MKS INSTRUMENTS INC
Form 4
January 11, 2017

FORM 4

Check this box if no longer subject to Section 16. Form 4 or Form 5 obligations may continue. *See* Instruction 1(b).

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

STATEMENT OF CHANGES IN BENEFICIAL OWNERSHIP OF SECURITIES

Filed pursuant to Section 16(a) of the Securities Exchange Act of 1934, Section 17(a) of the Public Utility Holding Company Act of 1935 or Section 30(h) of the Investment Company Act of 1940

OMB APPROVAL

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(Print or Type Responses)

1. Name and Address of Reporting Person *
ANDERSON ROBERT R
(Last) (First) (Middle)
2 TECH DRIVE, SUITE 201
(Street)
ANDOVER, MA 01810
(City) (State) (Zip)

2. Issuer Name **and** Ticker or Trading Symbol
MKS INSTRUMENTS INC [MKSI]

3. Date of Earliest Transaction (Month/Day/Year)
11/30/2016

4. If Amendment, Date Original Filed(Month/Day/Year)

5. Relationship of Reporting Person(s) to Issuer

(Check all applicable)

__X__ Director _____ 10% Owner
_____ Officer (give title below) _____ Other (specify below)

6. Individual or Joint/Group Filing(Check Applicable Line)
_X_ Form filed by One Reporting Person
___ Form filed by More than One Reporting Person

Table I - Non-Derivative Securities Acquired, Disposed of, or Beneficially Owned

1.Title of Security (Instr. 3)	2. Transaction Date (Month/Day/Year)	2A. Deemed Execution Date, if any (Month/Day/Year)	3. Transaction Code (Instr. 8)		4. Securities Acquired (A) or Disposed of (D) (Instr. 3, 4 and 5)			5. Amount of Securities Beneficially Owned Following Reported Transaction(s) (Instr. 3 and 4)	6. Ownership Form: Direct (D) or Indirect (I) (Instr. 4)	7. Nature of Indirect Beneficial Ownership (Instr. 4)
			Code	V	Amount	(A) or (D)	Price			
Common Stock	11/30/2016		G	V	2,500	D	$ 0	13,795.824	I	By Trust
Common Stock								3,832.466	D	

Reminder: Report on a separate line for each class of securities beneficially owned directly or indirectly.

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SEC 1474 (9-02)

Table II - Derivative Securities Acquired, Disposed of, or Beneficially Owned
(*e.g.*, puts, calls, warrants, options, convertible securities)

1. Title of Derivative Security (Instr. 3)	2. Conversion or Exercise Price of Derivative Security	3. Transaction Date (Month/Day/Year)	3A. Deemed Execution Date, if any (Month/Day/Year)	4. Transaction Code (Instr. 8)		5. Number of Derivative Securities Acquired (A) or Disposed of (D) (Instr. 3, 4, and 5)		6. Date Exercisable and Expiration Date (Month/Day/Year)		7. Title and Amount of Underlying Securities (Instr. 3 and 4)		8. Price of Derivative Security (Instr. 5)	9. Nu Deriv Secur Bene Owne Follo Repo Trans (Instr
				Code	V	(A)	(D)	Date Exercisable	Expiration Date	Title	Amount or Number of Shares		

Reporting Owners

Reporting Owner Name / Address	Relationships			
	Director	10% Owner	Officer	Other
ANDERSON ROBERT R 2 TECH DRIVE, SUITE 201 ANDOVER, MA 01810	X			

Signatures

/s/ M. Kathryn Rickards, attorney-in-fact	01/10/2017
**Signature of Reporting Person	Date

Explanation of Responses:

* If the form is filed by more than one reporting person, *see* Instruction 4(b)(v).

** Intentional misstatements or omissions of facts constitute Federal Criminal Violations. *See* 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).

Note: File three copies of this Form, one of which must be manually signed. If space is insufficient, *see* Instruction 6 for procedure.
Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB number. ont-size:10pt;"> and $17.49, respectively. The aggregate intrinsic value of options exercised during the years ended December 31, 2015, 2014 and 2013, was $2.5 million, $2.3 million and $1.2 million, respectively. The actual tax benefit realized for the tax deductions from option exercises totaled $985,000, $900,000 and $485,000 for 2015, 2014 and 2013, respectively. Cash received from option exercises under the Plans for the years ended December 31, 2015, 2014 and 2013 was $11.7 million, $5.9 million and $15.0 million, respectively.
A summary of the Plans' restricted share activity for the years ended December 31, 2015, 2014 and 2013 is as follows:

Restricted Shares	2015		2014		2013	
	Common Shares	Weighted Average Grant-Date Fair Value	Common Shares	Weighted Average Grant-Date Fair Value	Common Shares	Weighted Average Grant-Date Fair Value
Outstanding at January 1	146,112	$47.45	181,522	$43.39	314,226	$37.99
Granted	27,165	48.17	31,463	45.00	16,932	42.14
Vested and issued	(29,018)	39.33	(60,121)	34.98	(144,860)	31.83
Forfeited	(6,666)	40.76	(6,752)	37.95	(4,776)	33.93

Outstanding at end of year	137,593	$49.63	146,112	$47.45	181,522	$43.39
Vested, but not issuable at end of year	85,000	$51.88	85,000	$51.88	85,000	$51.88

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A summary of the 2007 Plan’s performance-based stock award activity, based on the target level of the awards, for the years ended December 31, 2015, 2014, and 2013 is as follows:

Performance Shares	2015 Common Shares	2015 Weighted Average Grant-Date Fair Value	2014 Common Shares	2014 Weighted Average Grant-Date Fair Value	2013 Common Shares	2013 Weighted Average Grant-Date Fair Value
Outstanding at January 1	295,679	$38.18	307,512	$34.01	214,565	$32.08
Granted	106,017	44.35	93,535	46.86	106,268	37.90
Expired, canceled or forfeited	(46,573)	35.51	(89,424)	33.78	(13,321)	34.00
Vested and issued	(78,590)	31.10	(15,944)	33.25	—	—
Outstanding at end of year	276,533	$43.01	295,679	$38.18	307,512	$34.01

In the first quarter of 2015, the 2012 grants vested and were paid, and in 2014, the 2011 grants vested and were paid. As previously discussed, the Compensation Committee of the Board of Directors of the Company modified the 2011 awards such that 17% of the awards were paid in shares and the remainder in cash. As a result, the remaining shares granted in connection with the 2011 awards were canceled and remain available for future use under the Plan. The Company issues new shares to satisfy its obligation to issue shares granted pursuant to the Plans.

At December 31, 2015, the maximum number of performance-based shares that could be issued on outstanding awards if performance is attained at the maximum amount (200% of target for 2013 and 2014 grants and 150% of target for 2015 grants) was approximately 503,000 shares.

The actual tax benefit realized upon the vesting of restricted shares and performance-based stock is based on the fair value of the shares on the issue date and the estimated tax benefit of the awards is based on fair value of the awards on the grant date. The actual tax benefit realized upon the vesting of restricted shares and performance-based stock in 2015, 2014 and 2013 was $517,000, $254,000 and $329,000, respectively, more than the estimated tax benefit for those shares. These differences in actual and estimated tax benefits were recorded directly to shareholders’ equity.

As of December 31, 2015, there was $11.0 million of total unrecognized compensation cost related to non-vested share based arrangements under the Plans. That cost is expected to be recognized over a weighted average period of approximately two years. The total fair value of shares vested during the years ended December 31, 2015, 2014 and 2013 was $7.9 million, $7.8 million and $7.4 million, respectively.
The Company issues new shares to satisfy its obligation to issue shares granted pursuant to the Plans.

Cash Incentive and Retention Plan

The Cash Incentive and Retention Plan (“CIRP”) allows the Company to provide cash compensation to the Company’s and its subsidiaries’ officers and employees. The CIRP is administered by the Compensation Committee of the Board of Directors. The CIRP generally provides for the grants of cash awards, which may be earned pursuant to the achievement of performance criteria established by the Compensation Committee and/or continued employment. The performance criteria, if any, established by the Compensation Committee must relate to one or more of the criteria specified in the CIRP, which includes: earnings, earnings growth, revenues, stock price, return on assets, return on equity, improvement of financial ratings, achievement of balance sheet or income statement objectives and expenses. These criteria may relate to the Company, a particular line of business or a specific subsidiary of the Company. The Company’s expense related to the CIRP was approximately $20,000 and $115,000 in 2014 and 2013. There was no expense related to CIRP in 2015. In 2015 and 2014, the Company paid $100,000 and $473,000 related to CIRP awards. No awards were paid in 2013. As of December 31, 2015, there were no outstanding awards under this plan.

Other Employee Benefits

Wintrust and its subsidiaries also provide 401(k) Retirement Savings Plans ("401(k) Plans"). The 401(k) Plans cover all employees meeting certain eligibility requirements. Contributions by employees are made through salary deferrals at their direction, subject to certain Plan and statutory limitations. Employer contributions to the 401(k) Plans are made at the employer's discretion. Generally, participants completing 501 hours of service are eligible to share in an allocation of employer contributions. The Company's expense for the employer contributions to the 401(k) Plans was approximately $6.4 million in 2015, $5.0 million in 2014, and $4.9 million in 2013.

The Wintrust Financial Corporation Employee Stock Purchase Plan (“ESPP”) is designed to encourage greater stock ownership among employees, thereby enhancing employee commitment to the Company. The ESPP gives eligible employees the right to accumulate funds over an offering period to purchase shares of common stock. All shares offered under the ESPP will be either newly issued shares of the Company or shares issued from treasury, if any. In accordance with the ESPP, beginning January 1, 2015, the purchase price of the shares of common stock will be equal to 95% of the closing price of the Company’s common stock on the last day of the offering period. Previously, the Company’s Board of Directors authorized a purchase price calculation of the lesser of 90% of fair market value per share of the common stock on the first day of the offering period or 90% of the fair market value of the common stock on the last day of the offering period. During 2015, 56,517 shares of common stock were earned by participants and no compensation expense was recorded. In 2014 and 2013, a total of 66,521 shares and 62,096 shares, respectively, were earned by participants and approximately $377,000 and $355,000, respectively, of compensation expense was recognized. The Company plans to continue to offer common stock through this ESPP on an ongoing basis. In May 2012, the Company's shareholders authorized an additional 300,000 shares of common stock that may be offered under the ESPP. At December 31, 2015, the Company had an obligation to issue 14,053 shares of common stock to participants and had 135,982 shares available for future grants under the ESPP.

As a result of the Company's acquisition of HPK in December 2012, the Company assumed the obligations of a noncontributory pension plan, (“the HPK Plan”), that covers approximately 100 participants with benefits based on years of service and compensation prior to retirement. The HPK Plan was “frozen” as of December 31, 2006, with no additional years of credit earned for service or compensation paid. As of December 31, 2015, the projected benefit obligation was $6.1 million and the fair value of the plan's assets was $4.9 million. Similarly, in connection with the Company's acquisition of Diamond in October 2013, the Company assumed the obligation of Diamond's pension plan, which covers approximately 35 participants. The Diamond Plan was "frozen" as of December 31, 2004, and only service and compensation prior to this date is considered in determining benefits. As of December 31, 2015, the projected benefit obligation was $3.1 million and the fair value of the plan's assets was $2.1 million. The Company has accrued liabilities for the unfunded portions of these plans. The Company recorded expense (benefit) of $1.4 million and ($1.1 million) in 2015 and 2014 related to these plans. There was no expense related to these plans in 2013.
The Company does not currently offer other postretirement benefits such as health care or other pension plans.
Directors Deferred Fee and Stock Plan

The Wintrust Financial Corporation Directors Deferred Fee and Stock Plan (“DDFS Plan”) allows directors of the Company and its subsidiaries to choose to receive payment of directors’ fees in either cash or common stock of the Company and to defer the receipt of the fees. The DDFS Plan is designed to encourage stock ownership by directors. All shares offered under the DDFS Plan will be either newly issued shares of the Company or shares issued from treasury. The number of shares issued is determined on a quarterly basis based on the fees earned during the quarter and the fair market value per share of the common stock on the last trading day of the preceding quarter. The shares are issued annually and the directors are entitled to dividends and voting rights upon the issuance of the shares. During 2015, 2014 and 2013, a total of 20,475 shares, 19,488 shares and 30,547 shares, respectively, were issued to directors. For those directors that elect to defer the receipt of the common stock, the Company maintains records of stock units representing an obligation to issue shares of common stock. The number of stock units equals the number of shares that would have been issued had the director not elected to defer receipt of the shares. Additional stock units are credited at the time dividends are paid, however no voting rights are associated with the stock units. The shares of common stock represented by the stock units are issued in the year specified by the directors in their participation agreements. In July 2015, the shares authorized under the DDFS Plan were increased by 150,000. At December 31, 2015, the Company has an obligation to issue 279,479 shares of common stock to directors and has 148,363 shares available for future grants under the DDFS Plan.

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(18) Regulatory Matters

Banking laws place restrictions upon the amount of dividends that can be paid to Wintrust by the banks. Based on these laws, the banks could, subject to minimum capital requirements, declare dividends to Wintrust without obtaining regulatory approval in an amount not exceeding (a) undivided profits, and (b) the amount of net income reduced by dividends paid for the current and prior two years. During 2015, 2014 and 2013, cash dividends totaling $22.2 million, $77.0 million and $112.8 million, respectively, were paid to Wintrust by the banks and other subsidiaries. As of January 1, 2016, the banks had approximately $70.2 million available to be paid as dividends to Wintrust without prior regulatory approval and without reducing their capital below the well-capitalized level.

The banks are also required by the Federal Reserve Act to maintain reserves against deposits. Reserves are held either in the form of vault cash or balances maintained with the Federal Reserve Bank and are based on the average daily deposit balances and statutory reserve ratios prescribed by the type of deposit account. At December 31, 2015 and 2014, reserve balances of approximately $412.7 million and $291.0 million, respectively, were required to be maintained at the Federal Reserve Bank.

The Company and the banks are subject to various regulatory capital requirements established by the federal banking agencies that take into account risk attributable to balance sheet and off-balance sheet activities. Failure to meet minimum capital requirements can initiate certain mandatory — and possibly discretionary — actions by regulators, that if undertaken could have a direct material effect on the Company's financial statements. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, the Company and the banks must meet specific capital guidelines that involve quantitative measures of the Company's assets, liabilities, and certain off-balance sheet items as calculated under regulatory accounting practices.

Quantitative measures established by regulation to ensure capital adequacy require the Company and the banks to maintain minimum amounts and ratios of total and Tier 1 capital (as defined in the regulations) to risk-weighted assets (as defined) and Tier 1 leverage capital (as defined) to average quarterly assets (as defined). The Federal Reserve's capital guidelines require bank holding companies to maintain a minimum ratio of qualifying total capital to risk-weighted assets of 8.0%, of which at least 4.50% must be in the form of common equity Tier 1 capital and 6.0% must be in the form of Tier 1 capital. The Federal Reserve also requires a minimum leverage ratio of Tier 1 capital to total assets of 4.0%. In addition the Federal Reserve continues to consider the Tier 1 leverage ratio in evaluating proposals for expansion or new activities. As reflected in the following table, the Company met all minimum capital requirements at December 31, 2015 and 2014:

	2015		2014	
Total capital to risk weighted assets	12.2	%	13.0	%
Tier 1 capital to risk weighted assets	10.0		11.6	
Common equity Tier 1 capital to risk weighted assets	8.4		N/A	
Tier 1 leverage Ratio	9.1		10.2	

Wintrust is designated as a financial holding company. Bank holding companies approved as financial holding companies may engage in an expanded range of activities, including the businesses conducted by its wealth management subsidiaries. As a financial holding company, Wintrust's banks are required to maintain their capital positions at the "well-capitalized" level. As of December 31, 2015, the banks were categorized as well capitalized under the regulatory framework for prompt corrective action. The ratios required for the banks to be "well capitalized" by regulatory definition are 10.0%, 8.0%, 6.5% and 5.0% for Total capital to risk-weighted assets, Tier 1 capital to risk-weighted assets, Common equity Tier 1 capital to risk weighted assets and Tier 1 leverage ratio, respectively.

The banks' actual capital amounts and ratios as of December 31, 2015 and 2014 are presented in the following table:

(Dollars in thousands)	December 31, 2015						December 31, 2014					
	Actual			To Be Well Capitalized by Regulatory Definition			Actual			To Be Well Capitalized by Regulatory Definition		
	Amount	Ratio		Amount	Ratio		Amount	Ratio		Amount	Ratio	
Total Capital (to Risk Weighted Assets):												
Lake Forest Bank	$282,921	11.3	%	$251,560	10.0	%	$245,248	10.9	%	$224,354	10.0	%
Hinsdale Bank	200,436	12.1		165,157	10.0		155,797	11.4		136,415	10.0	
Wintrust Bank	377,015	11.3		334,596	10.0		312,223	11.2		279,295	10.0	
Libertyville Bank	124,665	11.5		108,619	10.0		113,513	11.4		99,999	10.0	
Barrington Bank	187,062	11.3		165,810	10.0		163,162	11.9		137,527	10.0	
Crystal Lake Bank	89,476	11.9		75,314	10.0		87,138	12.9		67,482	10.0	
Northbrook Bank	145,390	11.0		132,200	10.0		126,325	11.1		114,042	10.0	
Schaumburg Bank	87,182	11.4		76,422	10.0		73,999	11.3		65,485	10.0	
Village Bank	117,543	11.2		105,027	10.0		103,148	11.2		92,110	10.0	
Beverly Bank	92,843	11.1		83,442	10.0		73,808	11.3		65,229	10.0	
Town Bank	159,508	12.0		133,344	10.0		130,699	12.1		108,434	10.0	
Wheaton Bank	117,373	11.5		102,479	10.0		77,366	11.6		66,920	10.0	
State Bank of the Lakes	89,488	11.1		80,923	10.0		78,048	11.6		67,272	10.0	
Old Plank Trail Bank	110,058	11.3		97,223	10.0		100,082	12.4		80,420	10.0	
St. Charles Bank	81,524	11.2		72,812	10.0		71,123	11.1		63,912	10.0	
Tier 1 Capital (to Risk Weighted Assets):												
Lake Forest Bank	$256,126	10.2	%	$201,248	8.0	%	$231,448	10.3	%	$134,612	6.0	%
Hinsdale Bank	191,553	11.6		132,125	8.0		146,290	10.7		81,849	6.0	
Wintrust Bank	311,322	9.3		267,677	8.0		222,845	8.0		167,577	6.0	
Libertyville Bank	117,965	10.9		86,895	8.0		107,649	10.8		59,999	6.0	
Barrington Bank	176,489	10.6		132,648	8.0		150,705	11.0		82,516	6.0	
Crystal Lake Bank	85,521	11.4		60,251	8.0		83,788	12.4		40,489	6.0	
Northbrook Bank	129,514	9.8		105,760	8.0		116,808	10.2		68,425	6.0	
Schaumburg Bank	71,958	9.4		61,137	8.0		67,427	10.3		39,291	6.0	
Village Bank	108,221	10.3		84,021	8.0		97,684	10.6		55,266	6.0	
Beverly Bank	76,708	9.2		66,754	8.0		71,197	10.9		39,137	6.0	
Town Bank	153,902	11.5		106,675	8.0		125,716	11.6		65,061	6.0	
Wheaton Bank	96,799	9.5		81,983	8.0		70,632	10.6		40,152	6.0	
State Bank of the Lakes	76,609	9.5		64,738	8.0		69,176	10.3		40,363	6.0	
Old Plank Trail Bank	100,506	10.3		77,778	8.0		96,689	12.0		48,252	6.0	
St. Charles Bank	75,348	10.4		58,250	8.0		67,588	10.6		38,347	6.0	
Common Equity Tier 1 Capital (to Risk Weighted Assets):												
Lake Forest Bank	$256,126	10.2	%	$163,514	6.5	%	N/A	N/A		N/A	N/A	
Hinsdale Bank	191,553	11.6		107,352	6.5		N/A	N/A		N/A	N/A	
Wintrust Bank	311,322	9.3		217,488	6.5		N/A	N/A		N/A	N/A	
Libertyville Bank	117,965	10.9		70,603	6.5		N/A	N/A		N/A	N/A	
Barrington Bank	176,489	10.6		107,777	6.5		N/A	N/A		N/A	N/A	
Crystal Lake Bank	85,521	11.4		48,954	6.5		N/A	N/A		N/A	N/A	
Northbrook Bank	129,514	9.8		85,930	6.5		N/A	N/A		N/A	N/A	
Schaumburg Bank	71,958	9.4		49,674	6.5		N/A	N/A		N/A	N/A	

Village Bank	108,221	10.3	68,267	6.5	N/A	N/A	N/A	N/A
Beverly Bank	76,708	9.2	54,237	6.5	N/A	N/A	N/A	N/A
Town Bank	153,902	11.5	86,674	6.5	N/A	N/A	N/A	N/A
Wheaton Bank	96,799	9.5	66,611	6.5	N/A	N/A	N/A	N/A
State Bank of the Lakes	76,609	9.5	52,600	6.5	N/A	N/A	N/A	N/A
Old Plank Trail Bank	100,506	10.3	63,195	6.5	N/A	N/A	N/A	N/A
St. Charles Bank	75,348	10.4	47,328	6.5	N/A	N/A	N/A	N/A

(Dollars in thousands)	December 31, 2015				December 31, 2014			
	Actual		To Be Well Capitalized by Regulatory Definition		Actual		To Be Well Capitalized by Regulatory Definition	
	Amount	Ratio	Amount	Ratio	Amount	Ratio	Amount	Ratio
Tier 1 Leverage Ratio:								
Lake Forest Bank	$256,126	9.1 %	$140,541	5.0 %	$231,448	9.0 %	$128,590	5.0 %
Hinsdale Bank	191,553	9.9	97,023	5.0	146,290	9.7	75,509	5.0
Wintrust Bank	311,322	8.9	174,117	5.0	222,845	7.4	149,925	5.0
Libertyville Bank	117,965	9.6	61,320	5.0	107,649	9.3	58,032	5.0
Barrington Bank	176,489	9.8	90,168	5.0	150,705	9.4	80,086	5.0
Crystal Lake Bank	85,521	9.4	45,445	5.0	83,788	10.3	40,502	5.0
Northbrook Bank	129,514	8.6	75,287	5.0	116,808	8.9	65,626	5.0
Schaumburg Bank	71,958	8.4	42,707	5.0	67,427	8.9	37,930	5.0
Village Bank	108,221	9.2	58,817	5.0	97,684	9.4	51,753	5.0
Beverly Bank	76,708	8.4	45,757	5.0	71,197	9.3	38,304	5.0
Town Bank	153,902	10.3	74,452	5.0	125,716	10.1	62,283	5.0
Wheaton Bank	96,799	8.1	59,482	5.0	70,632	8.8	40,152	5.0
State Bank of the Lakes	76,609	8.3	46,001	5.0	69,176	8.4	41,382	5.0
Old Plank Trail Bank	100,506	8.5	59,383	5.0	96,689	8.4	57,717	5.0
St. Charles Bank	75,348	9.4	39,942	5.0	67,588	9.8	34,504	5.0

Wintrust’s mortgage banking division and broker/dealer subsidiary are also required to maintain minimum net worth capital requirements with various governmental agencies. The mortgage banking division’s net worth requirements are governed by the Department of Housing and Urban Development and the broker/dealer’s net worth requirements are governed by the SEC. As of December 31, 2015, these business units met their minimum net worth capital requirements.

(19) Commitments and Contingencies

The Company has outstanding, at any time, a number of commitments to extend credit. These commitments include revolving home equity line and other credit agreements, term loan commitments and standby and commercial letters of credit. Standby and commercial letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Standby letters of credit are contingent upon the failure of the customer to perform according to the terms of the underlying contract with the third party, while commercial letters of credit are issued specifically to facilitate commerce and typically result in the commitment being drawn on when the underlying transaction is consummated between the customer and the third party.

These commitments involve, to varying degrees, elements of credit and interest rate risk in excess of the amounts recognized in the Consolidated Statements of Condition. Since many of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. The Company uses the same credit policies in making commitments as it does for on-balance sheet instruments.

Commitments to extend commercial, commercial real estate and construction loans totaled $3.7 billion and $3.1 billion as of December 31, 2015 and 2014, respectively, and unused home equity lines totaled $855.1 million and $744.3 million as of December 31, 2015 and 2014, respectively. Standby and commercial letters of credit totaled $176.1 million at December 31, 2015 and $175.7 million at December 31, 2014.

In addition, at December 31, 2015 and 2014, the Company had approximately $473.4 million and $427.4 million, respectively, in commitments to fund residential mortgage loans to be sold into the secondary market. These lending commitments are also considered derivative instruments. The Company also enters into forward contracts for the future delivery of residential mortgage loans at specified interest rates to reduce the interest rate risk associated with commitments to fund loans as well as mortgage loans held-for-sale. These forward contracts are also considered derivative instruments and had contractual amounts of approximately $753.9 million at December 31, 2015 and

$575.4 million at December 31, 2014. See Note 20 for further discussion on derivative instruments.
The Company enters into residential mortgage loan sale agreements with investors in the normal course of business. These agreements usually require certain representations concerning credit information, loan documentation, collateral and insurability. On occasion, investors have requested the Company to indemnify them against losses on certain loans or to repurchase loans which the investors believe do not comply with applicable representations. Management maintains a liability for estimated losses on loans expected to be repurchased or on which indemnification is expected to be provided and regularly evaluates the adequacy of this recourse liability based on trends in repurchase and indemnification requests, actual loss experience, known and inherent risks in the loans, and current economic conditions.

The Company sold approximately $4.0 billion of mortgage loans in 2015 and $3.2 billion in 2014. The liability for estimated losses on repurchase and indemnification claims for residential mortgage loans previously sold to investors was $4.0 million and $3.1 million at December 31, 2015 and 2014, respectively, and was included in other liabilities on the Consolidated Statements of Condition. Losses charged against the liability were $1.1 million in 2015 as compared to $435,000 in 2014. These losses relate to mortgages which experienced early payment and other defaults meeting certain representation and warranty recourse requirements.
The Company utilizes an out-sourced securities clearing platform and has agreed to indemnify the clearing broker of WHI for losses that it may sustain from the customer accounts introduced by WHI. As of December 31, 2015, the total amount of customer balances maintained by the clearing broker and subject to indemnification was approximately $26.7 million. WHI seeks to control the risks associated with its customers' activities by requiring customers to maintain margin collateral in compliance with various regulatory and internal guidelines.
In the ordinary course of business, there are legal proceedings pending against the Company and its subsidiaries. Management does not believe that a material loss related to these matters is reasonably possible.
(20) Derivative Financial Instruments
The Company primarily enters into derivative financial instruments as part of its strategy to manage its exposure to changes in interest rates. Derivative instruments represent contracts between parties that result in one party delivering cash to the other party based on a notional amount and an underlying term (such as a rate, security price or price index) as specified in the contract. The amount of cash delivered from one party to the other is determined based on the interaction of the notional amount of the contract with the underlying term. Derivatives are also implicit in certain contracts and commitments.
The derivative financial instruments currently used by the Company to manage its exposure to interest rate risk include: (1) interest rate swaps and caps to manage the interest rate risk of certain fixed and variable rate assets and variable rate liabilities; (2) interest rate lock commitments provided to customers to fund certain mortgage loans to be sold into the secondary market; (3) forward commitments for the future delivery of such mortgage loans to protect the Company from adverse changes in interest rates and corresponding changes in the value of mortgage loans held-for-sale; and (4) covered call options to economically hedge specific investment securities and receive fee income effectively enhancing the overall yield on such securities to compensate for net interest margin compression.
The Company also enters into derivatives (typically interest rate swaps) with certain qualified borrowers to facilitate the borrowers' risk management strategies and concurrently enters into mirror-image derivatives with a third party counterparty, effectively making a market in the derivatives for such borrowers. Additionally, the Company enters into foreign currency contracts to manage foreign exchange risk associated with certain foreign currency denominated assets.
The Company has purchased interest rate cap derivatives to hedge or manage its own risk exposures. Certain interest rate cap derivatives have been designated as cash flow hedge derivatives of the variable cash outflows associated with interest expense on the Company's junior subordinated debentures and certain deposits. Other cap derivatives are not designated for hedge accounting but are economic hedges of the Company's overall portfolio, therefore any mark to market changes in the value of these caps are recognized in earnings.
Below is a summary of the interest rate cap derivatives held by the Company as of December 31, 2015:
(Dollars in thousands)

Effective Date	Maturity Date	Notional Amount	Accounting Treatment	Fair Value as of December 31, 2015
May 3, 2012	May 3, 2016	$215,000	Non-Hedge Designated	$—
August 29, 2012	August 29, 2016	216,500	Cash Flow Hedging	3
February 22, 2013	August 22, 2016	56,500	Non-Hedge Designated	2
February 22, 2013	August 22, 2016	43,500	Cash Flow Hedging	1
March 21, 2013	March 21, 2017	100,000	Non-Hedge Designated	80
May 16, 2013	November 16, 2016	75,000	Non-Hedge Designated	14
September 15, 2013	September 15, 2017	50,000	Cash Flow Hedging	128

September 30, 2013	September 30, 2017	40,000	Cash Flow Hedging	110
		$796,500		$338

The Company recognizes derivative financial instruments in the consolidated financial statements at fair value regardless of the purpose or intent for holding the instrument. The Company records derivative assets and derivative liabilities on the Consolidated Statements of Condition within accrued interest receivable and other assets and accrued interest payable and other liabilities,

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respectively. Changes in the fair value of derivative financial instruments are either recognized in income or in shareholders' equity as a component of other comprehensive income depending on whether the derivative financial instrument qualifies for hedge accounting and, if so, whether it qualifies as a fair value hedge or cash flow hedge. Generally, changes in fair values of derivatives accounted for as fair value hedges are recorded in income in the same period and in the same income statement line as changes in the fair values of the hedged items that relate to the hedged risk(s). Changes in fair values of derivative financial instruments accounted for as cash flow hedges, to the extent they are effective hedges, are recorded as a component of other comprehensive income, net of deferred taxes, and reclassified to earnings when the hedged transaction affects earnings. Changes in fair values of derivative financial instruments not designated in a hedging relationship pursuant to ASC 815, including changes in fair value related to the ineffective portion of cash flow hedges, are reported in non-interest income during the period of the change. Derivative financial instruments are valued by a third party and are corroborated by comparison with valuations provided by the respective counterparties. Fair values of certain mortgage banking derivatives (interest rate lock commitments and forward commitments to sell mortgage loans) are estimated based on changes in mortgage interest rates from the date of the loan commitment. The fair value of foreign currency derivatives is computed based on changes in foreign currency rates stated in the contract compared to those prevailing at the measurement date.
The table below presents the fair value of the Company's derivative financial instruments as of December 31, 2015 and December 31, 2014:

	Derivative Assets Fair Value		Derivative Liabilities Fair Value	
(Dollars in thousands)	December 31, 2015	December 31, 2014	December 31, 2015	December 31, 2014
Derivatives designated as hedging instruments under ASC 815:				
Interest rate derivatives designated as Cash Flow Hedges	$ 242	$ 1,390	$ 846	$ 1,994
Interest rate derivatives designated as Fair Value Hedges	27	52	143	—
Total derivatives designated as hedging instruments under ASC 815	$ 269	$ 1,442	$ 989	$ 1,994
Derivatives not designated as hedging instruments under ASC 815:				
Interest rate derivatives	$ 42,510	$ 36,399	$ 41,469	$ 34,927
Interest rate lock commitments	7,401	10,028	171	20
Forward commitments to sell mortgage loans	745	23	2,275	4,239
Foreign exchange contracts	373	72	115	—
Total derivatives not designated as hedging instruments under ASC 815	$ 51,029	$ 46,522	$ 44,030	$ 39,186
Total Derivatives	$ 51,298	$ 47,964	$ 45,019	$ 41,180

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to net interest income and to manage its exposure to interest rate movements. To accomplish these objectives, the Company primarily uses interest rate swaps and interest rate caps as part of its interest rate risk management strategy. Interest rate swaps designated as cash flow hedges involve the receipt of variable-rate amounts from a counterparty in exchange for the Company making fixed-rate payments over the life of the agreements without the exchange of the underlying notional amount. Interest rate caps designated as cash flow hedges involve the receipt of payments at the end of each period in which the interest rate specified in the contract exceeds the agreed upon strike price.
During the first quarter of 2014, the Company designated two existing interest rate cap derivatives as cash flow hedges of variable rate deposits. The cap derivatives had notional amounts of $216.5 million and $43.5 million, respectively, both maturing in August 2016. Additionally, as of December 31, 2015, the Company had two interest rate swaps and two interest rate caps designated as hedges of the variable cash outflows associated with interest expense on the Company's junior subordinated debentures. The effective portion of changes in the fair value of these

cash flow hedges is recorded in accumulated other comprehensive income and is subsequently reclassified to interest expense as interest payments are made on the Company's variable rate junior subordinated debentures. The changes in fair value (net of tax) are separately disclosed in the Consolidated Statements of Comprehensive Income. The ineffective portion of the change in fair value of these derivatives is recognized directly in earnings; however, no hedge ineffectiveness was recognized during the years ended December 31, 2015 or December 31, 2014. The Company uses the hypothetical derivative method to assess and measure hedge effectiveness.

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The table below provides details on each of these cash flow hedges as of December 31, 2015:

(Dollars in thousands)	December 31, 2015	
Maturity Date	Notional Amount	Fair Value Asset (Liability)
Interest Rate Swaps:		
September 2016	$50,000	$(548)
October 2016	25,000	(298)
Total Interest Rate Swaps	$75,000	$(846)
Interest Rate Caps:		
August 2016	$43,500	$1
August 2016	216,500	3
September 2017	50,000	128
September 2017	40,000	110
Total Interest Rate Caps	$350,000	$242
Total Cash Flow Hedges	$425,000	$(604)

A rollforward of the amounts in accumulated other comprehensive loss related to interest rate derivatives designated as cash flow hedges follows:

(Dollars in thousands)	December 31, 2015	2014
Unrealized loss at beginning of period	$(4,062)	$(3,971)
Amount reclassified from accumulated other comprehensive income to interest expense on deposits and junior subordinated debentures	2,082	1,974
Amount of loss recognized in other comprehensive income	(1,549)	(2,065)
Unrealized loss at end of period	$(3,529)	$(4,062)

As of December 31, 2015, the Company estimates that during the next twelve months, $2.6 million will be reclassified from accumulated other comprehensive loss as an increase to interest expense.

Fair Value Hedges of Interest Rate Risk

Interest rate swaps designated as fair value hedges involve the payment of fixed amounts to a counterparty in exchange for the Company receiving variable payments over the life of the agreements without the exchange of the underlying notional amount. As of December 31, 2015, the Company has four interest rate swaps with an aggregate notional amount of $16.4 million that were designated as fair value hedges associated with fixed rate commercial franchise loans.

For derivatives designated and that qualify as fair value hedges, the gain or loss on the derivative as well as the offsetting loss or gain on the hedged item attributable to the hedged risk are recognized in earnings. The Company includes the gain or loss on the hedged item in the same line item as the offsetting loss or gain on the related derivatives. The Company recognized a net loss of $16,000 and $5,000 in other income related to hedge ineffectiveness for the years ended 2015 and 2014, respectively.

On June 1, 2013, the Company de-designated a $96.5 million cap which was previously designated as a fair value hedge of interest rate risk associated with an embedded cap in one of the Company’s floating rate loans. The hedged loan was restructured which resulted in the interest rate cap no longer qualifying as an effective fair value hedge. As such, the interest rate cap derivative is no longer accounted for under hedge accounting and all changes in value subsequent to June 1, 2013 are recorded in earnings. Additionally, the Company recorded amortization of the basis in the previously hedged item as a reduction to interest income of $172,000 for both of the years ended 2015 and 2014, respectively.

The following table presents the gain/(loss) and hedge ineffectiveness recognized on derivative instruments and the related hedged items that are designated as a fair value hedge accounting relationship as of December 31, 2015 and 2014:

(Dollars in thousands) Derivatives in Fair Value Hedging Relationships	Location of Gain or (Loss) Recognized in Income on Derivative	Amount of Gain or (Loss) Recognized in Income on Derivative Year Ended December 31,		Amount of Gain or (Loss) Recognized in Income on Hedged Item Year Ended December 31,		Income Statement Gain/(Loss) due to Hedge Ineffectiveness Year Ended December 31,	
		2015	2014	2015	2014	2015	2014
Interest rate swaps	Trading (losses)/gains, net	$ (168)	(53)	$ 152	48	$(16)	(5)

Non-Designated Hedges

The Company does not use derivatives for speculative purposes. Derivatives not designated as hedges are used to manage the Company's exposure to interest rate movements and other identified risks but do not meet the strict hedge accounting requirements of ASC 815. Changes in the fair value of derivatives not designated in hedging relationships are recorded directly in earnings.

Interest Rate Derivatives—The Company has interest rate derivatives, including swaps and option products, resulting from a service the Company provides to certain qualified borrowers. The Company's banking subsidiaries execute certain derivative products (typically interest rate swaps) directly with qualified commercial borrowers to facilitate their respective risk management strategies. For example, these arrangements allow the Company's commercial borrowers to effectively convert a variable rate loan to a fixed rate. In order to minimize the Company's exposure on these transactions, the Company simultaneously executes offsetting derivatives with third parties. In most cases, the offsetting derivatives have mirror-image terms, which result in the positions' changes in fair value substantially offsetting through earnings each period. However, to the extent that the derivatives are not a mirror-image and because of differences in counterparty credit risk, changes in fair value will not completely offset resulting in some earnings impact each period. Changes in the fair value of these derivatives are included in other non-interest income. At December 31, 2015, the Company had interest rate derivative transactions with an aggregate notional amount of approximately $3.4 billion (all interest rate swaps and caps with customers and third parties) related to this program. These interest rate derivatives had maturity dates ranging from January 2016 to February 2045.

Mortgage Banking Derivatives—These derivatives include interest rate lock commitments provided to customers to fund certain mortgage loans to be sold into the secondary market and forward commitments for the future delivery of such loans. It is the Company's practice to enter into forward commitments for the future delivery of a portion of our residential mortgage loan production when interest rate lock commitments are entered into in order to economically hedge the effect of future changes in interest rates on its commitments to fund the loans as well as on its portfolio of mortgage loans held-for-sale. The Company's mortgage banking derivatives have not been designated as being in hedge relationships. At December 31, 2015, the Company had forward commitments to sell mortgage loans with an aggregate notional amount of approximately $753.9 million and interest rate lock commitments with an aggregate notional amount of approximately $326.7 million. Additionally, the Company's total mortgage loans held-for-sale at December 31, 2015 was $388.0 million. The fair values of these derivatives were estimated based on changes in mortgage rates from the dates of the commitments. Changes in the fair value of these mortgage banking derivatives are included in mortgage banking revenue.

Foreign Currency Derivatives—These derivatives include foreign currency contracts used to manage the foreign exchange risk associated with foreign currency denominated assets and transactions. Foreign currency contracts, which include spot and forward contracts, represent agreements to exchange the currency of one country for the currency of another country at an agreed-upon price on an agreed-upon settlement date. As a result of fluctuations in foreign currencies, the U.S. dollar-equivalent value of the foreign currency denominated assets or forecasted transactions increase or decrease. Gains or losses on the derivative instruments related to these foreign currency

denominated assets or forecasted transactions are expected to substantially offset this variability. As of December 31, 2015 the Company held foreign currency derivatives with an aggregate notional amount of approximately $22.0 million.

Other Derivatives—Periodically, the Company will sell options to a bank or dealer for the right to purchase certain securities held within the banks' investment portfolios (covered call options). These option transactions are designed primarily to mitigate overall interest rate risk and to increase the total return associated with the investment securities portfolio. These options do not qualify as hedges pursuant to ASC 815, and, accordingly, changes in fair value of these contracts are recognized as other non-interest income. There were no covered call options outstanding as of December 31, 2015 or December 31, 2014.

As discussed above, the Company has entered into interest rate cap derivatives to protect the Company in a rising rate environment against increased margin compression due to the repricing of variable rate liabilities and lack of repricing of fixed rate loans and/

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or securities. As of December 31, 2015, the Company held four interest rate cap derivative contracts, which are not designated in hedge relationships, have an aggregate notional value of $446.5 million.

Amounts included in the Consolidated Statements of Income related to derivative instruments not designated in hedge relationships were as follows:

(Dollars in thousands)		December 31,	
Derivative	Location in income statement	2015	2014
Interest rate swaps and caps	Trading (losses) gains, net	$(454)	$(1,675)
Mortgage banking derivatives	Mortgage banking revenue	(299)	(2,012)
Covered call options	Fees from covered call options	15,364	7,859
Foreign exchange contracts	Trading (losses) gains, net	186	68

Credit Risk

Derivative instruments have inherent risks, primarily market risk and credit risk. Market risk is associated with changes in interest rates and credit risk relates to the risk that the counterparty will fail to perform according to the terms of the agreement. The amounts potentially subject to market and credit risks are the streams of interest payments under the contracts and the market value of the derivative instrument and not the notional principal amounts used to express the volume of the transactions. Market and credit risks are managed and monitored as part of the Company's overall asset-liability management process, except that the credit risk related to derivatives entered into with certain qualified borrowers is managed through the Company's standard loan underwriting process since these derivatives are secured through collateral provided by the loan agreements. Actual exposures are monitored against various types of credit limits established to contain risk within parameters. When deemed necessary, appropriate types and amounts of collateral are obtained to minimize credit exposure.

The Company has agreements with certain of its interest rate derivative counterparties that contain cross-default provisions, which provide that if the Company defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. The Company also has agreements with certain of its derivative counterparties that contain a provision allowing the counterparty to terminate the derivative positions if the Company fails to maintain its status as a well or adequately capitalized institution, which would require the Company to settle its obligations under the agreements. As of December 31, 2015, the fair value of interest rate derivatives in a net liability position, which includes accrued interest related to these agreements, was $43.3 million. If the Company had breached any of these provisions at December 31, 2015 it would have been required to settle its obligations under the agreements at the termination value and would have been required to pay any additional amounts due in excess of amounts previously posted as collateral with the respective counterparty.

The Company is also exposed to the credit risk of its commercial borrowers who are counterparties to interest rate derivatives with the banks. This counterparty risk related to the commercial borrowers is managed and monitored through the banks' standard underwriting process applicable to loans since these derivatives are secured through collateral provided by the loan agreement. The counterparty risk associated with the mirror-image swaps executed with third parties is monitored and managed in connection with the Company's overall asset liability management process.

The Company records interest rate derivatives subject to master netting agreements at their gross value and does not offset derivative assets and liabilities on the Consolidated Statements of Condition. The tables below summarize the Company's interest rate derivatives and offsetting positions as of the dates shown.

(Dollars in thousands)	Derivative Assets Fair Value December 31, 2015	Derivative Assets Fair Value December 31, 2014	Derivative Liabilities Fair Value December 31, 2015	Derivative Liabilities Fair Value December 31, 2014
Gross Amounts Recognized	$42,779	$37,841	$42,458	$36,921
Less: Amounts offset in the Statements of Condition	—	—	—	—
Net amount presented in the Statements of Condition	$42,779	$37,841	$42,458	$36,921
Gross amounts not offset in the Statements of Condition				
Offsetting Derivative Positions	$(753)	$(2,771)	$(753)	$(2,771)
Collateral Posted [1]	—	—	(41,705)	(34,150)
Net Credit Exposure	$42,026	$35,070	$—	$—

(1) As of December 31, 2015 and 2014, the Company posted collateral of $45.5 million and $43.8 million, respectively which resulted in excess collateral with its counterparties. For purposes of this disclosure, the amount of posted collateral is limited to the amount offsetting the derivative liability.

(21) Fair Value of Assets and Liabilities

The Company measures, monitors and discloses certain of its assets and liabilities on a fair value basis. These financial assets and financial liabilities are measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the observability of the inputs used to determine fair value. These levels are:

- Level 1 — unadjusted quoted prices in active markets for identical assets or liabilities.
- Level 2 — inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability or inputs that are derived principally from or corroborated by observable market data by correlation or other means.
- Level 3 — significant unobservable inputs that reflect the Company’s own assumptions that market participants would use in pricing the assets or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

A financial instrument’s categorization within the above valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The Company’s assessment of the significance of a particular input to the fair value measurement in its entirety requires judgment, and considers factors specific to the assets or liabilities. Following is a description of the valuation methodologies used for the Company’s assets and liabilities measured at fair value on a recurring basis.

Available-for-sale and trading account securities—Fair values for available-for-sale and trading securities are typically based on prices obtained from independent pricing vendors. Securities measured with these valuation techniques are generally classified as Level 2 of the fair value hierarchy. Typically, standard inputs such as benchmark yields, reported trades for similar securities, issuer spreads, benchmark securities, bids, offers and reference data including market research publications are used to fair value a security. When these inputs are not available, broker/dealer quotes may be obtained by the vendor to determine the fair value of the security. We review the vendor’s pricing

methodologies to determine if observable market information is being used, versus unobservable inputs. Fair value measurements using significant inputs that are unobservable in the market due to limited activity or a less liquid market are classified as Level 3 in the fair value hierarchy.

The Company’s Investment Operations Department is responsible for the valuation of Level 3 available-for-sale securities. The methodology and variables used as inputs in pricing Level 3 securities are derived from a combination of observable and unobservable inputs. The unobservable inputs are determined through internal assumptions that may vary from period to period due to external factors, such as market movement and credit rating adjustments.

At December 31, 2015, the Company classified $68.6 million of municipal securities as Level 3. These municipal securities are bond issues for various municipal government entities primarily located in the Chicago metropolitan area and southern Wisconsin

and are privately placed, non-rated bonds without CUSIP numbers. The Company's methodology for pricing the non-rated bonds focuses on three distinct inputs: equivalent rating, yield and other pricing terms. To determine the rating for a given non-rated municipal bond, the Investment Operations Department references a publicly issued bond by the same issuer if available. A reduction is then applied to the rating obtained from the comparable bond, as the Company believes if liquidated, a non-rated bond would be valued less than a similar bond with a verifiable rating. The reduction applied by the Company is one complete rating grade (i.e. a "AA" rating for a comparable bond would be reduced to "A" for the Company's valuation). In 2015, all of the ratings derived in the above process by Investment Operations were "BBB" or better, for both bonds with and without comparable bond proxies. The fair value measurement of municipal bonds is sensitive to the rating input, as a higher rating typically results in an increased valuation. The remaining pricing inputs used in the bond valuation are observable. Based on the rating determined in the above process, Investment Operations obtains a corresponding current market yield curve available to market participants. Other terms including coupon, maturity date, redemption price, number of coupon payments per year, and accrual method are obtained from the individual bond term sheets. Certain municipal bonds held by the Company at December 31, 2015 have a call date that has passed, and are now continuously callable. When valuing these bonds, the fair value is capped at par value as the Company assumes a market participant would not pay more than par for a continuously callable bond.

At December 31, 2015, the Company held $25.2 million of equity securities classified as Level 3. The securities in Level 3 are primarily comprised of auction rate preferred securities. The Company utilizes an independent pricing vendor to provide a fair market valuation of these securities. The vendor's valuation methodology includes modeling the contractual cash flows of the underlying preferred securities and applying a discount to these cash flows by a credit spread derived from the market price of the securities underlying debt. At December 31, 2015, the vendor considered five different securities whose implied credit spreads were believed to provide a proxy for the Company's auction rate preferred securities. The credit spreads ranged from 1.85%-2.12% with an average of 2.01% which was added to three-month LIBOR to be used as the discount rate input to the vendor's model. Fair value of the securities is sensitive to the discount rate utilized as a higher discount rate results in a decreased fair value measurement.

Mortgage loans held-for-sale—The fair value of mortgage loans held-for-sale is determined by reference to investor price sheets for loan products with similar characteristics.

Mortgage servicing rights—Fair value for mortgage servicing rights is determined utilizing a third party valuation model which stratifies the servicing rights into pools based on product type and interest rate. The fair value of each servicing rights pool is calculated based on the present value of estimated future cash flows using a discount rate commensurate with the risk associated with that pool, given current market conditions. At December 31, 2015, the Company classified $9.1 million of mortgage servicing rights as Level 3. The weighted average discount rate used as an input to value the pool of mortgage servicing rights at December 31, 2015 was 9.13% with discount rates applied ranging from 9%-13%. The higher the rate utilized to discount estimated future cash flows, the lower the fair value measurement. Additionally, fair value estimates include assumptions about prepayment speeds which ranged from 8%-26% or a weighted average prepayment speed of 11.77% used as an input to value the pool of mortgage servicing rights at December 31, 2015. Prepayment speeds are inversely related to the fair value of mortgage servicing rights as an increase in prepayment speeds results in a decreased valuation.

Derivative instruments—The Company's derivative instruments include interest rate swaps and caps, commitments to fund mortgages for sale into the secondary market (interest rate locks), forward commitments to end investors for the sale of mortgage loans and foreign currency contracts. Interest rate swaps and caps are valued by a third party, using models that primarily use market observable inputs, such as yield curves, and are validated by comparison with valuations provided by the respective counterparties. The credit risk associated with derivative financial instruments that are subject to master netting agreements is measured on a net basis by counterparty portfolio. The fair value for mortgage-related derivatives is based on changes in mortgage rates from the date of the commitments. The fair value of foreign currency derivatives is computed based on change in foreign currency rates stated in the contract compared to those prevailing at the measurement date.

Nonqualified deferred compensation assets—The underlying assets relating to the nonqualified deferred compensation plan are included in a trust and primarily consist of non-exchange traded institutional funds which are priced based by

an independent third party service.

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The following tables present the balances of assets and liabilities measured at fair value on a recurring basis for the periods presented:

	December 31, 2015			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Available-for-sale securities				
U.S. Treasury	$306,729	$—	$306,729	$—
U.S. Government agencies	70,236	—	70,236	—
Municipal	108,595	—	39,982	68,613
Corporate notes	81,545	—	81,545	—
Mortgage-backed	1,092,597	—	1,092,597	—
Equity securities	56,686	—	31,487	25,199
Trading account securities	448	—	448	—
Mortgage loans held-for-sale	388,038	—	388,038	—
Mortgage servicing rights	9,092	—	—	9,092
Nonqualified deferred compensations assets	8,517	—	8,517	—
Derivative assets	51,298	—	51,298	—
Total	$2,173,781	$—	$2,070,877	$102,904
Derivative liabilities	$45,019	$—	$45,019	$—

	December 31, 2014			
(Dollars in thousands)	Total	Level 1	Level 2	Level 3
Available-for-sale securities				
U.S. Treasury	$381,805	$—	$381,805	$—
U.S. Government agencies	668,316	—	668,316	—
Municipal	238,529	—	179,576	58,953
Corporate notes	133,579	—	133,579	—
Mortgage-backed	318,710	—	318,710	—
Equity securities	51,139	—	27,428	23,711
Trading account securities	1,206	—	1,206	—
Mortgage loans held-for-sale	351,290	—	351,290	—
Mortgage servicing rights	8,435	—	—	8,435
Nonqualified deferred compensations assets	7,951	—	7,951	—
Derivative assets	47,964	—	47,964	—
Total	$2,208,924	$—	$2,117,825	$91,099
Derivative liabilities	$41,180	$—	$41,180	$—

The aggregate remaining contractual principal balance outstanding as of December 31, 2015 and 2014 for mortgage loans held- for-sale measured at fair value under ASC 825 was $372.0 million and $327.1 million, respectively, while the aggregate fair value of mortgage loans held-for-sale was $388.0 million and $351.3 million, respectively, as shown in the above tables. There were no nonaccrual loans or loans past due greater than 90 days and still accruing in the mortgage loans held-for-sale portfolio measured at fair value as of December 31, 2015 and 2014.

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The changes in Level 3 assets measured at fair value on a recurring basis during the year ended December 31, 2015 are summarized as follows:

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at January 1, 2015	$58,953	$23,711	$8,435
Total net (losses) gains included in:			
Net income [(1)]	—	—	657
Other comprehensive income	(1,198)	1,488	—
Purchases	33,998	—	—
Issuances	—	—	—
Sales	—	—	—
Settlements	(23,140)	—	—
Net transfers into/(out of) Level 3	—	—	—
Balance at December 31, 2015	$68,613	$25,199	$9,092

(1) Changes in the balance of mortgage servicing rights are recorded as a component of mortgage banking revenue in non-interest income.

The changes in Level 3 assets measured at fair value on a recurring basis during the year ended December 31, 2014 are summarized as follows:

(Dollars in thousands)	Municipal	Equity securities	Mortgage servicing rights
Balance at January 1, 2014	$36,386	$22,163	$8,946
Total net (losses) gains included in:			
Net income [(1)]	—	—	(1,214)
Other comprehensive income	202	1,548	—
Purchases	27,437	—	703
Issuances	—	—	—
Sales	—	—	—
Settlements	(13,954)	—	—
Net transfers into/(out of) of Level 3 [(2)]	8,882	—	—
Balance at December 31, 2014	$58,953	$23,711	$8,435

(1) Changes in the balance of mortgage servicing rights are recorded as a component of mortgage banking revenue in non-interest income.

(2) Transfers into Level 3 relate to a reclassification of municipal bonds in the third quarter of 2014.

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Explanation of Responses:

Also, the Company may be required, from time to time, to measure certain other financial assets at fair value on a nonrecurring basis in accordance with GAAP. These adjustments to fair value usually result from impairment charges on individual assets. For assets measured at fair value on a nonrecurring basis that were still held in the balance sheet at the end of the period, the following table provides the carrying value of the related individual assets or portfolios at December 31, 2015.

	December 31, 2015				Twelve Months Ended December 31, 2015
(Dollars in thousands)	Total	Level 1	Level 2	Level 3	Fair Value Losses Recognized, net
Impaired loans-collateral based	$65,626	$—	$—	$65,626	$ 14,571
Other real estate owned, including covered other real estate owned [(1)]	65,328	—	—	65,328	7,154
Total	$130,954	$—	$—	$130,954	$ 21,725

(1) Fair value losses recognized, net on other real estate owned include valuation adjustments and charge-offs during the respective period.

Impaired loans—A loan is considered to be impaired when, based on current information and events, it is probable that the Company will be unable to collect all amounts due pursuant to the contractual terms of the loan agreement. A loan modified in a TDR is an impaired loan according to applicable accounting guidance. Impairment is measured by estimating the fair value of the loan based on the present value of expected cash flows, the market price of the loan, or the fair value of the underlying collateral. Impaired loans are considered a fair value measurement where an allowance is established based on the fair value of collateral. Appraised values, which may require adjustments to market-based valuation inputs, are generally used on real estate collateral-dependent impaired loans.

The Company's Managed Assets Division is primarily responsible for the valuation of Level 3 inputs of impaired loans. For more information on the Managed Assets Division review of impaired loans refer to Note 5 – Allowance for Loan Losses, Allowance for Losses on Lending-Related Commitments and Impaired Loans. At December 31, 2015, the Company had $101.3 million of impaired loans classified as Level 3. Of the $101.3 million of impaired loans, $65.6 million were measured at fair value based on the underlying collateral of the loan as shown in the table above. The remaining $35.7 million were valued based on discounted cash flows in accordance with ASC 310.

Other real estate owned (including covered other real estate owned)—Other real estate owned is comprised of real estate acquired in partial or full satisfaction of loans and is included in other assets. Other real estate owned is recorded at its estimated fair value less estimated selling costs at the date of transfer, with any excess of the related loan balance over the fair value less expected selling costs charged to the allowance for loan losses. Subsequent changes in value are reported as adjustments to the carrying amount and are recorded in other non-interest expense. Gains and losses upon sale, if any, are also charged to other non-interest expense. Fair value is generally based on third party appraisals and internal estimates that are adjusted by a discount representing
the estimated cost of sale and is therefore considered a Level 3 valuation.

The Company's Managed Assets Division is primarily responsible for the valuation of Level 3 inputs for non-covered other real estate owned and covered other real estate owned. At December 31, 2015, the Company had $65.3 million of other real estate owned classified as Level 3. The unobservable input applied to other real estate owned relates to the 10% reduction to the appraisal value representing the estimated cost of sale of the foreclosed property. A higher discount for the estimated cost of sale results in a decreased carrying value.

The valuation techniques and significant unobservable inputs used to measure both recurring and non-recurring Level 3 fair value measurements at December 31, 2015 were as follows:

(Dollars in thousands)	Fair Value	Valuation Methodology	Significant Unobservable Input	Range of Inputs	Weighted Average of Inputs	Impact to valuation from an increased or higher input value
Measured at fair value on a recurring basis:						
Municipal Securities	$68,613	Bond pricing	Equivalent rating	BBB-AA+	N/A	Increase
Equity Securities	25,199	Discounted cash flows	Discount rate	1.85%-2.12%	2.01%	Decrease
Mortgage Servicing Rights	9,092	Discounted cash flows	Discount rate	9%-13%	9.13%	Decrease
			Constant prepayment rate (CPR)	8%-26%	11.77%	Decrease
Measured at fair value on a non-recurring basis:						
Impaired loans—collateral based	65,626	Appraisal value	Appraisal adjustment - cost of sale	10%	10.00%	Decrease
Other real estate owned, including covered other real-estate owned	65,328	Appraisal value	Appraisal adjustment - cost of sale	10%	10.00%	Decrease

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The Company is required under applicable accounting guidance to report the fair value of all financial instruments on the consolidated statements of condition, including those financial instruments carried at cost. The table below presents the carrying amounts and estimated fair values of the Company's financial instruments as of the dates shown:

	December 31, 2015		December 31, 2014	
(Dollars in thousands)	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial Assets:				
Cash and cash equivalents	$275,795	$275,795	$230,707	$230,707
Interest bearing deposits with banks	607,782	607,782	998,437	998,437
Available-for-sale securities	1,716,388	1,716,388	1,792,078	1,792,078
Held-to-maturity securities	884,826	878,111	—	—
Trading account securities	448	448	1,206	1,206
Federal Home Loan Bank and Federal Reserve Bank stock, at cost	101,581	101,581	91,582	91,582
Brokerage customer receivables	27,631	27,631	24,221	24,221
Mortgage loans held-for-sale, at fair value	388,038	388,038	351,290	351,290
Total loans	17,266,790	18,106,829	14,636,107	15,346,266
Mortgage servicing rights	9,092	9,092	8,435	8,435
Nonqualified deferred compensation assets	8,517	8,517	7,951	7,951
Derivative assets	51,298	51,298	47,964	47,964
FDIC indemnification asset	—	—	11,846	11,846
Accrued interest receivable and other	193,092	193,092	169,156	169,156
Total financial assets	$21,531,278	$22,364,602	$18,370,980	$19,081,139
Financial Liabilities				
Non-maturity deposits	$14,634,957	$14,634,957	$12,142,034	$12,142,034
Deposits with stated maturities	4,004,677	3,998,180	4,139,810	4,143,161
Federal Home Loan Bank advances	859,876	863,437	733,050	738,113
Other borrowings	266,019	266,019	196,465	197,883
Subordinated notes	140,000	140,302	140,000	143,639
Junior subordinated debentures	268,566	268,046	249,493	250,305
Derivative liabilities	45,019	45,019	41,180	41,180
Accrued interest payable	7,394	7,394	8,001	8,001
Total financial liabilities	$20,226,508	$20,223,354	$17,650,033	$17,664,316

Not all of the financial instruments listed in the table above are subject to the disclosure provisions of ASC Topic 820, as certain assets and liabilities result in their carrying value approximating fair value. These include cash and cash equivalents, interest bearing deposits with banks, brokerage customer receivables, FHLB and FRB stock, FDIC indemnification asset, accrued interest receivable and accrued interest payable, and non-maturity deposits.
The following methods and assumptions were used by the Company in estimating fair values of financial instruments that were not previously disclosed.

Held-to-maturity securities. Held-to-maturity securities include U.S. Government-sponsored agency securities and municipal bonds issued by various municipal government entities primarily located in the Chicago metropolitan area and southern Wisconsin. Fair values for held-to-maturity securities are typically based on prices obtained from independent pricing vendors. In accordance with ASC 820, the Company has categorized held-to-maturity securities as a Level 2 fair value measurement.
Loans. Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are analyzed by type such as commercial, residential real estate, etc. Each category is further segmented by interest rate type (fixed and variable) and term. For variable-rate loans that reprice frequently, estimated fair values are based on carrying

values. The fair value of residential loans is based on secondary market sources for securities backed by similar loans, adjusted for differences in loan characteristics. The fair value for other fixed rate loans is estimated by discounting scheduled cash flows through the estimated maturity using estimated market discount rates that reflect credit and interest rate risks inherent in the loan. The primary impact of credit risk on the present value of the loan portfolio, however, was assessed through the use of the allowance for loan losses, which is believed to represent

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the current fair value of probable incurred losses for purposes of the fair value calculation. In accordance with ASC 820, the Company has categorized loans as a Level 3 fair value measurement.
Deposits with stated maturities. The fair value of certificates of deposit is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently in effect for deposits of similar remaining maturities. In accordance with ASC 820, the Company has categorized deposits with stated maturities as a Level 3 fair value measurement.
Federal Home Loan Bank advances. The fair value of Federal Home Loan Bank advances is obtained from the Federal Home Loan Bank, which uses a discounted cash flow analysis based on current market rates of similar maturity debt securities to discount cash flows. In accordance with ASC 820, the Company has categorized Federal Home Loan Bank advances as a Level 3 fair value measurement.

Subordinated notes. The fair value of the subordinated notes is based on a market price obtained from an independent pricing
vendor. In accordance with ASC 820, the Company has categorized subordinated notes as a Level 2 fair value measurement.
Junior subordinated debentures. The fair value of the junior subordinated debentures is based on the discounted value of contractual cash flows. In accordance with ASC 820, the Company has categorized junior subordinated debentures as a Level 3 fair value measurement.
(22) Shareholders' Equity
A summary of the Company's common and preferred stock at December 31, 2015 and 2014 is as follows:

	2015	2014
Common Stock:		
Shares authorized	100,000,000	100,000,000
Shares issued	48,468,894	46,881,108
Shares outstanding	48,383,279	46,805,055
Cash dividend per share	$0.44	$0.40
Preferred Stock:		
Shares authorized	20,000,000	20,000,000
Shares issued	5,126,287	126,467
Shares outstanding	5,126,287	126,467

The Company reserves shares of its authorized common stock specifically for the 2007 Plan, the ESPP and the Directors Deferred Fee and Stock Plan ("the DDFS"). The reserved shares and these plans are detailed in Note 17 - Stock Compensation Plans and Other Employee Benefit Plans. The Company also reserves its authorized common stock for conversion of convertible preferred stock and common stock warrants.
Tangible Equity Units
In December 2010, the Company sold 4.6 million 7.50% TEU's at a public offering price of $50.00 per unit. The Company received net proceeds of $222.7 million after deducting underwriting discounts and commissions and estimated offering expenses. Each tangible equity unit was composed of a prepaid common stock purchase contract and a junior subordinated amortizing note due December 15, 2013. The prepaid stock purchase contracts were recorded as surplus (a component of shareholders' equity), net of issuance costs, and the junior subordinated amortizing notes were recorded as debt within other borrowings. Issuance costs associated with the debt component were recorded as a discount within other borrowings and were amortized over the term of the instrument to December 15, 2013 at which time they were paid off in full. The Company allocated the proceeds from the issuance of the TEU to equity and debt based on the relative fair values of the respective components of each unit.

The aggregate fair values assigned to each component of the TEU offering at the issuance date were as follows:

(Dollars and units in thousands, except unit price)	Equity Component	Debt Component	TEU Total
Units issued [(1)]	4,600	4,600	4,600
Unit price	$40.271818	$9.728182	$50.00
Gross proceeds	185,250	44,750	230,000
Issuance costs, including discount	5,934	1,419	7,353
Net proceeds	$179,316	$43,331	$222,647
Balance sheet impact			
Other borrowings	—	43,331	43,331
Surplus	179,316	—	179,316

(1) TEUs consisted of two components: one unit of the equity component and one unit of the debt component.

The fair value of the debt component was determined using a discounted cash flow model using the following assumptions: (1) quarterly cash payments of 7.5%; (2) a maturity date of December 15, 2013; and (3) an assumed discount rate of 9.5%. The discount rate used for estimating the fair value was determined by obtaining yields for comparably-rated issuers trading in the market. The debt component was recorded at fair value, and the discount was amortized using the level yield method over the term of the instrument to the settlement date of December 15, 2013.

The fair value of the equity component was determined using Black-Scholes valuation models applied to the range of stock prices contemplated by the terms of the TEU and using the following assumptions: (1) risk-free interest rate of 0.95%; (2) expected stock price volatility in the range of 35%-45%; (3) dividend yield plus stock borrow cost of 0.85%; and (4) term of 3.02 years.

Each junior subordinated amortizing note, which had an initial principal amount of $9.728182, had a stated interest rate of 9.50% per annum, and had a scheduled final installment payment date of December 15, 2013. On each March 15, June 15, September 15 and December 15, the Company paid equal quarterly installments of $0.9375 on each amortizing note. The quarterly installment payable at March 15, 2011, however, was $0.989583. Each payment constituted a payment of interest and a partial repayment of principal. The issuance costs were amortized to interest expense using the effective-interest method.

Each prepaid common stock purchase contract automatically settled on December 15, 2013 and the Company delivered 1.3333 shares of its common stock based on the applicable market value at that time (the average of the volume weighted average price of Company common stock for the twenty (20) consecutive trading days ending on the third trading day immediately preceding December 15, 2013). Upon settlement, an amount equal to $1.00 per common share issued was reclassified from surplus to common stock.

Series A Preferred Stock

In August 2008, the Company issued and sold 50,000 shares of non-cumulative perpetual convertible preferred stock, Series A, liquidation preference $1,000 per share (the "Series A Preferred Stock") for $50 million in a private transaction. Dividends on the Series A Preferred Stock were payable quarterly in arrears at a rate of 8.00% per annum. The Series A Preferred Stock was convertible into common stock at the option of the holder at a conversion rate of 38.88 shares of common stock per share of Series A Preferred Stock. On July 19, 2013, pursuant to such terms, the holder of the Series A Preferred Stock elected to convert all 50,000 shares of Series A Preferred Stock into 1,944,000 shares of the Company's common stock, no par value.

Series C Preferred Stock

In March 2012, the Company issued and sold 126,500 shares of non-cumulative perpetual convertible preferred stock, Series C, liquidation preference $1,000 per share (the “Series C Preferred Stock”) for $126.5 million in a public offering. When, as and if declared, dividends on the Series C Preferred Stock are payable quarterly in arrears at a rate of 5.00% per annum. The Series C Preferred Stock is convertible into common stock at the option of the holder at a conversion rate of 24.3132 shares of common stock per share of Series C Preferred Stock subject to customary anti-dilution adjustments. In 2015, pursuant to such terms, 180 shares of the Series C Preferred Stock were converted at the option of the respective holders into 4,374 shares of the Company's common stock. In 2014, 10 shares of the

Series C Preferred Stock were converted at the option of the respective holders into 244 shares of the Company's common stock. On and after April 15, 2017, the Company will have the right under certain circumstances to cause the Series C Preferred Stock to be converted into common stock if the closing price of the Company’s common stock exceeds a certain amount.

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Series D Preferred Stock

In June 2015, the Company issued and sold 5,000,000 shares of fixed-to-floating non-cumulative perpetual preferred stock, Series D, liquidation preference $25 per share (the “Series D Preferred Stock”) for $125.0 million in a public offering. When, as and if declared, dividends on the Series D Preferred Stock are payable quarterly in arrears at a fixed rate of 6.50% per annum from the original issuance date to, but excluding, July 15, 2025, and from (and including) that date at a floating rate equal to three-month LIBOR plus a spread of 4.06% per annum.

Common Stock Warrants

Pursuant to the U.S. Department of the Treasury’s (the “U.S. Treasury”) Capital Purchase Program, on December 19, 2008, the Company issued to the U.S. Treasury a warrant to exercise 1,643,295 warrant shares of Wintrust common stock at a per share exercise price of $22.82, subject to customary anti-dilution adjustments, and with a term of 10 years. In February 2011, the U.S. Treasury sold all of its interest in the warrant issued to it in a secondary underwritten public offering. During 2015, certain holders of the interest in the warrant exercised 569,985 warrant shares, which resulted in 313,751 shares of common stock issued. At December 31, 2015, all remaining holders of the interest in the warrant were able to exercise 367,432 warrant shares.

Other

In July 2015, the Company issued 388,573 shares of its common stock in the acquisition of CFIS. In January 2015, the Company issued 422,122 shares of its common stock in the acquisition of Delavan. In May 2013, the Company issued 648,286 shares of its common stock in the acquisition of FNBI.

At the January 2016 Board of Directors meeting, a quarterly cash dividend of $0.12 per share ($0.48 on an annualized basis) was
declared. It was paid on February 25, 2016 to shareholders of record as of February 11, 2016.

The following tables summarize the components of other comprehensive income (loss), including the related income tax effects, for the years ending December 31, 2015, 2014 and 2013:

(In thousands)	Accumulated Unrealized Losses on Securities	Accumulated Unrealized Losses on Derivative Instruments	Accumulated Foreign Currency Translation Adjustments	Total Accumulated Other Comprehensive (Loss) Income
Balance at January 1, 2015	$(9,533)	$(2,517)	$(25,282)	$(37,332)
Other comprehensive loss during the period, net of tax, before reclassification	(8,023)	(941)	(17,559)	(26,523)
Amount reclassified from accumulated other comprehensive income into net income, net of tax	(196)	1,265	—	1,069
Amount reclassified from accumulated other comprehensive income related to amortization of unrealized losses on investment securities transferred to held-to-maturity from available-for-sale	78	—	—	78
Net other comprehensive (loss) income during the period, net of tax	$(8,141)	$324	$(17,559)	$(25,376)
Balance at December 31, 2015	$(17,674)	$(2,193)	$(42,841)	$(62,708)
Balance at January 1, 2014	$(53,665)	$(2,462)	$(6,909)	$(63,036)
Other comprehensive income (loss) during the period, net of tax, before reclassification	43,828	(1,244)	(18,373)	24,211
Amount reclassified from accumulated other comprehensive income, net of tax	304	1,189	—	1,493
Net other comprehensive income (loss) during the period, net of tax	$44,132	$(55)	$(18,373)	$25,704
Balance at December 31, 2014	$(9,533)	$(2,517)	$(25,282)	$(37,332)
Balance at January 1, 2013	$6,710	$(5,292)	$6,293	$7,711
Other comprehensive loss during the period, net of tax, before reclassification	(62,182)	(251)	(13,202)	(75,635)
Amount reclassified from accumulated other comprehensive income, net of tax	1,807	3,081	—	4,888
Net other comprehensive (loss) income during the period, net of tax	$(60,375)	$2,830	$(13,202)	$(70,747)
Balance at December 31, 2013	$(53,665)	$(2,462)	$(6,909)	$(63,036)

Details Regarding the Component of Accumulated Other Comprehensive Income	Amount Reclassified from Accumulated Other Comprehensive Income for the Year Ended, December 31, 2015	2014	Impacted Line on the Consolidated Statements of Income
Accumulated unrealized losses on securities			
Gains (losses) included in net income	$323	$(504)	Gains (losses) on available-for-sale securities, net
	323	(504)	Income before taxes
Tax effect	(127)	200	Income tax expense
Net of tax	$196	$(304)	Net income
Accumulated unrealized losses on derivative instruments			
Amount reclassified to interest expense on deposits	$252	$—	Interest on deposits
Amount reclassified to interest expense on junior subordinated debentures	1,830	1,974	Interest on junior subordinated debentures
	(2,082)	(1,974)	Income before taxes
Tax effect	817	785	Income tax expense
Net of tax	$(1,265)	$(1,189)	Net income

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(23) Segment Information

The Company's operations consist of three primary segments: community banking, specialty finance and wealth management.

The three reportable segments are strategic business units that are separately managed as they offer different products and services and have different marketing strategies. In addition, each segment's customer base has varying characteristics and each segment has a different regulatory environment. While the Company's management monitors each of the fifteen bank subsidiaries' operations and profitability separately, these subsidiaries have been aggregated into one reportable operating segment due to the similarities in products and services, customer base, operations, profitability measures and economic characteristics.

For purposes of internal segment profitability, management allocates certain intersegment and parent company balances. Management allocates a portion of revenues to the specialty finance segment related to loans originated by the specialty finance segment and sold to the community banking segment. Similarly, for purposes of analyzing the contribution from the wealth management segment, management allocates a portion of the net interest income earned by the community banking segment on deposit balances of customers of the wealth management segment to the wealth management segment. See Note 10 — Deposits, for more information on these deposits. Finally, expenses incurred at the Wintrust parent company are allocated to each segment based on each segment's risk-weighted assets.

The segment financial information provided in the following tables has been derived from the internal profitability reporting system used by management to monitor and manage the financial performance of the Company. The accounting policies of the segments are substantially similar to those described in the Summary of Significant Accounting Policies in Note 1. The Company evaluates segment performance based on after-tax profit or loss and other appropriate profitability measures common to each segment.

The following is a summary of certain operating information for reportable segments:

(Dollars in thousands)	Community Banking	Specialty Finance	Wealth Management	Total Operating Segments	Intersegment Eliminations	Consolidated
2015						
Net interest income	$523,112	$85,258	$ 17,012	$625,382	$ 16,147	$641,529
Provision for credit losses	29,746	3,196	—	32,942	—	32,942
Non-interest income	191,248	33,625	75,496	300,369	(28,772)	271,597
Non-interest expense	522,199	47,245	71,600	641,044	(12,625)	628,419
Income tax expense	60,488	26,352	8,176	95,016	—	95,016
Net income	$101,927	$42,090	$ 12,732	$156,749	$ —	$156,749
Total assets at end of year	$19,251,616	$3,116,631	$ 548,919	$22,917,166	$ —	$22,917,166
2014						
Net interest income	$484,523	$82,415	$ 15,968	$582,906	$ 15,669	$598,575
Provision for credit losses	17,708	2,829	—	20,537	—	20,537
Non-interest income	136,307	32,534	73,388	242,229	(26,989)	215,240
Non-interest expense	444,416	44,320	69,431	558,167	(11,320)	546,847
Income tax expense	60,033	27,167	7,833	95,033	—	95,033
Net income	$98,673	$40,633	$ 12,092	$151,398	$ —	$151,398
Total assets at end of year	$16,724,834	$2,766,017	$ 519,876	$20,010,727	$ —	$20,010,727
2013						
Net interest income	$448,173	$73,903	$ 14,118	$536,194	$ 14,433	$550,627
Provision for credit losses	45,396	637	—	46,033	—	46,033
Non-interest income	150,543	30,890	65,597	247,030	(24,633)	222,397
Non-interest expense	409,780	40,529	62,442	512,751	(10,200)	502,551
Income tax expense	55,161	25,508	6,561	87,230	—	87,230
Net income	$88,379	$38,119	$ 10,712	$137,210	$ —	$137,210

Total assets at end of year	$15,132,912	$2,470,832	$ 494,039	$18,097,783	$ —	$18,097,783

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(24) Condensed Parent Company Financial Statements
Condensed parent company only financial statements of Wintrust follow:
Statements of Financial Condition

(In thousands)	December 31, 2015	2014
Assets		
Cash	$116,889	$151,303
Available-for-sale securities, at fair value	12,243	10,725
Investment in and receivable from subsidiaries	2,600,716	2,205,487
Loans, net of unearned income	2,820	3,993
Less: Allowance for loan losses	—	972
Net Loans	$2,820	$3,021
Goodwill	8,371	8,371
Other assets	149,935	119,739
Total assets	$2,890,974	$2,498,646
Liabilities and Shareholders' Equity		
Other liabilities	$44,349	$20,509
Subordinated notes	140,000	140,000
Other borrowings	85,785	18,822
Junior subordinated debentures	268,566	249,493
Shareholders' equity	2,352,274	2,069,822
Total liabilities and shareholders' equity	$2,890,974	$2,498,646

Statements of Income

(In thousands)	Years Ended December 31, 2015	2014	2013
Income			
Dividends and other revenue from subsidiaries	$47,639	$98,296	$114,241
(Losses) gains on available-for-sale securities, net	—	(33)	111
Other income	796	221	4,529
Total income	$48,435	$98,484	$118,881
Expenses			
Interest expense	$16,669	$12,553	$13,424
Salaries and employee benefits	38,926	30,636	17,831
Other expenses	50,425	38,428	24,739
Total expenses	$106,020	$81,617	$55,994
(Loss) income before income taxes and equity in undistributed income of subsidiaries	$(57,585)	$16,867	$62,887
Income tax benefit	30,504	22,909	18,599
(Loss) income before equity in undistributed net income of subsidiaries	$(27,081)	$39,776	$81,486
Equity in undistributed net income of subsidiaries	183,830	111,622	55,724
Net income	$156,749	$151,398	$137,210

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Statements of Cash Flows

(In thousands)	Years Ended December 31, 2015	2014	2013
Operating Activities:			
Net income	$156,749	$151,398	$137,210
Adjustments to reconcile net income to net cash (used for) provided by operating activities			
Provision for credit losses	(96)	945	1,765
Losses (gains) on available-for-sale securities, net	—	33	(111)
Depreciation and amortization	8,182	7,756	3,744
Deferred income tax (benefit) expense	(1,872)	2,753	1,217
Stock-based compensation expense	9,656	7,754	6,799
Excess tax benefits from stock-based compensation arrangements	(278)	(139)	(112)
Increase in other assets	(45,287)	(10,090)	(3,882)
Increase in other liabilities	21,840	7,114	(4,517)
Equity in undistributed net income of subsidiaries	(183,830)	(111,622)	(55,724)
Net Cash (Used for) Provided by Operating Activities	$(34,936)	$55,902	$86,389
Investing Activities:			
Capital contributions to subsidiaries, net	$(97,400)	$(105,244)	$(8,293)
Net cash paid for acquisitions, net	(51,060)	—	—
Other investing activity, net	(24,908)	(3,907)	(21,206)
Net Cash Used for Investing Activities	$(173,368)	$(109,151)	$(29,499)
Financing Activities:			
Increase (decrease) in notes payable and other borrowings, net	$66,963	$(517)	$(17,860)
Proceeds from the issuance of subordinated notes, net	—	139,090	—
Repayment of subordinated note	—	—	(15,000)
Excess tax benefits from stock-based compensation arrangements	278	139	112
Net proceeds from issuance of Series D preferred stock	120,842	—	—
Issuance of common shares resulting from exercise of stock options, employee stock purchase plan and conversion of common stock warrants	16,119	10,453	19,113
Dividends paid	(29,888)	(24,933)	(13,893)
Common stock repurchases	(424)	(549)	(3,504)
Net Cash Provided by (Used For) Financing Activities	$173,890	$123,683	$(31,032)
Net (Decrease) Increase in Cash and Cash Equivalents	$(34,414)	$70,434	$25,858
Cash and Cash Equivalents at Beginning of Year	151,303	80,869	55,011
Cash and Cash Equivalents at End of Year	$116,889	$151,303	$80,869

(25) Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per common share for 2015 , 2014 and 2013:

(In thousands, except per share data)		2015	2014	2013
Net income		$156,749	$151,398	$137,210
Less: Preferred stock dividends and discount accretion		10,869	6,323	8,395
Net income applicable to common shares—Basic	(A)	$145,880	$145,075	$128,815
Add: Dividends on convertible preferred stock, if dilutive		6,314	6,323	8,325
Net income applicable to common shares—Diluted	(B)	$152,194	$151,398	$137,140
Weighted average common shares outstanding	(C)	47,838	46,524	38,699
Effect of dilutive potential common shares:				
Common stock equivalents		1,029	1,246	7,108
Convertible preferred stock, if dilutive		3,070	3,075	4,141
Total dilutive potential common shares		4,099	4,321	11,249
Weighted average common shares and effect of dilutive potential common shares	(D)	51,937	50,845	49,948
Net income per common share:				
Basic	(A/C)	$3.05	$3.12	$3.33
Diluted	(B/D)	2.93	2.98	2.75

Potentially dilutive common shares can result from stock options, restricted stock unit awards, stock warrants, the Company’s convertible preferred stock, tangible equity unit shares and shares to be issued under the ESPP and the DDFS Plan, being treated as if they had been either exercised or issued, computed by application of the treasury stock method. While potentially dilutive common shares are typically included in the computation of diluted earnings per share, potentially dilutive common shares are excluded from this computation in periods in which the effect would reduce the loss per share or increase the income per share. For diluted earnings per share, net income applicable to common shares can be affected by the conversion of the Company’s convertible preferred stock. Where the effect of this conversion would reduce the loss per share or increase the income per share, net income applicable to common shares is not adjusted by the associated preferred dividends.

(26) Quarterly Financial Summary (Unaudited)

The following is a summary of quarterly financial information for the years ended December 31, 2015 and 2014:

	2015 Quarters				2014 Quarters			
(In thousands, except per share data)	First	Second	Third	Fourth	First	Second	Third	Fourth
Interest income	$170,357	175,241	185,379	187,487	$161,326	166,550	170,676	172,715
Interest expense	18,466	18,349	19,839	20,281	17,320	17,370	19,006	18,996
Net interest income	151,891	156,892	165,540	167,206	144,006	149,180	151,670	153,719
Provision for credit losses	6,079	9,482	8,322	9,059	1,880	6,660	5,864	6,133
Net interest income after provision for credit losses	145,812	147,410	157,218	158,147	142,126	142,520	145,806	147,586
Non-interest income, excluding net securities gains (losses)	64,017	77,037	65,051	65,169	45,562	54,438	58,105	57,639
Net securities gains (losses)	524	(24)	(98)	(79)	(33)	(336)	(153)	18
Non-interest expense	147,318	154,297	159,974	166,829	131,315	133,591	138,500	143,441
Income before taxes	63,035	70,126	62,197	56,408	56,340	63,031	65,258	61,802
Income tax expense	23,983	26,295	23,842	20,896	21,840	24,490	25,034	23,669
Net income	$39,052	43,831	38,355	35,512	$34,500	38,541	40,224	38,133
	1,581	1,580	4,079	3,629	1,581	1,581	1,581	1,580

Preferred stock dividends and discount accretion								
Net income applicable to common shares	$37,471	42,251	34,276	31,883	$32,919	36,960	38,643	36,553
Net income per common share:								
Basic	$0.79	$0.89	$0.71	$0.66	$0.71	$0.79	$0.83	$0.78
Diluted	0.76	0.85	0.69	0.64	0.68	0.76	0.79	0.75
Cash dividends declared per common share	0.11	0.11	0.11	0.11	0.10	0.10	0.10	0.10

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(27) Subsequent Events

On January 14, 2016, the Company announced the signing of a definitive agreement to acquire Generations Bancorp, Inc. ("Generations"). Generations is the parent company of Foundations Bank which operates one banking location in Pewaukee, Wisconsin. At September 30, 2015, Foundations Bank had approximately $125 million in assets, approximately $72 million in loans, and approximately $97 million in deposits.

On January 21, 2016, the Company acquired $15.0 million of trust preferred securities issued by Wintrust Capital Trust VIII from a third-party investor. The purchase effectively extinguished $15.0 million of junior subordinated debentures related to Wintrust Capital Trust VIII and resulted in a $4.3 million gain.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

The Company made no changes in or had no disagreements with its independent accountants during the two most recent fiscal years or any subsequent interim period.

ITEM 9A. CONTROLS AND PROCEDURES

Disclosure Controls and Procedures

As of the end of the period covered by this Annual Report on Form 10-K, management of the Company, under the supervision and with the participation of the Chief Executive Officer and Chief Financial Officer, carried out an evaluation of the effectiveness of the design and operation of the Company’s disclosure controls and procedures as defined under Rules 13a-15(e) and 15d-15(e) of the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon, and as of the date of that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company’s disclosure controls and procedures were effective, in ensuring the information relating to the Company (and its consolidated subsidiaries) required to be disclosed by the Company in the reports it files or submits under the Exchange Act was recorded, processed, summarized and reported in a timely manner.

Changes in Internal Control Over Financial Reporting

There were no changes in the Company’s internal control over financial reporting that occurred during the quarter ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, the Company’s internal control over financial reporting.

Report on Management's Assessment of Internal Control Over Financial Reporting

Wintrust Financial Corporation is responsible for the preparation, integrity, and fair presentation of the consolidated financial statements included in this Annual Report on Form 10-K. The consolidated financial statements and notes included in this Annual Report on Form 10-K have been prepared in conformity with generally accepted accounting principles in the United States and necessarily include some amounts that are based on management's best estimates and judgments.

We, as management of Wintrust Financial Corporation, are responsible for establishing and maintaining adequate internal control over financial reporting that is designed to produce reliable financial statements in conformity with generally accepted accounting principles in the United States. The system of internal control over financial reporting as it relates to the financial statements is evaluated for effectiveness by management and tested for reliability through a program of internal audits. Actions are taken to correct potential deficiencies as they are identified. Any system of internal control, no matter how well designed, has inherent limitations, including the possibility that a control can be circumvented or overridden and misstatements due to error or fraud may occur and not be detected. Also, because of changes in conditions, internal control effectiveness may vary over time. Accordingly, even an effective system of internal control will provide only reasonable assurance with respect to financial statement preparation.

Management assessed the Company's system of internal control over financial reporting as of December 31, 2015, in relation to criteria for the effective internal control over financial reporting as described in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (COSO Criteria). Based on this assessment, management concludes that, as of December 31, 2015, its system of internal control over financial reporting is effective and meets the criteria of the COSO Criteria. Ernst & Young LLP, the independent registered public accounting firm, that audited the Company's financial statements included in this Annual Report on Form 10-K, has issued an attestation report on management's assessment of the Corporation's internal control over financial reporting. Their report expresses an unqualified opinion on the effectiveness of the Company's internal control over financial reporting as of December 31, 2015.

/s/ Edward J. Wehmer
Edward J. Wehmer
President and
Chief Executive Officer

/s/ David L. Stoehr
David L. Stoehr
Executive Vice President &
Chief Financial Officer

Rosemont, Illinois
February 29, 2016

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Explanation of Responses:

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Wintrust Financial Corporation and subsidiaries

We have audited Wintrust Financial Corporation and subsidiaries' internal control over financial reporting as of December 31, 2015, based on criteria established in Internal Control-Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework) (the COSO criteria). Wintrust Financial Corporation and subsidiaries' management is responsible for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Report on Management's Assessment of Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the company's internal control over financial reporting based on our audit.

We conducted our audit 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 effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, Wintrust Financial Corporation and subsidiaries maintained, in all material respects, effective internal control over financial reporting as of December 31, 2015, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the 2015 consolidated financial statements of condition of Wintrust Financial Corporation and subsidiaries as of December 31, 2015 and 2014, and the related consolidated statements of income, comprehensive income, shareholders' equity, and cash flows for each of the three years in the period ended December 31, 2015 of Wintrust Financial Corporation and subsidiaries and our report dated February 29, 2016 expressed an unqualified opinion thereon.

/s/ Ernst & Young LLP
Chicago, Illinois
February 29, 2016

ITEM 9B. OTHER INFORMATION
None.
PART III
ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE
The information required in response to this item will be contained in the Company’s Proxy Statement for its Annual Meeting of Shareholders to be held May 26, 2016 (the “Proxy Statement”) under the captions “Election of Directors,” “Executive Officers of the Company,” “Board of Directors’ Committees and Governance” and “Section 16(a) Beneficial Ownership Reporting Compliance” and is incorporated herein by reference.
The Company has adopted a Corporate Code of Ethics which complies with the rules of the SEC and the listing standards of the NASDAQ Global Select Market. The code applies to all of the Company’s directors, officers and employees and is posted on the Company’s website (www.wintrust.com), under the "Corporate Governance" section of the "Investor Relations" tab. The Company will post on its website any amendments to, or waivers from, its Corporate Code of Ethics as the code applies to its directors or executive officers.
ITEM 11. EXECUTIVE COMPENSATION
The information required in response to this item will be contained in the Company’s Proxy Statement under the captions “Executive Compensation,” “Director Compensation” "Compensation Committee Interlocks and Insider Participation" and “Compensation Committee Report” and is incorporated herein by reference. The information included under the heading “Compensation Committee Report” in the Proxy Statement shall not be deemed “soliciting” materials or to be “filed” with the SEC or subject to Regulation 14A or 14C, or to the liabilities of Section 18 of the Securities Exchange Act of 1934, as amended.
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT
Information with respect to security ownership of certain beneficial owners and management is incorporated by reference to the materials under the caption “Security Ownership of Certain Beneficial Owners, Directors and Management” that will be included in the Company’s Proxy Statement.
The following table summarizes information as of December 31, 2015, relating to the Company’s equity compensation plans pursuant to which common stock is authorized for issuance:
EQUITY COMPENSATION PLAN INFORMATION

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders			
WTFC 1997 Stock Incentive Plan, as amended	170,809	$ 25.51	—
WTFC 2007 Stock Incentive Plan	1,979,858	$ 29.77	—
WTFC 2015 Stock Incentive Plan	25,231	$ 19.18	5,594,550
WTFC Employee Stock Purchase Plan	—	—	150,035
WTFC Directors Deferred Fee and Stock Plan	—	—	427,842
	2,175,898	$ 29.31	6,172,427
Equity compensation plans not approved by security holders [(1)]			
N/A	—	—	—
Total	2,175,898	$ 29.31	6,172,427

(1) Excludes 16,364 shares of the Company's common stock issuable pursuant to the exercise of options granted under the plan of Delavan Bancshares, Inc. The weighted average exercise price of these options is $21.18. No additional

awards will be made under this plan.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE

The information required in response to this item will be contained in the Company’s Proxy Statement under the caption “Related Party Transactions” and is incorporated herein by reference.

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ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required in response to this item will be contained in the Company's Proxy Statement under the caption "Audit and Non-Audit Fees Paid" and is incorporated herein by reference.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Documents filed as part of this Annual Report on Form 10-K.

1 Financial Statements

The following financial statements of Wintrust Financial Corporation, incorporated herein by reference to Item 8, Financial Statements and Supplementary Data:

- Consolidated Statements of Condition as of December 31, 2015 and 2014
- Consolidated Statements of Income for the Years Ended December 31, 2015, 2014 and 2013
- Consolidated Statements of Comprehensive Income for the Years Ended December 31, 2015, 2014 and 2013
- Consolidated Statements of Changes in Shareholders' Equity for the Years Ended December 31, 2015, 2014 and 2013
- Consolidated Statements of Cash Flows for the Years Ended December 31, 2015, 2014 and 2013
- Notes to Consolidated Financial Statements
- Report of Independent Registered Public Accounting Firm

2 Financial Statement Schedules

Financial statement schedules have been omitted as they are not applicable or the required information is shown in the Consolidated Financial Statements or notes thereto.

3 Exhibits (Exhibits marked with a "*" denote management contracts or compensatory plans or arrangements)

3.1	Amended and Restated Articles of Incorporation of the Company, as amended (incorporated by reference to Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2006, Exhibits 3.1 and 3.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on July 29, 2011 and Exhibit 3.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2012).
3.2	Amended and Restated Certificate of Designations of the Company filed on December 18, 2008 with the Secretary of State of the State of Illinois designating the preferences, limitations, voting powers and relative rights of the Series A Preferred Stock (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008).
3.3	Certificate of Designations of the Company filed on March 15, 2012 with the Secretary of State of the State of Illinois designating the preferences, limitations, voting powers and relative rights of the Series C Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on March 19, 2012).
3.4	Certificate of Designations of the Company filed on June 24, 2015 with the Secretary of State of the State of Illinois designating the preferences, limitations, voting powers and relative rights of the Series D Preferred Stock (incorporated by reference to Exhibit 3.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 25, 2015.
3.5	Amended and Restated By-laws of the Company, as amended (incorporated by reference to Exhibit 3.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on April 8, 2015).
4.1	Certain instruments defining the rights of the holders of long-term debt of the Company and certain of its subsidiaries, none of which authorize a total amount of indebtedness in excess of 10% of the total assets of the Company and its subsidiaries on a consolidated basis, have not been filed as Exhibits. The Company hereby agrees to furnish a copy of any of these agreements to the Securities and Exchange Commission upon request.
4.2	

Warrant Agreement, dated as of February 8, 2011, between the Company and Wells Fargo Bank, N.A. as Warrant Agent (incorporated by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on February 9, 2011).

4.3 Form of Warrant (incorporated herein by reference to Exhibit 4.1 of the Company's Registration Statement on Form 8-A filed with the Securities and Exchange Commission on February 9, 2011).

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4.4	Junior Subordinated Indenture, dated December 10, 2010, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 10, 2010).
4.5	Subordinated Indenture, dated June 13, 2014, between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 13, 2014).
4.6	First Supplemental Indenture, dated June 13, 2014 between the Company and U.S. Bank National Association, as trustee (incorporated by reference to Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 13, 2014).
4.7	Form of 5.000% Subordinated Note due 2024 (incorporated by reference to Exhibit A in Exhibit 4.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on June 13, 2014).
10.1	Credit Agreement, dated as of December 15, 2014, among the Company, the lenders named therein, and Wells Fargo Bank, National Association, as administrative agent (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2014).
10.2	First Amendment to Credit Agreement, dated as of October 29, 2015, among the Company, the lenders named therein, and Wells Fargo Bank, National Association, as administrative agent.
10.3	Second Amendment to Credit Agreement, dated as of December 14, 2015, among the Company, the lenders named therein, and Wells Fargo Bank, National Association, as administrative agent.
10.4	Receivables Purchase Agreement, dated as of December 16, 2014, by and among First Insurance Funding of Canada Inc. and CIBC Mellon Trust Company, in its capacity as Trustee of PLAZA Trust (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2014).
10.5	First Amending Agreement to the Receivables Purchase Agreement, dated December 15, 2015, by and among First Insurance Funding of Canada Inc. and CIBC Mellon Trust Company, in its capacity as Trustee of PLAZA Trust.
10.6	Performance Guarantee, made as of December 16, 2014, by the Company in favor of CIBC Mellon Trust Company, in its capacity as trustee of PLAZA Trust (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 19, 2014).
10.7	Junior Subordinated Indenture, dated as of August 2, 2005, between the Company and Wilmington Trust Company, as trustee (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 4, 2005).
10.8	Amended and Restated Trust Agreement, dated as of August 2, 2005, among the Company, as depositor, Wilmington Trust Company, as property trustee and Delaware trustee, and the Administrative Trustees listed therein (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 4, 2005).

10.9	Guarantee Agreement, dated as of August 2, 2005, between the Company, as Guarantor, and Wilmington Trust Company, as trustee (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on August 4, 2005).
10.10	Indenture, dated as of September 1, 2006, between the Company and LaSalle Bank National Association, as trustee (incorporated by reference to Exhibit 10.1 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 6, 2006).
10.11	Amended and Restated Declaration of Trust, dated as of September 1, 2006, among the Company, as depositor, LaSalle Bank National Association, as institutional trustee, Christiana Bank & Trust Company, as Delaware trustee, and the Administrators listed therein (incorporated by reference to Exhibit 10.2 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on September 6, 2006).
10.12	Guarantee Agreement, dated as of September 1, 2006, between the Company, as Guarantor, and LaSalle Bank National Association, as trustee (incorporated by reference to Exhibit 10.3 of the Company's Current Report on Form 8- K filed with the Securities and Exchange Commission on September 6, 2006).

10.13	Amended and Restated Employment Agreement, dated December 19, 2008, between the Company and Edward J. Wehmer, President and Chief Executive Officer (incorporated by reference to Exhibit 10.4 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008).*
10.14	Amended and Restated Employment Agreement, dated December 19, 2008, between the Company and David A. Dykstra, Senior Executive Vice President and Chief Operating Officer (incorporated by reference to Exhibit 10.5 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008).*
10.15	Amended and Restated Employment Agreement, dated December 19, 2008, between the Company and Richard B. Murphy, Executive Vice President and Chief Credit Officer (incorporated by reference to Exhibit 10.7 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008).*
10.16	Amended and Restated Employment Agreement, dated December 19, 2008, between the Company and David L. Stoehr, Executive Vice President and Chief Financial Officer (incorporated by reference to Exhibit 10.6 of the Company's Current Report on Form 8-K filed with the Securities and Exchange Commission on December 24, 2008).*
10.17	Employment Agreement, dated August 30, 2011, between the Company and Lisa Reategui (incorporated by reference to Exhibit 10.18 of the Company's Annual Report on Form 10-K for the year ending December 31, 2011).*
10.18	Employment Agreement, dated August 11, 2008, between the Company and Timothy Crane.*
10.19	First Amendment to Employment Agreement, dated November 30, 2010, between the Company and Timothy Crane.*
10.20	Wintrust Financial Corporation 1997 Stock Incentive Plan (incorporated by reference to Appendix A of the Proxy Statement relating to the May 22, 1997 Annual Meeting of Shareholders of the Company).*
10.21	First Amendment to Wintrust Financial Corporation 1997 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company's Quarterly Report on Form 10-Q for the quarter ended June 30, 2000).*
10.22	Second Amendment to Wintrust Financial Corporation 1997 Stock Incentive Plan adopted by the Board of Directors on January 24, 2002 (incorporated by reference to Exhibit 99.3 of the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on July 1, 2004).*
10.23	Third Amendment to Wintrust Financial Corporation 1997 Stock Incentive Plan adopted by the Board of Directors on May 27, 2004 (incorporated by reference to Exhibit 99.4 of the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission on July 1, 2004).*
10.24	Wintrust Financial Corporation 2007 Stock Incentive Plan, as amended (incorporated by reference to Exhibit 4.6 to the Company's Registration Statement on Form S-8, filed with the Securities and Exchange Commission on November 8, 2011).*
10.25	Form of Nonqualified Stock Option Agreement under the Company's 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.31 of the Company's Annual Report on Form 10-K for the year ending December 31, 2006).*

10.26	Form of Restricted Stock Unit Award Agreement under the Company’s 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.32 of the Company’s Annual Report on Form 10-K for the year ending December 31, 2006).*
10.27	Form of Performance Share Unit Award - Stock Settled under the Company's 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).*
10.28	Form of Performance Share Unit Award - Cash Settled under the Company's 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.2 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).*
10.29	Form of Performance Cash Award under the Company's 2007 Stock Incentive Plan (incorporated by reference to Exhibit 10.3 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2013).*
10.30	Form of Performance Share Unit Award - Shares Settled - Deferral Option under the Company’s 2007 Stock Incentive Plan.
10.31	Form of Performance Share Unit Award - Cash Settled - Deferral Option under the Company’s 2007 Stock Incentive Plan.

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10.32	Wintrust Financial Corporation Employee Stock Purchase Plan, as amended (incorporated by reference to Annex A of the Company's definitive Proxy Statement filed with the Securities and Exchange Commission on April 24, 2012).*
10.33	Wintrust Financial Corporation Directors Deferred Fee and Stock Plan (incorporated by reference to Appendix B of the Proxy Statement relating to the May 24, 2001 Annual Meeting of Shareholders of the Company).*
10.34	Wintrust Financial Corporation 2005 Directors Deferred Fee and Stock Plan, as amended and restated (incorporated by reference to Exhibit 99.1 of the Company’s Current Report on Form 8-K, filed with the Securities and Exchange Commission on July 29, 2014).*
10.35	Form of Cash Incentive and Retention Award Agreement under the Company’s 2008 Long-Term Cash and Incentive Retention Plan with no Minimum Payout (incorporated by reference to Exhibit 10.3 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2008).*
10.36	Form of Director Indemnification Agreement (incorporated by reference to Exhibit 10.2 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
10.37	Form of Officer Indemnification Agreement (incorporated by reference to Exhibit 10.3 of the Company’s Quarterly Report on Form 10-Q for the quarter ended June 30, 2009).
10.38	Wintrust Financial Corporation 2015 Stock Incentive Plan (incorporated by reference to Exhibit 10.1 of the Company’s Current Report on Form 8-K filed with the Securities and Exchange Commission on June 1, 2015).
12.1	Computation of Ratio of Earnings to Fixed Charges.
12.2	Computation of Ratio of Earnings to Fixed Charges and Preferred Stock Dividends.
21.1	Subsidiaries of the Registrant.
23.1	Consent of Independent Registered Public Accounting Firm.
31.1	Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of the Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Chief Executive Officer and Chief Financial Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.
101.INS	XBRL Instance Document (1)
101.SCH	XBRL Taxonomy Extension Schema Document
101.CAL	XBRL Taxonomy Extension Calculation Linkbase Document
101.LAB	XBRL Taxonomy Extension Label Linkbase Document
101.PRE	XBRL Taxonomy Extension Presentation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

(1) Includes the following financial information included in the Company’s Annual Report on Form 10-K for the year ended December 31, 2015, formatted in XBRL (eXtensible Business Reporting Language): (i) the Consolidated Statements of Condition, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Changes in Shareholders’ Equity, (v) the Consolidated Statements of Cash Flows, and (vi) Notes to Consolidated Financial Statements.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WINTRUST FINANCIAL CORPORATION (Registrant)

February 29, 2016	By:	/s/ EDWARD J. WEHMER Edward J. Wehmer, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

/s/ PETER D. CRIST Peter D. Crist	Chairman of the Board of Directors	February 29, 2016
/s/ EDWARD J. WEHMER Edward J. Wehmer	President, Chief Executive Officer and Director (Principal Executive Officer)	February 29, 2016
/s/ DAVID L. STOEHR David L. Stoehr	Executive Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	February 29, 2016
/s/ BRUCE K. CROWTHER Bruce K. Crowther	Director	February 29, 2016
/s/ JOSEPH F. DAMICO Joseph F. Damico	Director	February 29, 2016
/s/ ZED S. FRANCIS, III Zed S. Francis, III	Director	February 29, 2016
/s/ MARLA F. GLABE Marla F. Glabe	Director	February 29, 2016
/s/ H. PATRICK HACKETT, JR. H. Patrick Hackett, Jr.	Director	February 29, 2016
/s/ SCOTT K. HEITMANN Scott K. Heitmann	Director	February 29, 2016
/s/ CHARLES H. JAMES III Charles H. James III	Director	February 29, 2016
/s/ ALBIN F. MOSCHNER Albin F. Moschner	Director	February 29, 2016
/s/ CHRISTOPHER J. PERRY Christopher J. Perry	Director	February 29, 2016

/s/ INGRID S. STAFFORD Ingrid S. Stafford	Director	February 29, 2016
/s/ GARY D. "JOE" SWEENEY Gary D. "Joe" Sweeney	Director	February 29, 2016
/s/ SHEILA G. TALTON Sheila G. Talton	Director	February 29, 2016

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