIENT TO ABSORB LOSSES THAT MAY OCCUR IN ITS LOAN PORTFOLIO.

Wintrust's allowance for loan losses is established in consultation with management of its operating subsidiaries and is maintained at a level considered adequate by management to absorb loan losses that are inherent in the portfolios. At September 30, 2003, Wintrust's allowance for loan losses was 160.33% of total nonperforming loans and 0.77% 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 its 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 Wintrust's 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 Wintrust's 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.

WINTRUST'S PREMIUM FINANCE BUSINESS INVOLVES UNIQUE OPERATIONAL RISKS AND COULD EXPOSE IT TO SIGNIFICANT LOSSES.

Of Wintrust's total loans at September 30, 2003, 23%, or \$678.3 million, were comprised of commercial insurance premium finance receivables that it generates through First Insurance Funding Corporation. These loans, intended to enhance the average yield of earning assets of its 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.

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Because Wintrust conducts 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 its banks. Wintrust may also be more susceptible to third party fraud. Acts of fraud are difficult to detect and deter, and Wintrust cannot assure investors that its risk management procedures and controls will prevent losses from fraudulent activity. For example, in the third quarter of 2000, Wintrust 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 Wintrust has since enhanced its internal controls system at First Insurance, it may continue to be exposed to the risk of significant loss in its premium finance business.

Due to continued growth in origination volume of premium finance receivables, since the second quarter of 1999, Wintrust has been selling some of the loans First Insurance originates to an unrelated third party. Wintrust has

14

recognized gains on the sales of the receivables, and the proceeds of sales have provided it with additional liquidity. Consistent with its strategy to be asset driven, Wintrust expects to pursue similar sales of premium finance receivables in the future; however, it cannot assure you that there will continue to be a market for the sale of these loans and the extent of Wintrust's future sales of these loans will depend on the level of new volume growth in relation to its capacity to retain the loans within its subsidiary banks' loan portfolios. Because Wintrust has a recourse obligation to the purchaser of premium finance loans that it sells, it 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 Wintrust's estimate of losses at the time of sale.

WINTRUST MAY BE ADVERSELY AFFECTED BY INTEREST RATE CHANGES.

Wintrust's 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 Wintrust has 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, Wintrust moved to an asset liability position intended to benefit it in a rising rate scenario. As interest rates declined further over the last 18 months, Wintrust has suffered compression in its 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. Wintrust recorded fees on mortgage loans sold of \$12.3 million in 2002, compared to \$7.8 million in 2001. During the first nine months of 2003, Wintrust recorded fees on mortgage loans sold of \$13.7 million. This source of non-interest income is likely to decline in periods of rising interest rates.

The success of Wintrust's covered call option program, which Wintrust has used in effect to hedge its 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, Wintrust has been able to augment the total

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

return of its investment securities portfolio by selling call options on fixed-income securities it owns. Wintrust 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 nine months of 2003, Wintrust recorded fee income of \$6.1 million on these transactions. In a rising interest rate environment, particularly if the yield curve remains steep, the amount of premium income Wintrust earns on these transactions will likely decline. In addition, Wintrust has decreased its covered call option activity as rates have increased recently. Wintrust's opportunities to sell covered call options may be limited in the future if rates continue to rise.

WINTRUST'S FUTURE SUCCESS IS DEPENDENT ON ITS ABILITY TO COMPETE EFFECTIVELY IN THE HIGHLY COMPETITIVE BANKING INDUSTRY.

The financial services business is highly competitive, and Wintrust encounters strong direct competition for deposits, loans and other financial services in all of its 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 Wintrust and have greater access to capital and other resources. Wintrust's ability to compete effectively in the marketplace is also dependent on its ability to adapt successfully to technological changes within the banking and financial services industries.

WINTRUST'S BUSINESS MAY BE ADVERSELY AFFECTED BY THE HIGHLY REGULATED ENVIRONMENT IN WHICH IT OPERATES.

Wintrust is 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 Wintrust's costs of doing business and, as a result, may create an advantage for Wintrust's 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 Wintrust's future results. Self regulatory organizations, such as the New York Stock Exchange and the National Association of Securities Dealers, require Wintrust's securities brokerage

15

subsidiaries to comply with extensive rules and regulations, and Wintrust could be adversely affected by applicable changes in these regulations.

SINCE WINTRUST'S BUSINESS IS CONCENTRATED IN THE CHICAGO METROPOLITAN AREA, A DOWNTURN IN THE CHICAGO ECONOMY MAY ADVERSELY AFFECT ITS BUSINESS.

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

WINTRUST'S SHAREHOLDER RIGHTS PLAN AND PROVISIONS IN ITS ARTICLES OF INCORPORATION AND BY-LAWS MAY DELAY OR PREVENT AN ACQUISITION OF WINTRUST BY A THIRD PARTY.

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Wintrust's board of directors has implemented a shareholder rights plan. The rights, which are attached to Wintrust's shares and trade together with its 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 Wintrust's shares without negotiating with Wintrust's board of directors or to launch a proxy contest or to acquire control of a larger block of Wintrust's shares. If triggered, the rights will cause substantial dilution to a person or group that attempts to acquire Wintrust without approval of its 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 Wintrust's incumbent directors and key management. In addition, Wintrust's executive officers may be more likely to retain their positions with the company as a result of the plan, even if their removal would be beneficial to shareholders generally.

Wintrust's articles of incorporation and by-laws contain provisions, including a staggered board provision, that make it more difficult for a third party to gain control or acquire Wintrust without the consent of its 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 Wintrust's 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 Wintrust's shareholders.

16

CAUTION ABOUT FORWARD-LOOKING STATEMENTS

Certain statements contained in this document, including information incorporated into this document by reference, that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, or the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended, or the Securities Exchange Act, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. The sections of this document which contain forward-looking statements include, but are not limited to, "Questions and answers about the merger," "Summary," "Risk Factors," "Description of the merger--Background of the merger," "Description of the merger--Wintrust's reasons for the merger," and "Description of the merger--Village's reasons for the merger and recommendation of the board of directors." 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 Wintrust's goals, intentions and expectations;
- o Wintrust's business plans and growth strategies; and
- o estimates of Wintrust's 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

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

the "Risk Factors" section beginning on page 13.

Because of these and other uncertainties, Wintrust's actual results, performance or achievements, or industry results, may be materially different from the results indicated by these forward-looking statements. In addition, Wintrust's past results of operations do not necessarily indicate Wintrust's future results. You should not place undue reliance on any forward-looking statements, which speak only as of the dates on which they were made. Wintrust is not undertaking an obligation to update these forward-looking statements, even though its situation may change in the future, except as required under federal securities law. Wintrust qualifies all of its forward-looking statements by these cautionary statements.

Further information on other factors which could affect the financial results of Wintrust before and after the merger is included in Wintrust's filings with the SEC, incorporated by reference into this proxy statement/prospectus. See "Where You Can Find More Information" on page ____.

17

SPECIAL MEETING OF VILLAGE STOCKHOLDERS

DATE, PLACE, TIME AND PURPOSE

Wintrust's and Village's boards of directors are sending you this proxy statement/prospectus and proxy form to use at the special meeting. At the special meeting, the Village board of directors will ask you to vote on a proposal to approve the merger. Village and Wintrust will share equally the costs associated with the solicitation of proxies for the special meeting. The special meeting will be held at Village Bank and Trust--Arlington Heights, 311 South Arlington Heights Road, Arlington Heights, Illinois, on _____ at ____ a.m., Chicago time.

RECORD DATE, VOTING RIGHTS, QUORUM AND REQUIRED VOTE

Village has set the close of business on _____, 2003, as the record date for determining the holders of Village common stock entitled to notice of and to vote at the special meeting. Only Village stockholders at the close of business on the record date are entitled to notice of and to vote at the special meeting. As of the record date, there were _____ shares of Village common stock outstanding and entitled to vote at the special meeting. There must be at least a majority of Village's outstanding shares present in person or by proxy at the special meeting in order for the vote on the merger to occur.

Approval of the merger agreement will require the affirmative vote of at least two-thirds of Village's outstanding shares. Certain stockholders of Village, whose aggregate ownership represents approximately 51.68% of the outstanding shares of Village, have committed to vote their shares in favor of the merger. Wintrust holds no shares of Village common stock. See "Description of the merger--Voting agreement" on page ____ for a description of the provisions of the voting agreement.

Abstentions from voting will have the same effect as voting against the merger agreement.

VOTING AND REVOCABILITY OF PROXIES

You may vote in person at the special meeting or by proxy. To ensure

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

your representation at the special meeting, we recommend you vote by proxy even if you plan to attend the special meeting. You can always change your vote at the special meeting.

Voting instructions are included on your proxy form. If you properly complete and timely submit your proxy, your shares will be voted as you have directed. You may vote for, against, or abstain with respect to the approval of the merger. If you are the record holder of your shares and submit your proxy without specifying a voting instruction, your shares will be voted "FOR" approval of the merger agreement.

You may revoke your proxy before it is voted by:

- o filing with the secretary of Village a duly executed revocation of proxy;
- o submitting a new proxy with a later date; or
- o voting in person at the special meeting.

Attendance at the special meeting will not, in and of itself, constitute a revocation of a proxy. All written notices of revocation and other communication with respect to the revocation of proxies should be addressed to: Village Bancorp, Inc., 311 South Arlington Heights Road, Arlington Heights, Illinois, 60005, Attention: President.

APPRAISAL RIGHTS

Pursuant to Section 262 of the Delaware General Corporation Law, any Village stockholder may dissent from the merger and elect to have the fair value of his or her shares judicially determined and paid in cash, but only if the stockholder complies with the provisions of Section 262.

18

The following is a brief summary of the statutory procedures that must be followed by you in order to perfect your appraisal rights under Delaware law. THIS SUMMARY IS NOT INTENDED TO BE COMPLETE AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SECTION 262 OF THE DELAWARE GENERAL CORPORATION LAW, A COPY OF WHICH IS ATTACHED AS APPENDIX B TO THIS DOCUMENT.

To dissent from the merger and demand appraisal, you must satisfy the following conditions:

- o deliver a written demand for appraisal of your shares to Village before the vote on the adoption of the merger agreement at the special meeting;
- o not vote in favor of the merger agreement (the return of a signed proxy which does not specify a vote against the merger agreement or a direction to abstain, will be voted in favor of the merger agreement and constitute a waiver of your right of appraisal); and
- o continuously hold your Village shares from the date of making the demand through the time the merger is completed.

If you fail to comply with any of these conditions and the merger becomes effective, you will be entitled to receive only the consideration

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

provided in the merger agreement. Failure to vote on the merger agreement will not constitute a waiver of your appraisal rights. Voting against the merger agreement will not satisfy the requirement of a written demand for appraisal.

All written demands for appraisal should be addressed to: Village Bancorp, Inc., 311 South Arlington Heights Road, Arlington Heights, Illinois, 60005, Attention: President. The demands must be received before the vote concerning the merger agreement at the special meeting occurs, and should be executed by, or on behalf of, the holder of record. If Village shares are owned of record in a fiduciary capacity, as by a trustee, guardian or custodian, execution of a demand for appraisal should be made in that capacity. If Village shares are owned of record by more than one person, as in a joint tenancy or tenancy in common, the demand must be executed by or for all joint owners. An authorized agent, including one for two or more joint owners, may execute the demand for appraisal for a stockholder of record; however, the agent must identify the record owner or owners and expressly disclose the fact that, in executing the demand, he or she is acting as agent for the record owner. A record owner, such as a broker or trustee, who holds Village shares as a nominee for others may exercise his or her rights of appraisal with respect to the shares held for one or more beneficial owners, while not exercising such right for other beneficial owners. In that case, the written demand should set forth the number of shares as to which the record owner dissents. Where no number of shares is expressly mentioned, the demand will be presumed to cover all shares of Village shares in the name of that record owner.

Within 10 days after the merger, Wintrust must give written notice that the merger has become effective to each holder of Village shares who filed a written demand for appraisal and who did not vote in favor of the merger agreement. Any stockholder entitled to appraisal rights may, within 20 days after the date of mailing of the notice, demand in writing from Wintrust the appraisal of his or her Village shares. Within 120 days after the completion of the merger, either Wintrust, or any Village stockholder who has complied with Section 262, may file a petition in the Delaware Court of Chancery demanding a determination of the value of the Village shares held by all stockholders entitled to appraisal of their shares. Wintrust does not presently intend to file such a petition. Because Wintrust has no obligation to file such a petition, the failure of a stockholder to do so within the period specified could nullify the stockholder's previous written demand for appraisal.

If a petition for appraisal is duly filed by a stockholder and a copy is delivered to Wintrust, Wintrust will then be obligated within 20 days of receipt of the copy to provide the Court of Chancery with a duly verified list containing the names and addresses of all stockholders who have demanded an appraisal of their shares and with whom agreement as to the value of their shares has not been reached. After notice to these stockholders, the Court of Chancery is empowered to conduct a hearing to determine which stockholders are entitled to appraisal rights.

19

The Court of Chancery will then appraise the Village shares, determining their fair value exclusive of any element of value arising from the accomplishment or expectation of the merger. When the value is determined, the Court will direct the payment by Wintrust of this value, with interest thereon, simple or compound, if the Court so determines, to the stockholders entitled to receive this money.

Stockholders of Village who are considering seeking an appraisal should bear in mind that the fair value of their Village shares as determined under

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Section 262 could be more than, the same as or less than the merger consideration they are to receive pursuant to the merger agreement if they do not seek appraisal of their shares.

Costs of the appraisal proceeding may be assessed against the stockholder by the court as the court deems equitable in the circumstances.

FAILURE TO COMPLY STRICTLY WITH THESE PROCEDURES WILL CAUSE YOU TO LOSE YOUR APPRAISAL RIGHTS. CONSEQUENTLY, IF YOU DESIRE TO EXERCISE YOUR APPRAISAL RIGHTS YOU ARE URGED TO CONSULT A LEGAL ADVISOR BEFORE ATTEMPTING TO EXERCISE THESE RIGHTS.

20

DESCRIPTION OF THE MERGER

The following information describes certain aspects of the merger. The merger agreement, which you should read carefully, is attached as Annex A to this proxy statement/prospectus.

GENERAL

When the merger is consummated, WFC Merger Co., a wholly-owned subsidiary of Wintrust, will merge with and into Village. Village will survive the merger and will become a wholly-owned subsidiary of Wintrust. At the effective time of the merger, holders of Village common stock will exchange their shares for shares of Wintrust common stock. Each share of Village common stock will be exchanged for a number of Wintrust shares equal to an "exchange ratio" which cannot be determined until two trading days before completion of the merger. See "Description of the merger agreement--Consideration to be received in the merger" for a detailed description of the method for determining the exchange ratio.

Only whole shares of Wintrust common stock will be issued in the merger. As a result, cash will be paid instead of any fractional shares. Shares of Village common stock held by Village stockholders who elect to exercise their appraisal rights will not be converted into Wintrust common stock.

THE COMPANIES

Business of Wintrust

Wintrust Financial Corporation, an Illinois corporation, is a financial holding company headquartered in Lake Forest, Illinois. Wintrust operates eight 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 34 banking facilities. The banks include Advantage National Bank, which Wintrust recently acquired in connection with its acquisition of Advantage's National Bancorp, Inc. This transaction, which was announced on July 2, 2003, was completed on October 1, 2003. Wintrust also provides wealth management services through its trust company, investment adviser and broker-dealer subsidiaries to customers, primarily in the Midwest, as well as to customers of its banks. In addition, Wintrust is involved in specialty lending through a number of operating subsidiaries or divisions of certain of its banks. Its 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

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

purchases loans through Chicago-area automobile dealerships. As of September 30, 2003, Wintrust had consolidated total assets of \$4.3 billion, deposits of \$3.5 billion and shareholders' equity of \$299.9 million.

Financial and other information relating to Wintrust, including information relating to Wintrust's current directors and executive officers, is set forth in Wintrust's 2002 Annual Report on Form 10-K, Wintrust's Proxy Statement for its 2003 Annual Meeting of Shareholders filed with the SEC on April 29, 2003, Wintrust's 2003 Quarterly Reports on Form 10-Q and Wintrust's Current Reports on Form 8-K filed during 2003, which are incorporated by reference to this proxy statement/prospectus and copies of which may be obtained from Wintrust as indicated under "Where You Can Find More Information" on page ___. See "Incorporation of Certain Information by Reference" on page ___.

Business of Village

Village Bancorp, Inc., a Delaware corporation, is a bank holding company headquartered in Arlington Heights, Illinois. Its primary business is operating its bank subsidiary, Village Bank and Trust--Arlington Heights, an Illinois chartered bank with offices in Arlington Heights and Prospect Heights, Illinois. As of September 30, 2003, Village had consolidated total assets of \$79.7 million, deposits of \$71.7 million and stockholders' equity of \$4.7 million.

21

BACKGROUND OF THE MERGER

During 2002, as competition continued to increase in the Arlington Heights area and surrounding markets that Village Bank serves, although the bank's growth and profitability had improved significantly since 2001, Village's board of directors and management began to evaluate strategic alternatives, including the possible sale of the company. Village's initial strategy to grow through de novo bank formations had not resulted in the growth and profitability, nor had it increased stockholder value, to the extent and in the timeframe, that Village's board of directors had originally anticipated when the company was started in 1995. In reconsidering its strategic alternatives, the Village board of directors was focused on providing a positive return on Village stockholders' initial investments, the potential for future appreciation, as well as an "exit strategy" to provide liquidity for stockholders.

In 2002, several local banking groups expressed possible interest in acquiring Village Bank. Management pursued discussions with these interested parties over a period of time and, during the fourth quarter of 2002, received informal indications of interest from four local banking organizations for the acquisition of Village Bancorp. The four interested parties ranged in asset size and structure from Wintrust, a publicly held multi-bank holding company with total assets in excess of \$4 billion, to a privately held one bank holding company with assets of approximately \$140 million. These initial indications of interest included proposed acquisition prices ranging from \$6.5 million to \$8.4 million, or approximately 1.46 times to 1.89 times Village's 2002 year-end book value. The merger proposals included a variety of structures, including an all cash transaction, part cash and part stock transactions, as well as all stock proposals.

The four informal indications of interest presented were reviewed at a December 2002 board meeting, and Village's board of directors concluded that the proposed acquisition prices were not sufficient. The board further concluded that the stock consideration proposed by the privately held company was not

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

attractive because it would provide little investment liquidity to Village's stockholders in the near future. Thomas Roth, Village's Chairman, communicated the board's decision to the four organizations and offered them the opportunity to present enhanced offers.

Discussions continued with the four potential bidders during the first quarter of 2003. During the second quarter of 2003, two of the original four bidders presented revised preliminary non-binding proposals, including Wintrust and a privately held, multi-bank holding company (the "Other Bidder").

Wintrust's revised merger proposal offered an acquisition price payable either in part cash, part stock, consisting of approximately 22% cash, 78% stock, or in 100% stock, in each case with a floating exchange ratio. Both alternatives were intended to be tax-free to the extent of the stock received. The proposal received from the Other Bidder provided for a relatively comparable purchase price, to be comprised of approximately 47% cash and 53% stock, with the cash consideration to be allocated to "smaller" stockholders. Both of these merger proposals anticipated maintaining Village Bank as a separate bank with its existing board of directors and management. Each of these proposals was conditioned on the completion of a comprehensive due diligence investigation.

A special meeting of Village's board of directors was held on May 13, 2003 to consider both offers. Because the board viewed the difference in the two proposed acquisition prices as not substantial, in evaluating the proposals, the board focused primarily on its analysis of the investment prospects of the stock consideration offered. Among other things, the board considered the perceived advantages of Wintrust common stock as a publicly traded security, including greater liquidity and readily ascertainable market value, compared to the relative illiquidity of an investment in a privately held organization such as the Other Bidder. Management of the Other Bidder stated that it was their intention to bring the company public at some point in the future; however, no time frame was indicated. The Village board also reviewed the historical financial performance and results of Wintrust and the Other Bidder, the historical trading prices of Wintrust common stock and published investment research regarding Wintrust, and considered the outlook for future appreciation in the value of an investment in each company.

The board also considered the community banking philosophy of Wintrust and the Other Bidder and evaluated their potential ability to support future growth of Village Bank. Village's board of directors felt that Wintrust's size, capital structure and diversity of its subsidiary organizations would enable it to offer additional support to Village Bank to further its strategic growth plans, better serve its customers and compete more effectively in its marketplace.

22

Village's board believed that Wintrust has the ability to provide not only capital support but also to provide services and products not currently offered by Village Bank, such as trust services and investment products.

At the May 13, 2003 meeting, Village's board of directors concluded that it was in the best interests of Village's stockholders to pursue discussions with Wintrust, and approved the signing of a confidentiality agreement between Wintrust and Village in order to commence the due diligence process and proceed with the merger negotiations. A confidentiality agreement was executed on May 13, 2003.

Village's board of directors also approved the engagement of the law firm of Vedder, Price, Kaufman and Kammholz, P.C. to represent Village in the

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

merger negotiation process. Before selecting Vedder Price as merger counsel, Village's board of directors considered and consented to the ongoing role of Vedder Price as legal counsel to Wintrust on various matters other than the negotiation of the merger agreement. Wintrust retained the law firm of Schiff, Hardin & Waite to represent it in the proposed merger transaction. Thereafter, the parties commenced due diligence and Wintrust prepared a draft of the proposed merger agreement.

Negotiations and further drafting proceeded during June 2003, and Village selected the alternative of an all-stock transaction. The Village board concluded that an all-stock transaction was desirable because it offered stockholders both the opportunity for liquidity and the opportunity for continued investment with potential future appreciation.

Village's board of directors met on July 2, 2003 with representatives of Vedder Price in attendance to review the proposed merger agreement. The then current draft of the merger agreement had been sent to the board prior to the meeting. At the meeting, Vedder Price advised the board with respect to its fiduciary duties under Delaware law and reviewed the principal features of the proposed merger transaction with the board. Among other things, the board discussed the proposed terms of the "collar" on the Wintrust stock price to be used to value the Wintrust stock for purposes of the exchange ratio, the termination fee provision sought by Wintrust, as well as the possibility of retaining a financial adviser who would issue a fairness opinion to the Village stockholders.

On July 3, 2003, Village and Wintrust management, along with their respective legal advisors, met to negotiate the merger agreement and discussions continued through late July, including ongoing negotiations regarding price. In the course of these negotiations, management of Village considered the comparable terms of Wintrust's pending agreement to acquire another suburban Chicago financial institution which Wintrust had announced on July 2, 2003.

Village's board of directors held a special meeting on July 30, 2003. The board was again joined by legal counsel from Vedder Price to review and discuss the status and pending issues of the proposed merger agreement. The board was updated on the proposed pricing terms which were intended to result in per share consideration of \$8.36, or approximately two times the book value of Village common stock, assuming the value of Wintrust common stock was within the range of \$25.00 - \$35.00 per share and assuming none of the Village warrants are exercised. At the meeting the board was also advised of the pending negotiations with Thomas Roth and Elizabeth Chartier, both officers of Village, concerning their proposed employment contracts with Village Bank to be executed at the closing of the proposed merger.

Village's board of directors held another special meeting on August 5, 2003, and approved the merger agreement as presented. Prior to this vote, the published third party investment research on Wintrust was again reviewed. Also reviewed were the final terms of the proposed employment contracts for Mr. Roth and Ms. Chartier. Absent from the meeting were Kevin Hitzman and Kurt Heerwagen, both directors of Village. However, Village's entire board of directors executed a unanimous written consent for adoption of the merger agreement on September 17, 2003. The merger agreement was executed on August 7, 2003, and Wintrust and Village issued a joint press release that day announcing the proposed merger.

WINTRUST'S REASONS FOR THE MERGER

Wintrust's board of directors believes that the merger is in the best interests of Wintrust and its shareholders. In deciding to approve the merger, Wintrust's board of directors considered a number of factors, including:

- o management's view that the acquisition of Village provides an attractive opportunity to expand into new communities within the northwest Chicago metropolitan area to augment Wintrust's recent acquisition of Advantage National Bancorp, Inc.;
- o Village's community banking orientation and its compatibility with Wintrust and its subsidiaries;
- o a review of the demographic, economic and financial characteristics of the markets in which Village operates, including existing and potential competition and history of the market areas with respect to financial institutions;
- o management's review of the business, operations, earnings, and financial condition, including capital levels and asset quality, of Village Bank since its de novo formation in 1995; and
- o the likelihood of regulators approving the merger without undue conditions or delay.

While Wintrust's board of directors considered these and other factors, the board of directors did not assign any specific or relative weights to the factors considered and did not make any determination with respect to any individual factor. Wintrust's board of directors collectively made its determination with respect to the merger based on the conclusion reached by its members, based on the factors that each of them considered appropriate, that the merger is in the best interests of Wintrust's shareholders. The terms of the merger were the result of arm's-length negotiations between representatives of Wintrust and representatives of Village.

VILLAGE'S REASONS FOR THE MERGER AND RECOMMENDATION OF THE BOARD OF DIRECTORS

The Village board of directors believes that the merger is in the best interest of Village and its stockholders. Accordingly, the Village board of directors has unanimously approved the merger agreement and unanimously recommends that its stockholders vote "FOR" the approval of the merger agreement and the transactions it contemplates.

In approving the merger agreement and the transactions it contemplates, Village's board consulted with Village's management and considered numerous factors, including the following:

- o information with respect to the businesses, earnings, operations, financial condition, management, prospects, capital levels and asset quality of both Village and Wintrust;
- o the fact that Wintrust, as a publicly traded and larger and more diverse corporation, possesses greater access to capital and managerial resources than Village;
- o the relationship of the merger consideration to the historical prices of Village's common stock, including the fact that the merger consideration represents a premium of two times the book value of Village's common stock prior to execution of the merger agreement;

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

- o its belief that the market value of Wintrust's common stock prior to the execution of the merger agreement offered favorable prospects for future appreciation which exceeded what they projected Village could achieve independently;
- o the fact that Wintrust is publicly held and the merger would provide Village stockholders, whose investments currently are in a privately held company, greater liquidity since Wintrust's stock is publicly traded on the Nasdaq National Market;
- o a review of available research reports of third-party investment analysts who cover Wintrust;
- o its belief that the wide range of products which Village Bank will be able to offer to its customers after the merger will increase customer loyalty, lead to cross-selling opportunities and generally enhance Village Bank's competitive position in the community in which it operates;

24

- o the effect of the proposed merger on the customers and employees of Village Bank and the community in which it operates; and
- o Wintrust's long-term growth strategy in the Chicago metropolitan area.

The above discussion of the information and factors considered by Village's board of directors is not intended to be exhaustive, but includes all material factors considered by the board in arriving at its determination to approve, and to recommend that the Village stockholders vote to approve, the merger agreement and related transactions. The Village board of directors did not assign any relative or specific weights to the above factors, and individual directors may have given differing weights to different factors. The Village board of directors unanimously recommends that Village's stockholders vote to approve the merger agreement and the related transactions.

ACCOUNTING TREATMENT

Wintrust will account for the merger under the "purchase" method of accounting in accordance with accounting principles generally accepted in the United States. Using the purchase method of accounting, the assets and liabilities of Village will be recorded by Wintrust at their respective fair values at the time of the completion of the merger. The excess of Wintrust's purchase price over the net fair value of the assets acquired and liabilities assumed will then be allocated to identified intangible assets, with any remaining unallocated cost recorded as goodwill.

TAX CONSEQUENCES OF THE MERGER

General. The following discussion addresses the material United States federal income tax consequences of the merger that are generally applicable to Village stockholders. It does not address the tax consequences of the merger under foreign, state, or local tax laws or the tax consequences of transactions completed before or after the merger. Also, the following discussion does not deal with all federal income tax considerations that may be relevant to certain Village stockholders in light of their particular circumstances, such as

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

stockholders who:

- o are dealers in securities;
- o are insurance companies or tax-exempt organizations;
- o are subject to alternative minimum tax;
- o hold their shares as part of a hedge, straddle, or other risk reduction transaction; or
- o are foreign persons.

YOU ARE URGED TO CONSULT YOUR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE MERGER TO YOU BASED ON YOUR OWN CIRCUMSTANCES, INCLUDING THE APPLICABLE FEDERAL, STATE, LOCAL, AND FOREIGN TAX CONSEQUENCES.

The following discussion is based on the Internal Revenue Code of 1986, as amended, or the Code, applicable Treasury Regulations, judicial decisions, and administrative rulings and practice, all as of the date of this document and all of which are subject to change. Any change could be applied to transactions that were completed before the change, and could affect the accuracy of the statements and conclusions in this discussion and the tax consequences of the merger to Wintrust, Village and the Village stockholders.

Tax Opinion of Vedder, Price, Kaufman & Kammholz, P.C. Neither Wintrust nor Village has requested, nor will they request, a ruling from the Internal Revenue Service with regard to the federal tax consequences of the merger. Instead, as a condition to the closing of the merger, Vedder Price, legal counsel to Village, will render its opinion to Village, subject to customary representations and assumptions referred to in the opinion, substantially to the effect that:

- o the merger will constitute a reorganization within the meaning of Section 368(a) of the Code and Village and Wintrust will each be a "party to a reorganization" within the meaning of Section 368(b) of the Code;
- o no gain or loss will be recognized by Village as a result of the transactions contemplated in the merger;

25

- o no gain or loss will be recognized by Village stockholders upon the receipt of Wintrust common stock in exchange for Village common stock, except with respect to cash received for a fractional share of Wintrust common stock;
- o the basis of the Wintrust common stock received by Village stockholders in the merger will be the same as the basis of the Village common stock surrendered, decreased by the amount of any cash received and increased by the amount of any gain recognized in the exchange; and
- o the holding period of the Wintrust common stock received by Village stockholders will include the holding period of the Village common stock surrendered, provided that the Village common stock was held as a capital asset in the hands of the Village stockholders on the date of the exchange.

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

Vedder Price's opinion will be based upon the assumption that the merger will take place in the manner described in the merger agreement and will also assume the truth and accuracy of certain factual representations that have been made by Wintrust and Village and which are customarily given in transactions of this nature. Vedder Price's opinion is not binding on the Internal Revenue Service or the courts and there can be no assurance that the Internal Revenue Service will not take a contrary position to one or more positions reflected herein or that the opinion will be upheld by the courts if challenged by the Internal Revenue Service.

In general, holders of warrants to purchase Village common stock who exchange those warrants for cash will recognize income, gain or loss for federal income tax purposes equal to the difference between the amount of cash received and their basis in the warrants.

Withholding. Cash payments in respect of a fractional share of Wintrust common stock may be subject to the information reporting requirements of the Internal Revenue Service and to backup withholding at the current rate of 28%. Backup withholding will not apply to a payment made to you if you complete and sign the substitute Form W-9 that will be included as part of the transmittal letter and notice from Wintrust's exchange agent, or you otherwise prove to Wintrust and its exchange agent that you are exempt from backup withholding.

Backup withholding is not an additional tax, but an advance payment. Any amount withheld from the payment of the merger consideration may be credited against the United States federal income tax liability of the beneficial owner subject to the withholding and may be refunded to the extent it results in an overpayment of tax. You should consult with your tax advisor as to your qualification for exemption from backup withholding and the procedures for obtaining this exemption.

Reporting and Record Keeping. If you exchange shares of Village common stock in the merger for Wintrust common stock, you are required to retain records of the transaction, and to attach to your federal income tax return for the year of the merger a statement setting forth all relevant facts with respect to the nonrecognition of gain or loss upon the exchange. At a minimum, the statement must include:

- o your tax basis in the Village common stock surrendered; and
- o the amount of cash (if any) received and the fair market value, as of the effective date of the merger, of the Wintrust common stock received in exchange therefor.

THE PRECEDING DISCUSSION DOES NOT PURPORT TO BE A COMPLETE ANALYSIS OF ALL POTENTIAL TAX CONSEQUENCES OF THE MERGER THAT MAY BE RELEVANT TO A PARTICULAR VILLAGE STOCKHOLDER. YOU ARE URGED TO CONSULT WITH YOUR OWN TAX ADVISOR REGARDING THE SPECIFIC TAX CONSEQUENCES TO YOU AS A RESULT OF THE MERGER, INCLUDING THE APPLICABILITY AND EFFECT OF FOREIGN, STATE, LOCAL AND OTHER TAX LAWS.

REGULATORY APPROVALS

The merger of Wintrust and Village is subject to prior approval of each of the Federal Reserve and the IOBRE. Wintrust submitted an application to the Federal Reserve Bank of Chicago seeking the necessary approval, which was approved on October 16, 2003. Wintrust also filed the required notice with the IOBRE on September 15, 2003. The IOBRE is required to render a decision on the IOBRE notice within 60 days of the filing.

The merger may not be consummated until 15 days after receipt of Federal Reserve approval, during which time the United States Department of Justice may challenge the merger on antitrust grounds. The commencement of an antitrust action would stay the effectiveness of the Federal Reserve's approval, unless a court specifically orders otherwise.

The merger cannot proceed without obtaining all requisite regulatory approvals. Wintrust has agreed to take all appropriate actions necessary to obtain the required approvals.

INTERESTS OF CERTAIN PERSONS IN THE MERGER

As of _____, 2003, Village's and Village Bank's directors and officers beneficially owned, in the aggregate, 543,725 shares of Village's common stock, representing approximately 51.68% of Village's outstanding shares of common stock. Additionally, Village's Chairman and President, Thomas H. Roth, holds warrants to purchase 75,000 shares at an exercise price of \$7.50 per share, and 75,000 shares at an exercise price of \$8.33 per share. Pursuant to the merger agreement, in the event the merger is consummated, Mr. Roth will receive cash consideration for any of the warrants with an exercise price of \$7.50 that remain unexercised at closing equal to the number of such warrants multiplied by the difference between (a) the per share value of the merger consideration and (b) \$7.50. The merger agreement also provides that Mr. Roth's unexercised warrants with an exercise price of \$8.33 will be cancelled for no cash consideration prior to the completion of the merger.

Village owes Mr. Roth amounts that have not yet been paid to him for services rendered to Village and Village Bank, including Mr. Roth's prior assumption of certain obligations of Village Bank as well as his role in connection with the merger. The remaining unpaid amount is \$230,000. Under the merger agreement, Wintrust is obligated to make a capital contribution in the amount of \$300,000 to Village at the effective time. This is intended to provide Village sufficient cash to pay these amounts to Mr. Roth at closing.

Employment Agreements. The merger agreement requires two of Village's executive officers, Thomas H. Roth and Elizabeth A. Chartier, to enter into employment agreements with Wintrust and Village. The term of both agreements will commence on the closing date of the merger.

The term of Mr. Roth's employment agreement is one year and the term of Ms. Chartier's employment agreement is three years. Both agreements are subject to automatic renewal for successive one-year terms unless either of the parties to each of the agreements gives notice of its intention not to renew at least 90 days before the expiration of the then current term. Each of the employment agreements contains a non-compete and non-solicitation provision and a confidentiality provision. Each of the non-compete and non-solicitation provisions will remain in effect for one year after termination of employment and the confidentiality provisions will survive indefinitely.

Mr. Roth's agreement provides for an annual base salary of no less than \$75,000 during the first year of his employment under the agreement and for an annual base salary of no less than \$25,000 if the agreement is renewed in subsequent years. Mr. Roth will also be reimbursed no more than \$5,000 on an annual basis for the cost of premiums for term life insurance. Additionally, Mr. Roth is entitled to certain perquisites, including the use of a company car. Ms. Chartier's agreement provides for an initial annual base salary of \$96,000 and such increases in annual base salary as may thereafter be agreed upon by the parties. Both Mr. Roth and Ms. Chartier may receive annual discretionary bonuses

Edgar Filing: WINTRUST FINANCIAL CORP - Form S-4

and salary increases and are entitled to participate in any employee insurance and fringe benefit programs of Wintrust.

Mr. Roth will be granted options to purchase 22,000 shares of Wintrust common stock in connection with entering into his employment agreement. These options are scheduled to vest ratably on the first, second and third anniversary dates of the grant date.

Continued Director and Officer Liability Coverage. For a period of five years after the effective time, Wintrust has agreed to indemnify and hold harmless the current and former directors and officers of Village and Village Bank for all actions taken by them prior to the effective time of the merger, to the same extent as Village and Village Bank currently provide for indemnification of their officers and directors. Pursuant to the terms of the merger agreement, Wintrust has agreed to provide to each of the directors and officers of Village and Village Bank, following the effective time, coverage against personal liability for actions taken after the effective time of the merger for a

27

period of five years after the effective time. Wintrust's obligation to provide directors' and officers' liability insurance is conditioned on Village's and Village Bank's insurer maintaining existing coverage after the completion of the merger. If such insurer terminates or declines to continue coverage, Wintrust has agreed to use commercially reasonable efforts to obtain similar coverage. If Wintrust is unable to obtain such similar coverage, Wintrust is obligated to obtain the best coverage available, in its reasonable judgment, for a cost not exceeding a specified maximum dollar amount.

VOTING AGREEMENT

All directors and officers of Village and Village Bank who own shares of Village common stock have entered into a voting agreement with Wintrust. Under this agreement, these stockholders have each agreed to vote their respective shares of Village common stock:

- o in favor of the merger and the transactions contemplated by the merger agreement;
- o