

WINTRUST FINANCIAL CORP

Form 11-K

June 29, 2007

**SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM 11-K
ANNUAL REPORT
PURSUANT TO SECTION 15(d) OF
THE SECURITIES EXCHANGE ACT OF 1934**

**FOR THE FISCAL YEAR ENDED DECEMBER 31, 2006
Commission File Number 000-21923**

**WINTRUST FINANCIAL CORPORATION
RETIREMENT SAVINGS PLAN
*(Full title of the plan)***

**WINTRUST FINANCIAL CORPORATION
727 NORTH BANK LANE
LAKE FOREST, IL 60045**
*(Name of issuer of the securities held pursuant to the plan
and the address of its principal executive office)*

REQUIRED INFORMATION

Items 1-3. Omitted in accordance with Item 4.

Item 4. The Wintrust Financial Corporation Retirement Savings Plan (Plan) is subject to the Employee Retirement Income Security Act of 1974, as amended (ERISA). In accordance with Item 4 and in lieu of the requirements of Items 1-3, the following Plan financial statements and schedules prepared in accordance with the financial reporting requirements of ERISA are included herein:

Report of Independent Registered Public Accounting Firm

Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005

Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2006 and 2005

Notes to Financial Statements

Supplemental Schedule

The Statements of Net Assets Available for Benefits as of December 31, 2006 and 2005, and Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2006 and 2005 filed herewith are hereby incorporated by reference to the Registration Statement on Form S-8 filed by Wintrust Financial Corporation (Registration No. 333-52652) with the Securities and Exchange Commission on December 22, 2000.

Exhibits

23.1 Consent of Independent Registered Public Accounting Firm

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SIGNATURES

The Plan. Pursuant to the requirements of the Securities Exchange Act of 1934, the trustees (or other persons who administer the employee benefit plan) have duly caused this annual report to be signed on its behalf by the undersigned hereunto duly authorized.

Date: June 29, 2007

**WINTRUST FINANCIAL
CORPORATION
RETIREMENT SAVINGS PLAN**

/s/ DAVID A. DYKSTRA
David A. Dykstra, Trustee

EXHIBIT INDEX

The following exhibits are filed herewith:

Exhibit No. Description

23.1 Consent of Independent Registered Public Accounting Firm

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Financial Statements and Supplemental Schedule
Wintrust Financial Corporation Retirement Savings Plan
Years Ended December 31, 2006 and 2005
Report of Independent Registered Public Accounting Firm

Wintrust Financial Corporation Retirement Savings Plan
Financial Statements and Supplemental Schedule
Years Ended December 31, 2006 and 2005

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Report of Independent Registered Public Accounting Firm

The Plan Administrator
Wintrust Financial Corporation
Retirement Savings Plan

We have audited the accompanying statements of net assets available for benefits of Wintrust Financial Corporation Retirement Savings Plan as of December 31, 2006 and 2005, and the related statements of changes in net assets available for benefits for the years then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Plan's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2006 and 2005, and the changes in its net assets available for benefits for the years then ended, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2006, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

June 25, 2007

Wintrust Financial Corporation Retirement Savings Plan
Statements of Net Assets Available for Benefits

| | 2006 | 2005 |
|--|---------------------|---------------------|
| Assets | | |
| Cash | \$ 3,369 | \$ 10,441 |
| Investments, at fair value | 71,862,852 | 57,254,100 |
| Participant contributions receivable | 248,254 | 204,126 |
| Employer contributions receivable | 2,507,021 | 1,976,636 |
| Total assets at fair value | 74,621,496 | 59,445,303 |
| Liability | | |
| Outstanding trades payable | 2,984 | 7,343 |
| Net assets at fair value | 74,618,512 | 59,437,960 |
| Adjustment from fair value to contract value for fully benefit-responsive investment contracts | 22,602 | 53,928 |
| Net assets available for benefits | \$74,641,114 | \$59,491,888 |

See notes to financial statements.

Wintrust Financial Corporation Retirement Savings Plan
Statements of Changes Net Assets Available for Benefits

| | December 31 | |
|--|---------------------|--------------|
| | 2006 | 2005 |
| Additions | | |
| Investment income: | | |
| Net appreciation in fair value of investments | \$ 2,355,487 | \$ 1,461,030 |
| Interest and dividends | 2,805,586 | 1,438,078 |
| | 5,161,073 | 2,899,108 |
| Participant contributions salary deferral | 6,318,580 | 5,171,723 |
| Participant contributions rollovers | 983,406 | 1,025,533 |
| Employer matching contributions, net of forfeitures | 2,516,018 | 1,984,971 |
| Transfers from plan mergers: | | |
| State Bank of The Lakes Profit Sharing and Savings Plan | 7,553,614 | |
| Northview Mortgage, LLC 401(k) Plan | | 136,864 |
| Northview Bank & Trust 401(k) Plan | | 1,433,959 |
| Town Bank 401(k) Plan | | 250,433 |
| First Northwest Bank 401(k) Plan | | 808,416 |
| Total additions | 22,532,691 | 13,711,007 |
| Deductions | | |
| Benefits paid to participants | 7,362,419 | 4,387,044 |
| Administrative fees | 21,046 | 10,670 |
| Total deductions | 7,383,465 | 4,397,714 |
| Net increase in net assets available for benefits | 15,149,226 | 9,313,293 |
| Net assets available for benefits: | | |
| Beginning of year | 59,491,888 | 50,178,595 |
| End of year | \$74,641,114 | \$59,491,888 |

See notes to financial statements.

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements
Years Ended December 31, 2006 and 2005

1. Description of the Plan

The following brief description of the Wintrust Financial Corporation Retirement Savings Plan (the Plan) provides only general information. Participants should refer to the Plan Agreement for a more comprehensive description of the Plan's provisions.

The Plan is a participant-directed, defined-contribution plan covering all eligible employees, as defined in the Plan, of Wintrust Financial Corporation and its eligible subsidiaries (the Company). The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

All full-time employees who have completed at least three months of employment and are at least 18 years of age are eligible to participate in the Plan.

In 2006, the State Bank of The Lakes Profit Sharing and Savings Plan was merged into the Plan, and in 2005, the Northview Bank & Trust 401(k) Plan, the Northview Mortgage, LLC 401(k) Plan, the Town Bank 401(k) Plan, and the First Northwest Bank 401(k) Plan were merged into the Plan.

Contributions

The Plan allows participants to contribute up to the maximum allowable by the Internal Revenue Code (the Code), which during 2006 was \$15,000, plus an additional \$5,000 for participants over the age of 50. During 2005, participant maximum contributions were \$14,000, plus an additional \$4,000 for participants over the age of 50. Participant contributions are tax deferred under the provisions of the Code Section 401(k), subject to certain limitations. Participant contributions and earnings thereon are fully vested.

The Company may elect to make matching contributions to the Plan on behalf of all eligible participants. Generally, participants must be employed on the last day of the Plan year to be eligible for matching contributions. For 2006 and 2005, the Company's matching contribution was 60% of a participant's contributions up to a maximum of \$4,000 per participant. Additional amounts may be contributed at the discretion of the Company. For 2006 and 2005, the Company's matching contributions were offset by approximately \$8,000 and \$85,000, respectively, of forfeiture and match suspense balances. These balances resulted primarily from the mergers of other plans.

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Investment of Plan Assets

A trust fund was established for the purposes of holding and investing the Plan's assets in accordance with the terms of the Trust Agreement between the Company and the Trustee, Wayne Hummer Trust Company, N.A., a subsidiary of the Company and a party in interest.

Participant Loans

Participants may borrow from their fund accounts up to the lesser of \$50,000 or 50% of their account balances. Loan terms are established by the plan administrator in accordance with the Plan Agreement. The loans are secured by the balance in the participants' accounts and bear interest at a rate commensurate with local prevailing rates, as determined by the plan administrator.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions, if any, and (b) the Plan's earnings/losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's account.

Payment of Benefits

On termination of service due to death, disability, or retirement, a participant may elect to receive either a lump-sum amount equal to the value of the participant's account or annual installments. For termination of service due to other reasons, a participant may receive the value of the participant's account as a lump-sum distribution.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions, if any, at any time and to terminate the Plan subject to the provisions of ERISA.

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements are prepared under the accrual basis of accounting. Purchases and sales of securities are recorded on a trade-date basis.

As described in Financial Accounting Standards Board Staff Position, AAG INV-1 and SOP 94-4-1, *Reporting of Fully Benefit-Responsive Investment Contracts Held by Certain Investment Companies Subject to the AICPA Investment Company Guide and Defined-Contribution Health and Welfare and Pension Plans* (the FSP), investment contracts held by a defined-contribution plan are required to be reported at fair value. However, contract value is the relevant measurement attribute for that portion of the net assets available for benefits of a defined-contribution plan attributable to fully benefit-responsive investment contracts because contract value is the amount participants would receive if they were to initiate permitted transactions under the terms of the Plan. The Plan invests in an investment contract through a collective trust. As required by the FSP, the statement of net assets available for benefits presents the fair value of the investment in the collective trust, as well as the adjustment of the investment in the collective trust from fair value to contract value relating to the investment contract. The statement of changes in net assets available for benefits is prepared on a contract value basis.

Reclassification

Certain 2005 amounts have been reclassified to conform to the 2006 presentation.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Investment Valuation and Income Recognition

Investments are reported at fair value. Quoted market prices are used to value investments. Shares of mutual funds are valued at quoted market prices, which represent the net asset values of shares held by the Plan at year end. The Wintrust Financial Corporation common stock is a unitized fund composed principally of Wintrust Financial Corporation common stock and is

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

valued at the daily unit closing price. Participant loans are reported at their outstanding balances, which approximate fair value. The Plan's interest in the MetLife Stable Value Fund, which is a collective trust, is based on fair value of the underlying investments as determined by the fund's sponsor.

Interest income is recorded on the accrual basis, and dividend income is recorded on the ex-dividend date.

Administrative Expenses

Administrative expenses of the Plan are paid from the trust fund to the extent they are not paid by the Company. Loan processing fees and certain administrative fees are paid out of the Plan, and the audit fees are paid by the Company.

3. Investments

The fair value of individual investments that represent 5% or more of the Plan's net assets available for benefits at fair value is as follows:

| | December 31, | |
|--|---------------------|-------------|
| | 2006 | 2005 |
| Metlife Stable Value Fund | \$12,054,451 | \$7,547,236 |
| Wintrust Financial Corporation common stock* | 7,688,258 | 8,956,359 |
| American Funds Growth Fund of America Fund | 6,814,690 | 5,592,196 |
| American Funds EuroPacific Growth Fund | 6,730,474 | 4,243,419 |
| Fidelity Spartan 500 Index Fund | 6,088,591 | 4,274,605 |
| American Funds Investment Co of America Fund | 5,539,960 | 4,653,221 |
| Federated Total Return Government Bond Fund | 4,722,293 | 3,054,142 |
| Federated Kaufman Fund | 4,178,020 | |
| Wayne Hummer Growth Fund* | | 6,314,974 |

* Indicates party
in interest to the
Plan.

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements (continued)

3. Investments (continued)

The Plan's investments (including gains and losses on investments bought and sold, as well as held, during the year) (depreciated) appreciated in value as determined by quoted market prices as follows:

| | Year Ended December 31, | |
|--------------|--------------------------------|--------------|
| | 2006 | 2005 |
| Common stock | \$(1,059,357) | \$ (171,749) |
| Mutual funds | 3,414,844 | 1,632,779 |
| | \$ 2,355,487 | \$ 1,461,030 |

4. Reconciliation to Form 5500

The following is a reconciliation of net assets available for benefits per the financial statements to the Form 5500:

| | Year Ended December 31, 2006 |
|--|---|
| Net assets available for benefits per the financial statements | \$ 74,641,114 |
| Adjustment from contract value to fair value for common collective trust that invests in benefit-responsive investment contracts | (22,602) |
| Net assets available for benefits per Form 5500 | \$ 74,618,512 |

Wintrust Financial Corporation Retirement Savings Plan
Notes to Financial Statements (continued)

4. Reconciliation to Form 5500 (continued)

The following is a reconciliation of other income per the financial statements to the Form 5500:

| | Year Ended December 31, 2006 |
|--|---|
| Other income: | |
| Adjustment from contract value to fair value for common collective trust | \$ (22,602) |
| Other income per Form 5500 | \$ (22,602) |

5. Income Tax Status

The underlying nonstandardized prototype plan has received an opinion letter from the Internal Revenue Service (IRS) dated November 27, 2001, stating that the form of the plan is qualified under Section 401 of the Code, and therefore, the related trust is tax-exempt. In accordance with Revenue Procedure 2002-6 and Announcement 2001-77, the plan sponsor has determined that it is eligible to and has chosen to rely on the current IRS prototype plan opinion letter. Once qualified, the Plan is required to operate in conformity with the Code to maintain its qualification. The plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan is qualified and the related trust is tax-exempt.

6. Subsequent Event

In the first quarter of 2007, the Hinsbrook Bank 401(k) Plan was merged into the Plan, increasing the Plan's assets by approximately \$3.7 million.

Supplemental Schedule

Wintrust Financial Corporation Retirement Savings Plan
 Schedule H, Line 4i Schedule of Assets Held at End of Year
 EIN: 36-3954651 Plan Number: 001
 December 31, 2006

| Identity of Issuer | Units | Price | Current Value |
|---|---------|-----------|---------------|
| Common Collective Trust: Metlife Stable Value Fund | 91,175 | \$ 132.21 | \$ 12,054,451 |
| Common Stock: Wintrust Financial Corporation common stock* | 162,482 | 47.32 | 7,688,258 |
| Mutual Funds: | | | |
| Aim Basic Value Fund | 1,153 | 36.60 | 42,186 |
| American Funds EuroPacific Growth Fund | 144,555 | 46.56 | 6,730,474 |
| American Funds Investment Co of America Fund | 165,323 | 33.51 | 5,539,960 |
| American Funds Growth Fund of America Fund | 207,322 | 32.87 | 6,814,690 |
| Ariel Fund | 42,507 | 51.81 | 2,202,267 |
| Federated Kaufmann Fund | 738,166 | 5.66 | 4,178,020 |
| Federated Total Return Government Bond Fund | 445,920 | 10.59 | 4,722,293 |
| Fidelity Advisor Equity Growth Fund | 50,023 | 54.11 | 2,706,756 |
| Fidelity Spartan 500 Index Fund | 62,148 | 97.97 | 6,088,591 |
| Janus Enterprise Fund | 68,617 | 47.45 | 3,255,861 |
| Lord Abbett Large Cap Research Fund | 26,190 | 29.81 | 780,738 |
| Lord Abbett Mid-Cap Fund | 116,269 | 22.40 | 2,604,419 |
| PathMaster Domestic Equity Fund* | 75,027 | 11.26 | 844,804 |
| Value Line Emerging Opportunities Fund | 63,530 | 30.92 | 1,964,348 |
| Vanguard Windsor II Fund | 31,022 | 34.75 | 1,078,010 |
| William Blair Growth Fund | 136,321 | 11.42 | 1,556,789 |
| Investments (other than participant loans) | | | 70,852,915 |
| Participant loans (4.0% - 9.5%) | | | 1,009,937 |
| Assets held at end of year | | | \$ 71,862,852 |

* Indicates party
in interest to the
Plan.