

WINTRUST FINANCIAL CORP

Form 10-Q

November 07, 2014

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

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended September 30, 2014

OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the transition period from _____ to _____
Commission File Number 001-35077

WINTRUST FINANCIAL CORPORATION
(Exact name of registrant as specified in its charter)

Illinois
(State of incorporation or organization)
9700 W. Higgins Road, Suite 800
Rosemont, Illinois 60018
(Address of principal executive offices)

36-3873352
(I.R.S. Employer Identification No.)

(847) 939-9000
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer
Non-accelerated filer (Do not check if a smaller reporting company) Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

Common Stock — no par value, 46,715,099 shares, as of October 31, 2014

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PART I

ITEM 1. FINANCIAL STATEMENTS

WINTRUST FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CONDITION

(In thousands, except share data)	(Unaudited) September 30, 2014	(Unaudited) December 31, 2013	(Unaudited) September 30, 2013
Assets			
Cash and due from banks	\$ 260,694	\$ 253,408	\$ 322,866
Federal funds sold and securities purchased under resale agreements	26,722	10,456	7,771
Interest bearing deposits with banks	620,370	495,574	681,834
Available-for-sale securities, at fair value	1,782,648	2,176,290	1,781,883
Trading account securities	6,015	497	259
Federal Home Loan Bank and Federal Reserve Bank stock	80,951	79,261	76,755
Brokerage customer receivables	26,624	30,953	29,253
Mortgage loans held-for-sale	363,303	334,327	334,345
Loans, net of unearned income, excluding covered loans	14,052,059	12,896,602	12,581,039
Covered loans	254,605	346,431	415,988
Total loans	14,306,664	13,243,033	12,997,027
Less: Allowance for loan losses	91,019	96,922	107,188
Less: Allowance for covered loan losses	2,655	10,092	12,924
Net loans	14,212,990	13,136,019	12,876,915
Premises and equipment, net	555,241	531,947	517,942
FDIC indemnification asset	27,359	85,672	100,313
Accrued interest receivable and other assets	494,213	569,619	576,121
Trade date securities receivable	285,627	—	—
Goodwill	406,604	374,547	357,309
Other intangible assets	19,984	19,213	18,982
Total assets	\$ 19,169,345	\$ 18,097,783	\$ 17,682,548
Liabilities and Shareholders' Equity			
Deposits:			
Non-interest bearing	\$ 3,253,477	\$ 2,721,771	\$ 2,622,518
Interest bearing	12,811,769	11,947,018	12,024,928
Total deposits	16,065,246	14,668,789	14,647,446
Federal Home Loan Bank advances	347,500	417,762	387,852
Other borrowings	51,483	255,104	248,416
Subordinated notes	140,000	—	10,000
Junior subordinated debentures	249,493	249,493	249,493
Trade date securities payable	—	303,088	—
Accrued interest payable and other liabilities	287,115	302,958	265,775
Total liabilities	17,140,837	16,197,194	15,808,982
Shareholders' Equity:			
Preferred stock, no par value; 20,000,000 shares authorized:			
Series C - \$1,000 liquidation value; 126,467 shares issued and outstanding at September 30, 2014, 126,477 shares issued and outstanding at December 31, 2013, and 126,500 shares issued and outstanding at September, 30, 2013	126,467	126,477	126,500
Common stock, no par value; \$1.00 stated value; 100,000,000 shares authorized at September 30, 2014, December 31, 2013, and September	46,766	46,181	39,992

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30, 2013; 46,766,420 shares issued at September 30, 2014, 46,181,588 shares issued at December 31, 2013, and 39,992,300 shares issued at September 30, 2013

Surplus	1,129,975	1,117,032	1,118,550
Treasury stock, at cost, 75,373 shares at September 30, 2014, 65,005 shares at December 31, 2013, and 261,257 shares at September 30, 2013	(3,519)	(3,000)	(8,290)
Retained earnings	771,519	676,935	643,228
Accumulated other comprehensive loss	(42,700)	(63,036)	(46,414)
Total shareholders' equity	2,028,508	1,900,589	1,873,566
Total liabilities and shareholders' equity	\$ 19,169,345	\$ 18,097,783	\$ 17,682,548

See accompanying notes to unaudited consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September	September	September	September
(In thousands, except per share data)	30,	30,	30,	30,
	2014	2013	2014	2013
Interest income				