



PRIVATEBANCORP

I N C .

DEDICATED TO BUILDING AND
PRESERVING WEALTH



PRIVATEBANCORP

I N C .

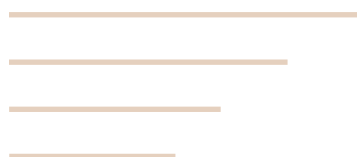
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FINANCIAL HIGHLIGHTS



TOTAL ASSETS (IN MILLIONS)



1999	518.7
1998	416.3
1997	311.9
1996	246.7

TRUST ASSETS UNDER ADMINISTRATION (IN MILLIONS)



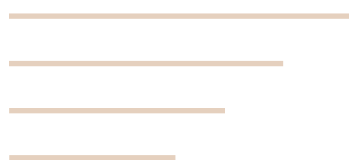
1999	730.0
1998	611.6
1997	470.0
1996	328.7

NET INCOME (IN THOUSANDS)



1999	2,915.0
1998	3,010.1
1997	2,145.3
1996	1,433.0

TOTAL DEPOSITS (IN MILLIONS)



1999	453.1
1998	365.0
1997	285.8
1996	222.6

TOTAL LOANS (IN MILLIONS)



1999	397.3
1998	282.0
1997	218.5
1996	171.3

TOTAL CAPITAL (IN MILLIONS)



1999	47.1
1998	29.3
1997	24.7
1996	20.2

TO OUR STOCKHOLDERS

VISION



“THE ACHIEVEMENTS OF THE PAST TWELVE MONTHS NOT ONLY FURTHER ENHANCED THE SOLID FOUNDATION WE HAVE BUILT OVER THE PAST EIGHT YEARS, BUT ALSO SET THE STRATEGIC DIRECTION FOR THE FUTURE OF OUR COMPANY.”

*Ralph B. Mandell
Chairman, President, and
Chief Executive Officer*

1999 was clearly the most significant year for PrivateBancorp, Inc. since its inception. The achievements of the past twelve months not only further enhanced the solid foundation we have built over the last eight years, but also set the strategic direction for the future of our Company. From the beginning, as we worked to establish a sound foundation and the reputation of the Bank within the Chicago community, particularly among the targeted group of clients we seek to serve, we have continually looked ahead to our long-term goals. Our success in establishing The PrivateBank as a well-run, profitable Bank provided the base that enabled us to continue strong internal growth while moving ahead with strategies designed to ensure the future success of our Company.

In last year’s report, we spoke with you about our plans for expanding our market presence and continuing our record of prosperous growth. Our goals included creating a public market for our shares that would secure the resources needed to support the Bank’s internal growth, making selective acquisitions in affluent markets, and expanding The PrivateBank concept to additional markets. In 1999, we either accomplished or set in motion all of our targeted goals. Executing our stated strategies will result in enhancements for our clients and we believe, added long-term value for our stockholders.

ACCESS TO CAPITAL

The first of our goals for 1999 involved planning and successfully completing an initial public offering (IPO) of the Company’s stock. Our objective was to obtain capital for acquisitions and provide ongoing access to capital markets to support future internal and external growth, while creating liquidity for individual stockholders.

The IPO of PrivateBancorp common stock raised \$18.6 million in capital (\$16.7 million net after expenses), in July 1999.

Prior to the IPO, our confidence in the value of our stock was demonstrated by our announcement of a two-for-one stock split, following an eight-for-one split of the Company's stock in 1998.

INTERNAL GROWTH

Since the inception of The PrivateBank, we have focused on providing a distinct, highly personalized experience in relationship banking targeted to individuals and their businesses, interested in building and preserving wealth. Over the past nine years, as we have refined this concept, we opened successful full service banking offices in Wilmette and Oak Brook. This year we found an opportunity to expand The PrivateBank concept by acquiring Towne Square Financial Corporation, a company formed by experienced bankers and business leaders who were actively exploring the development of a *de novo* bank in St. Charles, Illinois.

Through this acquisition, which was completed in August 1999, we are now well positioned for our entry into the affluent Fox Valley. Our St. Charles office will be managed by Thomas Castronovo, a resident of the area, who is attuned to the unique service culture of The PrivateBank. He will be assisted in the development of the office by an advisory board of well-respected community leaders. We believe that the market opportunities in the Fox Valley, supported by the commitment of the original Towne Square organizers, offer excellent potential for a strong return on investment over the long term. The St. Charles office, which opened in January 2000, is expected to move quickly toward profitability.

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WEALTH.

TO OUR STOCKHOLDERS

V I S I O N

SELECTIVE ACQUISITIONS

Once the IPO of PrivateBancorp stock was successfully completed in July, we found an immediate opportunity to put the newly raised capital to work with the purchase of Johnson Bank Illinois, which has offices in Lake Forest and Winnetka. The acquisition, which was announced in September, closed in mid-February 2000. Both locations have become offices of The PrivateBank, increasing total bank assets to over \$600 million. The addition of two new locations on Chicago's North Shore provides us with a gateway into Lake County and the burgeoning growth taking place in McHenry County, and will give us greater ability to serve clients on the North Shore. This will bring the total number of PrivateBank offices in the Chicago market to six, all of which are ideally situated to reach our affluent target audience.



EXPANSION TO ADDITIONAL MARKETS

Another of our strategic goals is to expand into new Midwestern markets with strong economies and a potential base of affluent clients that have been disenfranchised by bank consolidations. In keeping with this strategy, we announced our expansion into St. Louis, Missouri in November, with the filing of our application to charter a new federal savings bank known as The PrivateBank (St. Louis). One of the underlying principles of this strategy is finding key banking executives who are networked into the selected market and who understand and make a commitment to instill the unique culture of The PrivateBank. We are excited that our management group in St. Louis will be led by Richard C. Jensen, who will serve as chairman and chief executive officer of the St. Louis Bank. Richard, who has more than 30 years of high-level banking experience, brings in-depth knowledge of the St. Louis market, which should serve to enhance our efforts there. We

expect to receive approval of our St. Louis charter and hold our official opening there in the second quarter of 2000.

The Bank's growth over the past year has also expanded our role and responsibilities in community development, which now reaches into every Chicago area neighborhood, including the South Side, the Near West Side, Humboldt Park, and the North Shore. During 1999, we increased our commitment to community service by forming strategic relationships with several not-for-profit institutions, including Neighborhood Housing Services of Chicago and the Shore Bank Development Corporation. We are now actively working with these organizations on real estate rehabilitation and development projects as well as counseling and home ownership education programs. In 1999, our community development programs received a satisfactory Community Reinvestment Act (CRA) rating.

FINANCIAL GROWTH IN 1999

From a financial perspective, 1999 was another outstanding year for us, as our record of double-digit growth continued for the ninth consecutive year. During the year, loans increased by over \$100 million, or 41%, the strongest loan growth in our history. This increased level of activity extended to all offices, and the asset quality of our overall portfolio remained excellent. At the same time, deposits grew 24%. As of December 31, 1999, assets under administration by our Trust area, a key area of growth within the Bank, had reached \$730 million, generating \$1.6 million in fees. Excluding the acquisition charges associated with the St. Charles office, and the start-up costs in St. Louis, 1999 earnings were \$4.5 million, an increase of 50% over 1998 net income.

THE ADDITION
OF TWO NEW
LOCATIONS ON
CHICAGO'S NORTH
SHORE PROVIDES US
WITH AN ENTRÉE TO
LAKE COUNTY AND
THE BURGEONING
GROWTH TAKING
PLACE IN MCHENRY
COUNTY.



VISION

WE BELIEVE THAT
OUR STRONG
GROWTH IS A
TESTAMENT TO
THE FACT THAT
WE EXECUTE
WHAT WE PROMISE—
ON BOTH A
QUALITATIVE AND
QUANTITATIVE BASIS.

Before these special charges, 1999 earnings per diluted share were \$1.07, a 24% increase over 1998 earnings per diluted share.

During 1999, the Bank also committed significant resources— financial and personal— to ensuring that the transition to the year 2000 caused no interruption in service for our clients. Our preparations included thoroughly testing our systems, working with our business partners to monitor their progress toward Y2K compliance, and developing contingency plans. We are pleased to report that the Y2K transition was indeed a non-event for our Bank.

SUPPORTING PERSONALIZED SERVICE

Since our inception, The PrivateBank has always prided itself on providing a unique level of personalized service to our clients. We believe that our strong growth is a testament to the fact that we execute what we promise – on both a qualitative and quantitative basis. At the same time, we are constantly aware of the challenges involved in maintaining this unique level of quality and helping it coexist, and even thrive, in a strong growth environment. We are confident that the naming of several new managing directors, who will support our efforts through ongoing, direct client contact, will play a major role in helping us accomplish this objective. The addition of Thomas Castronovo and Richard Hillier in the Fox Valley, Richard Jensen, Allan Ivie, Sanford Scott, John Rouse, and John Dickinson in St. Louis, and John Hunt, Karen Hunt, Ellen Abell, and James Badger in Lake Forest, brings a rare combination of experience, established contacts, and enthusiasm to our staff.



Together, with their professional staffs, we fully anticipate that these additions to The PrivateBank family will provide the quality and service ethic in each of their marketplaces that clients have come to expect of The PrivateBank.

During the last half of 1999, we increased our client contact and support staffs, and we expect to continue this expansion through early 2000. These additions are designed to provide us with additional product expertise, especially in the cash management area, and enhance our ability to serve—both operationally and substantively— the evolving needs of our clients. In 2000, we expect to expand our trust capabilities by locating trust specialists in our North Shore and western suburban offices.

To further support and enhance our services, we successfully completed the conversion to a new data processing system for our banking services during the third quarter of 1999. The new system, which was developed by a premier provider of Bank data processing services, enhances current services, improves our ability to maintain and upgrade products, and supports the development of new services. All of this, in turn, enables us to better serve our clients. We also continue to make improvements to our Website for those clients who want interactive access to day-to-day banking services. In keeping with our goal of increasing the convenience of The PrivateBank's services as we add these new offices, our services now include safe deposit boxes, several ATM's, and drive-through service windows at selected locations.

TO FURTHER SUPPORT
AND ENHANCE OUR
SERVICES, WE
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CONVERSION TO
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FOR OUR BANKING
SERVICES DURING THE
THIRD QUARTER
OF 1999.

TO OUR STOCKHOLDERS

VISION

MANAGEMENT CHANGES

I would also like to take this opportunity to thank the members of our Board of Directors who retired during 1999 and to welcome the new additions to our Board. During 1999, W. James Farrell, Chairman and Chief Executive Officer of Illinois Tool Works, Inc., and David A. Rubin, Senior Vice President of Investments at Morgan Stanley Dean Witter, announced their retirements as Directors of PrivateBancorp, Inc. Their dedicated service over the past nine years contributed greatly to making PrivateBancorp a success, and we thank them for all of their efforts. In August 1999, we welcomed William J. Podl as a new member of our Board. Bill is the Chairman of Doran Scales, Inc., and has strong connections to the western suburbs and the St. Charles area. His counsel, as well as his knowledge of the Fox Valley market, should prove invaluable as we focus on the success of the St. Charles office. In January 2000, Richard C. Jensen, who will become Chairman and Chief Executive Officer of The PrivateBank (St. Louis), became the newest member of the Board.



Earlier in 1999, Caren (Jeff) Reed announced his plans to retire from day-to-day involvement with the Bank at the end of the year. Jeff, who has served as President, Chief Credit Officer, and Managing Director since 1990, will remain Vice Chairman of The PrivateBank and PrivateBancorp, Inc., and continue to serve on the Boards of both. Additionally, he plans to remain actively involved with his current clients. Jeff was part of the original group involved in the founding of The PrivateBank, and has contributed enormously to its success over the past decade. We wish him and his wife Judy the very best, as they have earned the opportunity for relaxation. To ensure a smooth transition in the credit area, James Ruckstaetter has been working closely with Jeff since mid-1999 and assumed the position of Managing Director and Chief Credit Officer at year end.

All in all, 1999 was an exceptional year. In addition to our many accomplishments, the year saw the establishment of the strategic direction we intend to pursue over the next several years. We believe that the year 2000 will be just as exciting and productive as we continue to successfully execute the promises we made to our clients and investors in 1999. We remain a highly focused financial organization with a well-deserved reputation for premium service and the ability to follow through on commitments. As 2000 progresses, we will continue to actively explore opportunities in closely related financial businesses that we believe can provide synergy with existing Bank services. We are confident that our clients and our stockholders will see the benefits of these strategies in 2001 and beyond.



RALPH B. MANDELL
CHAIRMAN, PRESIDENT, AND
CHIEF EXECUTIVE OFFICER

AS 2000 PROGRESSES,
WE WILL CONTINUE
TO ACTIVELY EXPLORE
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WITH EXISTING BANK
SERVICES.



G R O W T H



OVER THE PAST
DECADE, OUR
ATTENTION HAS
LARGELY BEEN
FOCUSED ON
ESTABLISHING
THE BANK AS A
VIABLE BUSINESS
AND ON GROWING
OUR CLIENT BASE
AND SERVICES.

At The PrivateBank, profitable growth, within the parameters of our commitment to personal service, has always been a major objective. Over the past decade, our attention has largely been focused on establishing the Bank as a viable business and on growing our client base and services. As the Bank became solidly established as a full-service provider of premier banking and investment services, we began to focus additional attention on long-term growth strategies. The development of such strategies is an essential part of enhancing the future success of The PrivateBank and adding value for our stockholders. A key element in the formulation of these plans is our confidence in our ability to successfully execute the strategies that we devise. In 1999, we put that confidence to the test by moving to take advantage of expansion opportunities that occurred in the marketplace while successfully maintaining our focus on the financial growth of the Bank.

Over the twelve months ended December 31, 1999, The PrivateBank demonstrated significant balance sheet growth. The Bank's record of double-digit growth extended to our lending activities, which reported a 41% increase in loan volume. The focus of both our Personal and Commercial Lending areas is to serve the credit needs of our clients while strengthening existing partnerships and developing new, broad-based relationships. As the initiatives we put into place over the past two years came to fruition, each of our offices reported strong lending activity, especially in residential real estate loans. At the same time, the asset quality of our loan portfolio remained very healthy, reflecting the experience of our lending staff as well as the financial strength of our clients. Although higher interest rates during the last six months of 1999 led to a slowdown in the refinancing market, we expect loan growth to remain strong in 2000.



In the second half of 1999, the Company's reported earnings were impacted by the \$1.3 million charge associated with the acquisition of the Towne Square Financial Corporation in St. Charles, Illinois. Without this one-time charge and the start-up costs in both St. Charles and St. Louis, earnings for the Company in 1999 would have been \$4.5 million, and diluted earnings per share would have been \$1.07, both up significantly from 1998 levels.

One of the key components of our growth strategy in 1999 was creating a public market for the Company's stock to gain access to capital markets and support future plans for expansion. During the third quarter of 1999, the Company completed its initial public offering of 1,035,000 shares. The initial public offering price was \$18 per share, and the Company received aggregate net proceeds of approximately \$16.7 million after deducting underwriting commissions and offering expenses. Approximately half of this amount was infused as Bank capital while the other half was earmarked for future acquisitions. Our goal of creating a public market for the Company's stock has been realized, with our common stock now traded daily on the Nasdaq National Market under the symbol PVTB.

Success in commercial real estate depends on a special combination of factors - the right idea, the right developer, and The PrivateBank to pull it all together. Managing Director, Hugh McLean (left) delivers knowledgeable, one-to-one service to DuPage County business owners like Angelo Palumbo (right), Homewerks Development Corp.



G R O W T H

In any new venture, our focus will emphasize quality service and the value of client relationships. All new strategic alliances we pursue will complement our services and enable us to broaden our product lines to better service our clients.

P V T B

An important element of our growth in 1999 was the expansion of The PrivateBank concept to additional markets. Within the first half of 2000, we expect to be fully operational at four additional locations, bringing the total number of PrivateBank offices to seven. At The PrivateBank, we take a qualitative, rather than quantitative, approach to expansion. From a client perspective, our goal is to identify strategically located key markets where our target clientele has been affected by bank consolidations and make it more convenient for both current and prospective clients to access The PrivateBank's unique approach to financial services. From an investment perspective, our expansion strategies are designed to provide us with economies of scale, enhancing our ability and effectiveness in managing our large client relationships. In this way, we can create opportunities for success.

Success in a highly competitive market, such as in the Fox Valley, depends on the ability to assemble the right combination of products and services needed to satisfy clients needs. Thomas Castronovo (right) is attuned to those needs as he prepares for the St. Charles office opening in January 2000. John Hoscheit (left), Partner of Hoscheit & McGuirk, P.C., serves on the Bank's Kane County Advisory Board.



Our St. Charles office, which opened on January 31, 2000, provides an excellent example of our approach to expansion. We had previously identified the Fox Valley as a key target area for future expansion, based on its demographics as well as a number of bank mergers that had reduced personalized banking services in the area. In April 1999, we learned of a group of local bankers and business leaders who were actively pursuing the formation of a new bank in St. Charles. Through a series of meetings with the organizers of Towne Square Financial Corporation, we found that we were in agreement on the approach to service for this market. Their contacts and experience in the local market, combined with our well-established reputation, trust capabilities, and access to capital, create a strong foundation for success in building new client relationships in the Fox Valley.

Headed by Thomas Castronovo, one of the principal organizers of Towne Square with 18 years of banking experience in the Fox Valley, the St. Charles office will be staffed by experienced bankers from the local community. This location has been designed to welcome and encourage clients to make use of the electronic information available in the center of the lobby, while taking advantage of all the personal and commercial financial services offered by the Bank. We are extremely excited about the potential offered by St. Charles and the surrounding Fox Valley communities, where we expect to focus on trust services, personal and residential lending, as well as a full realm of commercial banking services. We believe the St. Charles office will move quickly toward profitability while creating a culture that espouses the values of personal relationships, superior execution, and unsurpassed service that have become the hallmark of The PrivateBank.

WE ARE
EXTREMELY
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THE POTENTIAL
OFFERED BY
ST. CHARLES
AND THE
SURROUNDING
FOX RIVER VALLEY
COMMUNITIES.



G R O W T H



In October 1999, we found an additional opportunity to implement our growth strategy that also enabled us to put the capital raised through our IPO to work immediately. The purchase of Johnson Bank Illinois from Johnson International, Inc. of Racine, Wisconsin, not only is a good fit culturally, but also provides us with access to affluent communities within Lake and McHenry counties. The purchase price of \$20 million for Johnson Bank Illinois was comprised of \$15 million in cash, with the remainder paid in the form of a subordinated note issued to Johnson International. The cash portion of the purchase was funded with \$7.5 million out of the proceeds of the Company's IPO, and \$7.5 million from borrowings under a new credit facility with a correspondent bank. With \$113 million in assets, the acquisition of Johnson Bank Illinois adds two locations—Lake Forest and Winnetka—to our current office in Wilmette, giving us a presence in three key markets on Chicago's North Shore. Based on projected cost savings, revenue enhancements, and business growth, the transaction, which was completed on February 11, 2000, is expected to be accretive to earnings in 2000 and benefit the Bank with significant revenue growth opportunities.

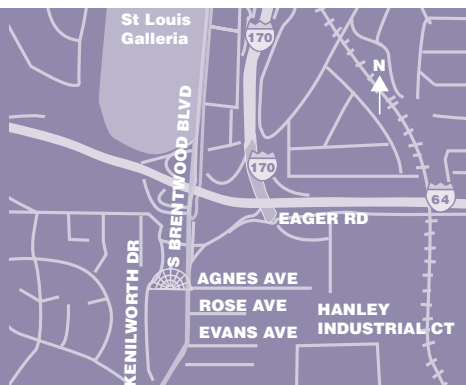
Consistent with our strategy to enter attractive Midwestern markets with growth characteristics similar to those of Chicago, in November we announced the filing of an application to charter a new federal savings bank in St. Louis, Missouri. Working with a group of local organizers headed by prominent St. Louis banker Richard Jensen, who formerly served as President and CEO of Royal Banks of Missouri, and in management positions with NationsBank, we expect to receive regulatory approval from the Office of Thrift Supervision and open for business in the second quarter of 2000. Mr. Jensen, who will serve as Chairman and Chief Executive Officer of The PrivateBank (St. Louis), has assembled a management team that includes several leading St. Louis banking executives as well as a local board of directors comprised of prominent area business people who know the St. Louis market well. The PrivateBank

concept, with its high levels of personal service and attention, is new to the St. Louis market, where acquisitions of the city's three largest banks by out-of-state corporations have had an impact on the quality of banking services offered within the area. As a result, we have high expectations for the success of the St. Louis office as we proceed to develop credit business relationships by establishing a loan production office there.

The success of The PrivateBank approach to providing financial services continues to be demonstrated in the growth of our established offices in Oak Brook and Wilmette as well as our headquarters located in Chicago's Loop, all of which had outstanding years in 1999. Both Oak Brook and Wilmette reported strong deposit and commercial loan growth for the year. As mature offices, these locations are now focusing on strengthening existing client relationships while continuing to pursue opportunities for additional deposit growth and lending activity. The strategic addition of offices on Chicago's North Shore and in the Fox Valley and St. Louis to these established locations presents excellent opportunities for the products and services we offer and positions The PrivateBank for strong future financial growth.

THE SUCCESS OF THE
PRIVATEBANK
APPROACH TO
PROVIDING FINANCIAL
SERVICES CONTINUES
TO BE DEMONSTRATED
IN THE GROWTH OF
OUR ESTABLISHED
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AND WILMETTE AS
WELL AS OUR
HEADQUARTERS
LOCATED IN
CHICAGO'S LOOP.

ST. LOUIS



ST. CHARLES

S E R V I C E



AT THE PRIVATEBANK,
WE REALIZE THAT
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MUST ALWAYS REMAIN
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MARKETPLACE AND
CREATES OUR SUCCESS.

Over the past decade, The PrivateBank has earned a reputation as a premier provider of personalized financial services targeted to a clearly defined client base, primarily affluent individuals, professionals, owners of closely held businesses, and commercial real estate investors. Providing service at the highest level continued to be a central focus in 1999, even as we faced the challenges that accompany growth and expansion. At The PrivateBank, we realize that quality service must always remain our highest priority, as this is what distinguishes us in the marketplace and creates our success.

During 1999, The PrivateBank continued to offer its unique approach to relationship banking focused on highly personalized trust, investment management, lending, and deposit services. Our consistent emphasis on building and enhancing client relationships, thereby becoming a critical element in our clients' success, contributed to strong asset and client base growth. To provide additional opportunities for sustained growth in the future, we also continued to explore the development of new services that will enable us to better serve our clients and enhance the Bank's profitability.

**Trust and Asset Management:
Personal Relationships, Professional Service**

In 1999, our Trust and Asset Management area marked another milestone, as we passed the \$700 million mark in assets under administration. As of December 31, 1999, our trust assets totaled \$730 million, reflecting growth of 19% over the past twelve months. Dramatic growth in our personal trust area accounted for the majority of the increase in trust assets. Our reputation for excellence in trust services continued to grow, with referrals from satisfied clients and from third-party providers of services to high net worth individuals, including attorneys, accountants, and investment managers. These providers know that they can rely on The PrivateBank for the same high level of service that they themselves provide. Earning the trust of both clients and providers is one of our Trust area's major accomplishments.



Another reason behind the strong growth of our Trust area is our unique approach to asset management. Through strategic alliances with major investment management firms offering a wide range of investment vehicles and approaches, we structure individually tailored investment programs customized to each client's specific needs and goals. In addition to our recommended list of investment managers, we can also work with any manager the client specifies. This approach enables us to accommodate each client's needs in terms of diversity and flexibility, number of managers, active management, and increased personalized attention. In addition, because we do not manage the assets ourselves, our clients benefit from our objective performance evaluation and perspective on their investment programs.

At The PrivateBank, our trust and asset management services continue to be characterized by personal contact at the senior management level, efficient handling of each detail of the trust and custody relationship, and the stability and consistent performance of our account administration staff. In 1999, we added a new performance-based measurement system designed to enhance client reporting and statements, investment manager communication, and account monitoring.

Success in establishing a reputation for reliability and responsiveness, our trust officers provide corporate and individual custodial services on all levels. Managing Director, Gail Fitzgerald (far left) provides top-caliber service as a trusted advisor for many of our clients, including Mrs. Irvin E. Houck (right).



S E R V I C E

PRIVATEBANK
 COUNSELOR BOTH
 FILLS A NICHE FOR
 CLIENTS WHO NEED
 ASSISTANCE WITH THE
 COMPLEXITIES OF
 INVESTING AND
 PROVIDES THE
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 THE POTENTIAL FOR
 INCREASED BUSINESS.

We also introduced PrivateBank Counselor, an asset allocation program that combines professional portfolio management with an investment plan that can be tailored to the individual client's personal financial goals. Following an in-person interview with our experienced investment management staff, PrivateBank Counselor analyzes the client's feedback on topics such as risk tolerance and investment preferences and then guides clients in making the asset allocation decisions that can best achieve their goals. Through a broad range of mutual funds covering a variety of investment vehicles and styles, PrivateBank Counselor enables clients to establish cost-effective portfolios and then effectively monitor and manage their progress toward their goals.

PrivateBank Counselor is designed to accommodate both taxable and tax-deferred assets in individual as well as institutional accounts. Because the program's approach is practical and customized, we believe that PrivateBank Counselor both fills a niche for clients who need assistance with the complexities of investing and provides The PrivateBank with the potential for increased business.

As The PrivateBank continues to expand, we expect our Trust and Asset Management area to become increasingly important to the Bank's success. Our outlook for the Trust area in 2000 is one of continued growth, in client relationships and trust assets. In February 2000, the acquisition of Johnson Bank Illinois added more than \$60 million to our trust assets under administration. The new year will also see an expansion of our trust services beyond our Chicago office and the addition of trust staff to our suburban offices.



Continued Service Enhancements

During the third quarter of 1999, we completed the conversion to a new data processing system for our banking services. The new system was chosen based on the research and innovation that went into its development. The benefits of the conversion for our clients include enhanced services, improved maintenance and updating capabilities, and increased support for new product development.

In keeping with our belief that our people are key to long-term client relationships, we continue to add highly qualified staff, while providing educational support on current issues and market trends. In this way, we can ensure a continuity in the quality of service, that has become the hallmark of The PrivateBank, to fulfilling client's expectations.

During 1999, our continued emphasis on superior service, combined with our attention to the challenges of expansion, resulted in the growth of both the number of clients served by The PrivateBank as well as their degree of satisfaction. We expect this trend to continue, to the benefit of the Company and its stockholders.

THE PERSONALIZED
SERVICE THAT IS
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WILL CONTINUE
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OUR CLIENTS'
EXPECTATIONS.



COMMUNITY DEVELOPMENT



PROVIDING AN IMPORTANT RESOURCE

Our expansion into new markets over the past year also serves to reaffirm our commitment to community development within those areas. The PrivateBank is committed to active participation in a wide variety of programs that focus on affordable housing, health and education, and continued support of small business development.

In 1999, The PrivateBank committed more than \$20 million to community development projects in the Chicago area. One of our initiatives focused on a large apartment building located in Chicago's South Shore area. Once plagued by mismanagement, enforced vacancies, and foreclosure, the building has now been totally rehabilitated. During 1999, we also worked with AK Acquisitions on the conversion of a vacant and neglected industrial building in Chicago's Humboldt Park area. The completion of these two projects brought 140 units of quality, affordable housing to Chicago's neighborhoods. On an ongoing basis, we continue to work with the Tri-Taylor West Limited Partnership to revitalize that Chicago neighborhood.

Our community development efforts in 1999 also included the formation of strategic relationships with several not-for-profit organizations, including Neighborhood Housing Services of Chicago and the Shore Bank Development Corporation. Through these relationships, community groups gained access to the high-quality services offered by The PrivateBank, and we have now become the lender of choice for many of these organizations. The goal of these relationships is not only to address the financial needs of our communities, but to look for opportunities to make lasting improvements in our neighborhoods and the lives of our residents.



To this end, The PrivateBank remains involved in both broad legislative and regulatory initiatives as well as more personal endeavors, through counseling programs that cover topics such as home ownership education, lending practices, and alternative financing strategies. In addition, on an individual basis, the staff of The PrivateBank provides many hours of volunteer service to educational, civic, and cultural groups throughout the Chicago metropolitan area.

As The PrivateBank continues to grow, so will our responsibility to serve the communities where we live and do business. We believe that our community development efforts over the past year have enhanced our ability to serve as an important resource to all of these communities.

AS AN
ORGANIZATION,
WE SUPPORT
LENDING ACTIVITIES
THAT ENHANCE
OUR COMMUNITIES
AND COMPLY
WITH THE FEDERAL
COMMUNITY
REINVESTMENT
ACT (CRA).



We are committed to the areas we serve, in support of affordable housing, health and education. Gary Collins (left), Managing Director, meets with Dr. Robert Threatte (right), General Partner, Threatte Family Ltd. Partnership, at one of the large apartment complexes on the outskirts of Chicago.

OUR PEOPLE



EXPERIENCE AND
DEDICATION TO
SERVING CLIENTS
ENSURE QUALITY
AND CONTINUITY
OF RELATIONSHIPS

THE BOARD OF DIRECTORS PRIVATEBANCORP, INC.

Ralph B. Mandell

*Chairman, President and
Chief Executive Officer
PrivateBancorp, Inc., and
The PrivateBank and
Trust Company*

Caren L. Reed

*Vice Chairman
PrivateBancorp, Inc., and
The PrivateBank and
Trust Company*

Donald A. Roubitckek

*Chief Financial Officer,
PrivateBancorp, Inc., and
The PrivateBank and
Trust Company*

Donald L. Beal

*President,
Arrow Lumber*

Naomi T. Borwell

Private Investor

William A. Castellano

*Chairman, Workspace
Chairman, WorkNet*

Robert F. Coleman

*Owner,
Robert F. Coleman
& Associates*

John E. Gorman

*General Partner,
The Jorman Group*

Alvin J. Gottlieb

Private Investor

James M. Guyette

*President and
Chief Executive Officer,
Rolls Royce North
America Inc.*

Richard C. Jensen *

Managing Director

Philip M. Kayman

*Senior Partner,
Neal Gerber & Eisenberg*

William R. Langley

Private Investor

Thomas F. Meagher

*Chairman of the Board
Howell Tractor &
Equipment Co.*

William J. Podl

*Chairman,
Doran Scales, Inc.*

Michael B. Susman

*Partner,
Spitzer, Addis,
Susman & Krull*

**Elected to Board in
January 2000*

OUR PEOPLE

OFFICERS THE PRIVATEBANK AND TRUST COMPANY

OUR ATTENTIVE AND
RESOURCEFUL SERVICE
IS ROOTED IN THE
PROFESSIONAL
KNOWLEDGE, SKILLS,
AND DEMEANOR OF
OUR FINANCIAL
OFFICERS.

Ralph B. Mandell
*Chairman, President
& Chief Executive Officer*

Allan D. Ivie, IV
Managing Director

Caren L. Reed
Vice Chairman

Richard C. Jensen
Managing Director

Donald A. Roubitchek
Chief Financial Officer

L. Hamilton Kerr, III
Managing Director

Thomas N. Castronovo
Managing Director

Mark L. Kosiek
Managing Director

Gary S. Collins
Managing Director

Hugh H. McLean
Managing Director

M. Gail Fitzgerald
*Senior Trust Officer
& Managing Director*

Jeanene V. Meisser
*Director of Operations
& Managing Director*

John J. Hunt
Managing Director

Dennis C. Mullen
Managing Director

Karen J. Hunt
Managing Director

John S. Rouse
Managing Director



James A. Ruckstaetter
*Chief Credit Officer
& Managing Director*

Sanford B. Scott
Managing Director

Ellen P. Abell
*Trust Officer and
Associate Managing Director*

James K. Badger
Associate Managing Director

John G. Dickinson
Associate Managing Director

Nicholas S. Giuliano
Associate Managing Director

Christopher C. Hainey
Associate Managing Director

Richard L. Hillier
Associate Managing Director

William J. Jones
*Trust Officer and
Associate Managing Director*

Allison M. Mandell
Associate Managing Director

David C. Neilson
Associate Managing Director

Lisa M. O'Neill
*Controller & Associate
Managing Director*

THE PRIVATEBANK FINANCIAL SERVICES TEAM

EXPERIENCED · RESOURCEFUL · DISCERNING

DOING BUSINESS WITH
THE PRIVATEBANK IS A
DISTINCT EXPERIENCE
IN RELATIONSHIP
BANKING.

ADVISORY BOARDS THE PRIVATEBANK AND TRUST COMPANY

DUPAGE COUNTY ADVISORY BOARD

David J. Beedie,
*President & Chief
Executive Officer
The Purizer Corporation*

William Boockford,
*Senior Managing Director
Mesirow Financial*

Karen Bushy,
*President
Village of Oak Brook*

Kevin C. Connor,
*President
JDI Realty, L.L.C.*

Larry M. Donovan,
*Retired Principal
Recreation Services, Inc.*

Richard Gatto,
*Sr. Vice President/Partner
The Alter Group*

Robert C. Knuepfer,
*Partner
Baker & McKenzie*

Thomas D. Marcucci,
*Vice President
Gonnella Baking Company*

Dr. Paul K. Rosenberg,
*President
Female Healthcare
Associates, Ltd.*

Gary B. Rothbart,
*President
Rothbart Realty Co.*

Jay Sanders,
*Partner
Professional Business
Consultants, Inc.*

KANE COUNTY ADVISORY BOARD

Steven J. Baginski DDS,
*Owner
Steven J. Baginski
& Assoc. L.T.D.*

John A. Gaines,
*President
Corporate Design, Inc.*

Kelly Hazen,
*President
Hazen & Assoc. Agency*

John J. Hoscheit,
*Partner
Hoscheit & McGuirk, P.C.*

William J. Podl,
*Chairman
Doran Scales, Inc.*

Daniel L. Star,
*President
Centex Homes - Illinois*

Sean M. Williams,
*Partner
Walnut St. Partners L.L.C.*

