Section 1: 10-Q (10-Q)

Table of Contents

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

FORM 10-Q

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

For the quarterly period ended
March 31, 2018
or

☐ **Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934**

Commission File No. 001-10253

TCF Financial Corporation
(Exact name of registrant as specified in its charter)

Delaware	**41-1591444**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

200 Lake Street East
Wayzata, Minnesota 55391-1693
(Address and Zip Code of principal executive offices)
(952) 745-2760
(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes ☑ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No ☐

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

Large accelerated filer	☑		Accelerated filer	☐
Non-accelerated filer	☐	(Do not check if smaller reporting company)	Smaller reporting company	☐
			Emerging growth company	☐

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes ☐ No ☑

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

Class	Outstanding at April 27, 2018
Common Stock, $.01 par value	168,253,445 shares

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

INDEX

Part I - Financial Information
Item 1. Financial Statements
TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Condition

(Dollars in thousands, except per share data)	At March 31, 2018	At December 31, 2017
	(Unaudited)	
Assets:		
Cash and due from banks	$ 588,893	$ 621,782
Investments	91,661	82,644
Debt securities held to maturity	158,099	161,576
Debt securities available for sale	1,954,246	1,709,018
Loans and leases held for sale	50,706	134,862
Loans and leases:		
Consumer real estate:		
First mortgage lien	1,878,441	1,959,387
Junior lien	2,843,221	2,860,309
Total consumer real estate	4,721,662	4,819,696
Commercial	3,678,181	3,561,193
Leasing and equipment finance	4,666,239	4,761,661
Inventory finance	3,457,855	2,739,754
Auto finance	2,839,363	3,199,639
Other	19,854	22,517
Total loans and leases	19,383,154	19,104,460
Allowance for loan and lease losses	(167,703)	(171,041)
Net loans and leases	19,215,451	18,933,419
Premises and equipment, net	427,497	421,549
Goodwill, net	154,757	154,757
Other assets	743,742	782,552
Total assets	$ 23,385,052	$ 23,002,159
Liabilities and Equity:		
Deposits:		
Checking	$ 6,541,409	$ 6,300,127
Savings	5,551,155	5,287,606
Money market	1,609,472	1,764,998
Certificates of deposit	4,995,636	4,982,271
Total deposits	18,697,672	18,335,002
Short-term borrowings	775	—
Long-term borrowings	1,457,976	1,249,449
Total borrowings	1,458,751	1,249,449
Accrued expenses and other liabilities	677,679	737,124
Total liabilities	20,834,102	20,321,575
Equity:		
Preferred stock, par value $0.01 per share, 30,000,000 shares authorized; 7,000 and 4,007,000 shares issued, respectively	169,302	265,821
Common stock, par value $0.01 per share, 280,000,000 shares authorized; 172,472,035 and 172,158,449 shares issued, respectively	1,725	1,722
Additional paid-in capital	878,096	877,217
Retained earnings, subject to certain restrictions	1,618,041	1,577,311
Accumulated other comprehensive income (loss)	(46,851)	(18,517)
Treasury stock at cost, 3,056,201 and 489,030 shares, respectively and other	(97,800)	(40,797)
Total TCF Financial Corporation stockholders' equity	2,522,513	2,662,757

Non-controlling interest in subsidiaries	28,437	17,827
Total equity	2,550,950	2,680,584
Total liabilities and equity	$ 23,385,052	$ 23,002,159

See accompanying notes to consolidated financial statements.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Income
(Unaudited)

(In thousands, except per share data)	Quarter Ended March 31, 2018	2017
Interest income:		
Loans and leases	$ 260,375	$ 219,548
Debt securities available for sale	10,123	7,980
Debt securities held to maturity	1,019	1,280
Loans held for sale and other	3,745	13,499
Total interest income	275,262	242,307
Interest expense:		
Deposits	22,510	13,715
Borrowings	9,553	6,478
Total interest expense	32,063	20,193
Net interest income	243,199	222,114
Provision for credit losses	11,368	12,193
Net interest income after provision for credit losses	231,831	209,921
Non-interest income:		
Fees and service charges	30,751	31,282
Card revenue	13,759	13,150
ATM revenue	4,650	4,675
Subtotal	49,160	49,107
Gains on sales of auto loans, net	—	2,864
Gains on sales of consumer real estate loans, net	9,123	8,891
Servicing fee income	8,295	11,651
Subtotal	17,418	23,406
Leasing and equipment finance	41,847	28,298
Other	3,716	2,703
Fees and other revenue	112,141	103,514
Gains (losses) on debt securities, net	63	—
Total non-interest income	112,204	103,514
Non-interest expense:		
Compensation and employee benefits	123,840	124,298
Occupancy and equipment	40,514	39,600
Other	58,819	64,216
Subtotal	223,173	228,114
Operating lease depreciation	17,274	11,242
Foreclosed real estate and repossessed assets, net	4,916	4,549
Other credit costs, net	617	101
Total non-interest expense	245,980	244,006
Income before income tax expense	98,055	69,429
Income tax expense	21,631	20,843
Income after income tax expense	76,424	48,586
Income attributable to non-controlling interest	2,663	2,308
Net income attributable to TCF Financial Corporation	73,761	46,278
Preferred stock dividends	4,106	4,847
Impact of preferred stock redemption	3,481	—
Net income available to common stockholders	$ 66,174	$ 41,431
Earnings per common share:		
Basic	$ 0.39	$ 0.25

Diluted	$	0.39	$	0.25

See accompanying notes to consolidated financial statements.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Comprehensive Income
(Unaudited)

	Quarter Ended March 31,	
(In thousands)	2018	2017
Net income attributable to TCF Financial Corporation	$ 73,761	$ 46,278
Other comprehensive income (loss), net of tax:		
Net unrealized gains (losses) on debt securities available for sale and interest-only strips	(27,819)	2,769
Net unrealized gains (losses) on net investment hedges	1,604	(313)
Foreign currency translation adjustments	(2,110)	581
Recognized postretirement prior service cost	(9)	(7)
Total other comprehensive income (loss), net of tax	(28,334)	3,030
Comprehensive income	$ 45,427	$ 49,308

See accompanying notes to consolidated financial statements.

Table of Contents

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Equity
(Unaudited)

	TCF Financial Corporation										
	Number of Shares Issued										
(Dollars in thousands)	Preferred	Common	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock and Other	Total	Non-controlling Interest	Total Equity
Balance, December 31, 2016	4,006,900	171,034,506	$ 263,240	$ 1,710	$ 862,776	$1,382,901	$ (33,725)	$ (49,419)	$2,427,483	$ 17,162	$2,444,645
Change in accounting principle	—	—	—	—	1,319	(1,319)	—	—	—	—	—
Balance, January 1, 2017	4,006,900	171,034,506	263,240	1,710	864,095	1,381,582	(33,725)	(49,419)	2,427,483	17,162	2,444,645
Net income	—	—	—	—	—	46,278	—	—	46,278	2,308	48,586
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	3,030	—	3,030	—	3,030
Net investment by (distribution to) non-controlling interest	—	—	—	—	—	—	—	—	—	7,081	7,081
Dividends on preferred stock	—	—	—	—	—	(4,847)	—	—	(4,847)	—	(4,847)
Dividends on common stock	—	—	—	—	—	(12,595)	—	—	(12,595)	—	(12,595)
Common shares purchased by TCF employee benefit plans	—	366,591	—	4	6,442	—	—	—	6,446	—	6,446
Stock compensation plans, net of tax	—	(417,269)	—	(4)	(1,679)	—	—	—	(1,683)	—	(1,683)
Change in shares held in trust for deferred compensation plans, at cost	—	—	—	—	(15,834)	—	—	15,834	—	—	—
Balance, March 31, 2017	4,006,900	170,983,828	$ 263,240	$ 1,710	$ 853,024	$1,410,418	$ (30,695)	$ (33,585)	$2,464,112	$ 26,551	$2,490,663
Balance, December 31, 2017	4,007,000	172,158,449	$ 265,821	$ 1,722	$ 877,217	$1,577,311	$ (18,517)	$ (40,797)	$2,662,757	$ 17,827	$2,680,584
Change in accounting principle	—	—	—	—	—	(116)	—	—	(116)	—	(116)
Balance, January 1, 2018	4,007,000	172,158,449	265,821	1,722	877,217	1,577,195	(18,517)	(40,797)	2,662,641	17,827	2,680,468
Net income	—	—	—	—	—	73,761	—	—	73,761	2,663	76,424
Other comprehensive income (loss), net of tax	—	—	—	—	—	—	(28,334)	—	(28,334)	—	(28,334)
Net investment by (distribution to) non-controlling interest	—	—	—	—	—	—	—	—	—	7,947	7,947
Redemption of Series B Preferred Stock	(4,000,000)	—	(96,519)	—	—	(3,481)	—	—	(100,000)	—	(100,000)
Repurchases of 2,567,171 shares of common stock	—	—	—	—	—	—	—	(57,673)	(57,673)	—	(57,673)
Dividends on preferred stock	—	—	—	—	—	(4,106)	—	—	(4,106)	—	(4,106)
Dividends on common stock	—	—	—	—	—	(25,328)	—	—	(25,328)	—	(25,328)
Common stock warrants exercised		1,196	—	—	—	—	—	—	—	—	—
Common shares purchased by TCF employee benefit plans	—	34,627	—	—	715	—	—	—	715	—	715
Stock compensation plans, net of tax	—	277,763	—	3	834	—	—	—	837	—	837
Change in shares held in trust for deferred compensation plans, at cost	—	—	—	—	(670)	—	—	670	—	—	—
Balance, March 31, 2018	7,000	172,472,035	$ 169,302	$ 1,725	$ 878,096	$1,618,041	$ (46,851)	$ (97,800)	$2,522,513	$ 28,437	$2,550,950

See accompanying notes to consolidated financial statements.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Cash Flows
(Unaudited)

(In thousands)	Quarter Ended March 31, 2018	Quarter Ended March 31, 2017
Cash flows from operating activities:		
Net income	$ 76,424	$ 48,586
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Provision for credit losses	11,368	12,193
Depreciation and amortization	56,606	45,465
Provision for deferred income taxes	879	(12,032)
Proceeds from sales of loans and leases held for sale	69,342	61,287
Originations of loans and leases held for sale, net of repayments	(73,872)	(232,556)
Gains on sales of assets, net	(10,556)	(14,741)
Net change in other assets and accrued expenses and other liabilities	(1,965)	(39,398)
Other, net	(11,313)	(10,967)
Net cash provided by (used in) operating activities	116,913	(142,163)
Cash flows from investing activities:		
Proceeds from maturities of and principal collected on debt securities	32,533	33,361
Purchases of debt securities	(320,722)	(86,841)
Redemption of Federal Home Loan Bank stock	56,000	78,000
Purchases of Federal Home Loan Bank stock	(65,000)	(85,000)
Proceeds from sales of loans and leases	240,934	611,515
Loan and lease originations and purchases, net of principal collected on loans and leases	(234,229)	(734,954)
Proceeds from sales of lease equipment	3,670	2,242
Purchases of lease equipment	(254,553)	(223,786)
Proceeds from sales of real estate owned	8,203	15,711
Purchases of premises and equipment	(18,085)	(9,597)
Other, net	7,451	7,965
Net cash provided by (used in) investing activities	(543,798)	(391,384)
Cash flows from financing activities:		
Net change in deposits	357,224	227,133
Net change in short-term borrowings	841	990
Proceeds from long-term borrowings	2,355,602	3,610,415
Payments on long-term borrowings	(2,143,531)	(3,442,038)
Redemption of Series B preferred stock	(100,000)	—
Repurchases of common stock	(54,371)	—
Common shares sold to TCF employee benefit plans	715	6,446
Dividends paid on preferred stock	(4,106)	(4,847)
Dividends paid on common stock	(25,328)	(12,595)
Exercise of stock options	(997)	(57)
Net investment by (distribution to) non-controlling interest	7,947	7,081
Net cash provided by (used in) financing activities	393,996	392,528
Net change in cash and due from banks	(32,889)	(141,019)
Cash and due from banks at beginning of period	621,782	609,603
Cash and due from banks at end of period	$ 588,893	$ 468,584
Supplemental disclosures of cash flow information:		
Cash paid (received) for:		
Interest on deposits and borrowings	$ 29,857	$ 18,726
Income taxes, net	(28,064)	18,835
Transfer of loans and leases to other assets	26,044	22,182

Transfer of loans and leases from held for investment to held for sale, net	150,357	778,432

See accompanying notes to consolidated financial statements.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Notes to Consolidated Financial Statements
(Unaudited)

Note 1. Basis of Presentation

TCF Financial Corporation (together with its direct and indirect subsidiaries, "we," "us," "our," "TCF" or the "Company"), a Delaware corporation, is a national bank holding company based in Wayzata, Minnesota. References herein to "TCF Financial" or the "Holding Company" refer to TCF Financial Corporation on an unconsolidated basis. Its principal subsidiary, TCF National Bank ("TCF Bank"), is headquartered in Sioux Falls, South Dakota. TCF Bank operates bank branches in Illinois, Minnesota, Michigan, Colorado, Wisconsin, Arizona and South Dakota (TCF's primary banking markets). Through its direct subsidiaries, TCF Bank provides a full range of consumer facing and commercial services, including providing consumer banking services, commercial banking services, commercial leasing and equipment financing and commercial inventory financing.

The accompanying unaudited consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles ("GAAP") for interim financial information and in accordance with the instructions to Quarterly Report on Form 10-Q and Article 10 of Regulation S-X as promulgated by the Securities and Exchange Commission. Accordingly, the consolidated financial statements do not include all of the information and notes necessary for complete financial statements in conformity with GAAP. The information in this Quarterly Report on Form 10-Q is written with the presumption that the users of the interim financial statements have read or have access to the Company's most recent Annual Report on Form 10-K, which contains the latest audited financial statements and notes thereto, together with Management's Discussion and Analysis of Financial Condition and Results of Operations at December 31, 2017, and for the year then ended. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior period financial statements to conform to current period presentation.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are based on information available to management at the time the estimates are made. Actual results could differ from those estimates. In the opinion of management, the accompanying unaudited consolidated financial statements contain all the significant adjustments, consisting of normal recurring items, considered necessary for fair presentation. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

Note 2. Summary of Significant Accounting Policies

Accounting policies in effect at December 31, 2017 remain significantly unchanged and have been followed similarly as in previous periods.

New Accounting Pronouncements Adopted

Effective January 1, 2018, the Company adopted Accounting Standards Update ("ASU") No. 2017-12: *Derivatives and Hedging (Topic 815): Targeted Improvements to Accounting for Hedging Activities*, which expands hedge accounting for nonfinancial and financial risk components and amends measurement methodologies to more closely align hedge accounting with a company's risk management activities. The ASU decreases the complexity of preparing and understanding hedge results through measurement and reporting of hedge ineffectiveness. In addition, disclosures have been enhanced and the presentation of hedged results changed to align the effects of the hedging instrument and the hedged item. The adoption of this ASU was on a modified retrospective basis and resulted in the Company recording a cumulative effect reduction to the opening balance of retained earnings of $116 thousand.

Effective January 1, 2018, the Company adopted ASU No. 2017-09: *Compensation - Stock Compensation (Topic 718): Scope of Modification Accounting*, which provides guidance about which changes to the terms and conditions of a share-based payment award requires an entity to apply modification accounting in Topic 718. The adoption of this ASU was on a prospective basis and will be applicable to an award modified on or after January 1, 2018. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2017-07: *Compensation - Retirement Benefits (Topic 715): Improving the Presentation of Net Periodic Pension Cost and Net Periodic Postretirement Benefit Cost*, which changes how employers that sponsor defined benefit pension and/or other postretirement benefit plans present the net periodic benefit cost in the income statement. Under the new guidance, employers present the service cost component of the net periodic benefit cost in the same income statement line item as other employee compensation costs arising from services rendered during the period. Only the service cost component is eligible for capitalization in assets. The other components of net periodic benefit cost are presented separately from the line item that includes service cost and outside of any subtotal of operating income. In addition, disclosure of the line items used to present the other components of net periodic benefit cost is required if the components are not presented separately in the income statement. The adoption of this ASU was on a modified retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2017-05: *Other Income - Gains and Losses from the Derecognition of Nonfinancial Assets (Subtopic 610-20): Clarifying the Scope of Asset Derecognition Guidance and Accounting for Partial Sales of Nonfinancial Assets*, which provides guidance for recognizing gains and losses from the transfer of nonfinancial assets in contracts with non-customers. The ASU also clarifies that Accounting Standards Codification 610-20 applies to the derecognition of nonfinancial assets and in substance nonfinancial assets unless other specific guidance applies or the sale is to a customer. The guidance does not apply to the derecognition of businesses, nonprofit activities, financial assets, including equity method investments, or to revenue contracts with customers. The adoption of this ASU was on a modified retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2017-01, *Business Combinations (Topic 805): Clarifying the Definition of a Business*, which clarifies the definition of a business with the objective of adding guidance to assist companies with evaluating whether transactions should be accounted for as acquisitions (or disposals) of assets or businesses. The ASU provides a more robust framework to use in determining when a set of assets and activities is a business. The adoption of this ASU was on a prospective basis. TCF will evaluate future transactions to determine if they should be accounted for as acquisitions (or disposals) of assets or businesses.

Effective January 1, 2018, the Company adopted ASU No. 2016-18, *Statement of Cash Flows (Topic 230): Restricted Cash*, which requires entities to show changes in the total of cash, cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. As a result, entities no longer present transfers between cash and cash equivalents, restricted cash and restricted cash equivalents in the statement of cash flows. The adoption of this ASU was on a retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-17, *Consolidation (Topic 810): Interests Held through Related Parties That Are under Common Control*, which changes the way in which a single decision maker considers indirect interests when performing the primary beneficiary analysis under the variable interest model. Under the amended guidance, indirect interests held by a related party would be considered on a proportional basis. The adoption of this ASU was on a retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-16, *Income Taxes (Topic 740): Intra-Entity Transfers of Assets Other Than Inventory*, which requires the income tax effects of intercompany sales and transfers of assets, other than inventory, to be recognized in the period the transaction occurs. The adoption of this ASU was on a modified retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-15, *Statement of Cash Flows (Topic 230): Classification of Certain Cash Receipts and Cash Payments*, which addresses eight specific cash flow issues with the objective of reducing the existing diversity in practice in how certain types of cash receipts and cash payments are presented in the statement of cash flows. The adoption of this ASU was on a retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-04, *Liabilities - Extinguishments of Liabilities (Subtopic 405-20): Recognition of Breakage for Certain Prepaid Stored-Value Products*, which requires issuers of prepaid stored-value products redeemable for goods, services or cash at third-party merchants to derecognize liabilities related to those products for breakage. The adoption of this ASU was on a modified retrospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted ASU No. 2016-01, *Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities* and ASU No. 2018-03, *Technical Corrections and Improvements to Financial Instruments - Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which amend the classification and measurement of investments in equity securities, simplify the impairment analysis of equity investments without readily determinable fair values, require separate presentation of certain fair value changes for financial liabilities measured at fair value and eliminate certain disclosure requirements associated with the fair value of financial instruments. The adoption of these ASUs was on a prospective basis. The adoption of this guidance did not have a material impact on our consolidated financial statements.

Effective January 1, 2018, the Company adopted the following ASUs using the modified retrospective method with no cumulative-effect adjustment to opening retained earnings: ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606);* ASU No. 2015-14, *Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date;* ASU No. 2016-08, *Revenue from Contracts with Customers (Topic 606): Principal versus Agent Considerations (Reporting Revenue Gross versus Net);* ASU No. 2016-10, *Revenue from Contracts with Customers (Topic 606): Identifying Performance Obligations and Licensing;* ASU No. 2016-12, *Revenue from Contracts with Customers (Topic 606): Narrow-Scope Improvements and Practical Expedients;* ASU No. 2016-20, *Technical Corrections and Improvements to Topic 606, Revenue from Contracts with Customers;* ASU No. 2017-13*, Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs* and ASU No. 2017-14, *Income Statement - Reporting Comprehensive Income (Topic 220), Revenue Recognition (Topic 605), and Revenue from Contracts with Customers (Topic 606)*.

TCF derives a majority of its revenue from loans and leases, as well as any related servicing fee revenue, which are not within the scope of these ASUs. These ASUs are applicable to most of the fees and service charges, card and ATM revenue earned by TCF, as well as the gains on sales of certain non-financial assets. However, the recognition of these revenue streams does not change in a significant manner as a result of the adoption of these ASUs. The majority of this revenue is both charged to the customer and earned either at a point in time or on a transactional basis. As a result, the revenue expected to be recognized in any future year related to remaining performance obligations, contracts where revenue is recognized when invoiced and contracts with variable consideration related to undelivered performance obligations are not material. In addition, receivables related to fees and service charges and the related bad debt expense are not material. There are no material contract assets, contract liabilities or deferred contract costs recorded in the Company's Consolidated Statements of Financial Condition. As a significant majority of the Company's revenue streams are not included in the scope of these ASUs and the recognition of revenue for the revenue streams within the scope of these ASUs are not significantly changed, the adoption of this guidance did not have a material impact on the Company's consolidated financial statements.

Note 3. Cash and Due from Banks

At March 31, 2018 and December 31, 2017, TCF Bank was required by Federal Reserve regulations to maintain reserves of $112.7 million and $107.0 million, respectively, in cash on hand or at the Federal Reserve Bank.

TCF maintains cash balances that are restricted as to their use in accordance with certain contractual agreements primarily related to the servicing of auto finance loans. Cash payments received on loans serviced for third parties are generally held in separate accounts until remitted. TCF may also retain cash balances for collateral on certain borrowings, forward foreign exchange contracts, interest rate contracts and other contracts. TCF maintained restricted cash totaling $35.4 million and $36.5 million at March 31, 2018 and December 31, 2017, respectively.

TCF had cash held in interest-bearing accounts of $326.4 million and $324.2 million at March 31, 2018 and December 31, 2017, respectively.

Note 4. Debt Securities Available for Sale and Debt Securities Held to Maturity

Debt securities were as follows:

	At March 31, 2018				At December 31, 2017			
(In thousands)	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Debt securities available for sale:								
Mortgage-backed securities:								
U.S. Government sponsored enterprises and federal agencies	$ 1,171,513	$ 553	$ 30,414	$ 1,141,652	$ 908,189	$ 308	$ 13,812	$ 894,685
Other	5	—	—	5	6	—	—	6
Obligations of states and political subdivisions	830,296	342	18,049	812,589	810,159	7,967	3,799	814,327
Total debt securities available for sale	$ 2,001,814	$ 895	$ 48,463	$ 1,954,246	$ 1,718,354	$ 8,275	$ 17,611	$ 1,709,018
Debt securities held to maturity:								
Mortgage-backed securities:								
U.S. Government sponsored enterprises and federal agencies	$ 155,299	$ 1,408	$ 1,011	$ 155,696	$ 158,776	$ 4,462	$ 412	$ 162,826
Other securities	2,800	—	—	2,800	2,800	—	—	2,800
Total debt securities held to maturity	$ 158,099	$ 1,408	$ 1,011	$ 158,496	$ 161,576	$ 4,462	$ 412	$ 165,626

At March 31, 2018 and December 31, 2017, mortgage-backed securities with a carrying value of $1.1 million and $0.9 million, respectively, were pledged as collateral to secure certain deposits and borrowings. We have assessed each security with unrealized losses included in the table above for credit impairment. As part of that assessment we evaluated and concluded that we do not intend to sell any of the securities and that it is more likely than not that we will not be required to sell prior to recovery of the amortized cost. Unrealized losses on debt securities available for sale and debt securities held to maturity were due to changes in interest rates.

There were no sales or impairment charges for debt securities available for sale and debt securities held to maturity during the first quarter of 2018 or 2017. Net gains (losses) on debt securities were $63 thousand for the first quarter of 2018 related to a recovery on previously impaired debt securities held to maturity.

Gross unrealized losses and fair value of debt securities available for sale and debt securities held to maturity aggregated by investment category and the length of time the securities were in a continuous loss position were as follows:

	At March 31, 2018					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities available for sale:						
Mortgage-backed securities:						
U.S. Government sponsored enterprises and federal agencies	$ 565,752	$ 12,193	$ 406,236	$ 18,221	$ 971,988	$ 30,414
Obligations of states and political subdivisions	528,645	9,266	200,911	8,783	729,556	18,049
Total debt securities available for sale	$ 1,094,397	$ 21,459	$ 607,147	$ 27,004	$ 1,701,544	$ 48,463
Debt securities held to maturity:						
Mortgage-backed securities:						
U.S. Government sponsored enterprises and federal agencies	$ 24,530	$ 489	$ 11,576	$ 522	$ 36,106	$ 1,011
Total debt securities held to maturity	$ 24,530	$ 489	$ 11,576	$ 522	$ 36,106	$ 1,011

	At December 31, 2017					
	Less than 12 months		12 months or more		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Debt securities available for sale:						
Mortgage-backed securities:						
U.S. Government sponsored enterprises and federal agencies	$ 406,298	$ 2,686	$ 428,585	$ 11,126	$ 834,883	$ 13,812
Obligations of states and political subdivisions	103,759	486	207,516	3,313	311,275	3,799
Total debt securities available for sale	$ 510,057	$ 3,172	$ 636,101	$ 14,439	$ 1,146,158	$ 17,611
Debt securities held to maturity:						
Mortgage-backed securities:						
U.S. Government sponsored enterprises and federal agencies	$ 13,309	$ 132	$ 11,470	$ 280	$ 24,779	$ 412
Total debt securities held to maturity	$ 13,309	$ 132	$ 11,470	$ 280	$ 24,779	$ 412

The amortized cost and fair value of debt securities available for sale and debt securities held to maturity by final contractual maturity were as follows. The remaining contractual principal maturities do not consider possible prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay.

	At March 31, 2018		At December 31, 2017	
(In thousands)	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Debt securities available for sale:				
Due in one year or less	$ 5	$ 5	$ 6	$ 6
Due in 1-5 years	29,294	29,201	15,178	15,312
Due in 5-10 years	558,110	547,706	514,336	517,867
Due after 10 years	1,414,405	1,377,334	1,188,834	1,175,833
Total debt securities available for sale	$ 2,001,814	$ 1,954,246	$ 1,718,354	$ 1,709,018
Debt securities held to maturity:				
Due in one year or less	$ 1,000	$ 1,000	$ 1,000	$ 1,000
Due in 1-5 years	1,400	1,400	1,400	1,400
Due in 5-10 years	418	421	400	400
Due after 10 years	155,281	155,675	158,776	162,826
Total debt securities held to maturity	$ 158,099	$ 158,496	$ 161,576	$ 165,626

Interest income attributable to debt securities available for sale was as follows:

	Quarter Ended March 31,	
(In thousands)	2018	2017
Taxable interest income	$ 5,813	$ 4,654
Tax-exempt interest income	4,310	3,326
Total interest income	$ 10,123	$ 7,980

Note 5. Loans and Leases

Loans and leases were as follows:

(In thousands)	At March 31, 2018	At December 31, 2017
Consumer real estate:		
First mortgage lien	$ 1,878,441	$ 1,959,387
Junior lien	2,843,221	2,860,309
Total consumer real estate	4,721,662	4,819,696
Commercial:		
Commercial real estate:		
Permanent	2,445,780	2,385,752
Construction and development	363,672	365,533
Total commercial real estate	2,809,452	2,751,285
Commercial business	868,729	809,908
Total commercial	3,678,181	3,561,193
Leasing and equipment finance	4,666,239	4,761,661
Inventory finance	3,457,855	2,739,754
Auto finance	2,839,363	3,199,639
Other	19,854	22,517
Total loans and leases[(1)]	$ 19,383,154	$ 19,104,460

(1) Loans and leases are reported at historical cost including net direct fees and costs associated with originating and acquiring loans and leases, lease residuals, unearned income and unamortized purchase premiums and discounts. The aggregate amount of these loan and lease adjustments was $22.0 million and $33.3 million at March 31, 2018 and December 31, 2017, respectively.

Loan Sales During the first quarter of 2018 and 2017, TCF sold $266.3 million and $379.4 million, respectively, of consumer real estate loans, received cash of $272.9 million and $399.2 million, respectively, and recognized net gains of $9.1 million and $8.9 million, respectively. Related to these sales, TCF retained interest-only strips of $3.3 million and $1.3 million during the first quarter of 2018 and 2017, respectively. Included in consumer real estate loans sold in the first quarter of 2017 were $49.4 million of non-accrual loans, which were sold servicing released. TCF generally retains servicing on loans sold.

During the first quarter of 2018, TCF did not sell any auto finance loans. During the first quarter of 2017, TCF sold $250.6 million of auto finance loans, received cash of $254.8 million and recognized net gains of $2.9 million.

No servicing assets or liabilities related to consumer real estate or auto finance loans were recorded within TCF's Consolidated Statements of Financial Condition, as the contractual servicing fees are adequate to compensate TCF for its servicing responsibilities based on the amount demanded by the marketplace.

Total interest-only strips and the contractual liabilities related to loan sales were as follows:

(In thousands)	At March 31, 2018		At December 31, 2017	
Interest-only strips attributable to:				
Consumer real estate loan sales	$	18,099	$	16,440
Auto finance loan sales		3,752		4,946
Total interest-only strips	$	21,851	$	21,386
Contractual liabilities attributable to:				
Consumer real estate loan sales	$	990	$	1,234

TCF recorded $268 thousand of impairment charges on the consumer real estate interest-only strips in the first quarter of 2018, compared with $579 thousand for the same period in 2017. TCF recorded $335 thousand of impairment charges on the auto finance interest-only strips for the first quarter of 2018, compared with $24 thousand for the same period in 2017.

Note 6. Allowance for Loan and Lease Losses and Credit Quality Information

The rollforwards of the allowance for loan and lease losses were as follows:

(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
At or For the Quarter Ended March 31, 2018:							
Balance, beginning of period	$ 47,168	$ 37,195	$ 22,528	$ 13,233	$ 50,225	$ 692	$ 171,041
Charge-offs	(2,154)	—	(1,956)	(549)	(13,441)	(1,765)	(19,865)
Recoveries	1,037	14	616	140	2,785	1,122	5,714
Net (charge-offs) recoveries	(1,117)	14	(1,340)	(409)	(10,656)	(643)	(14,151)
Provision for credit losses	2,104	(11)	1,996	512	6,253	514	11,368
Other	(470)	—	(2)	(83)	—	—	(555)
Balance, end of period	$ 47,685	$ 37,198	$ 23,182	$ 13,253	$ 45,822	$ 563	$ 167,703
At or For the Quarter Ended March 31, 2017:							
Balance, beginning of period	$ 59,448	$ 32,695	$ 21,350	$ 13,932	$ 32,310	$ 534	$ 160,269
Charge-offs	(3,452)	(2,732)	(2,046)	(219)	(8,813)	(1,640)	(18,902)
Recoveries	10,692	65	614	119	1,233	1,090	13,813
Net (charge-offs) recoveries	7,240	(2,667)	(1,432)	(100)	(7,580)	(550)	(5,089)
Provision for credit losses	(8,137)	3,669	1,386	1,965	12,857	453	12,193
Other	(4,700)	—	(47)	19	(2,479)	—	(7,207)
Balance, end of period	$ 53,851	$ 33,697	$ 21,257	$ 15,816	$ 35,108	$ 437	$ 160,166

The allowance for loan and lease losses and loans and leases outstanding by type of allowance methodology were as follows:

	At March 31, 2018						
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for impairment	$ 29,591	$ 35,635	$ 18,975	$ 13,065	$ 45,613	$ 562	$ 143,441
Individually evaluated for impairment	18,094	1,563	4,207	188	209	1	24,262
Total	$ 47,685	$ 37,198	$ 23,182	$ 13,253	$ 45,822	$ 563	$ 167,703
Loans and leases outstanding:							
Collectively evaluated for impairment	$ 4,579,706	$ 3,642,783	$ 4,629,020	$ 3,454,234	$ 2,828,616	$ 19,850	$ 19,154,209
Individually evaluated for impairment	141,956	35,398	28,136	3,621	10,747	4	219,862
Loans acquired with deteriorated credit quality	—	—	9,083	—	—	—	9,083
Total	$ 4,721,662	$ 3,678,181	$ 4,666,239	$ 3,457,855	$ 2,839,363	$ 19,854	$ 19,383,154

	At December 31, 2017						
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for impairment	$ 28,851	$ 35,635	$ 19,083	$ 12,945	$ 49,900	$ 691	$ 147,105
Individually evaluated for impairment	18,317	1,560	3,445	288	325	1	23,936
Total	$ 47,168	$ 37,195	$ 22,528	$ 13,233	$ 50,225	$ 692	$ 171,041
Loans and leases outstanding:							
Collectively evaluated for impairment	$ 4,675,626	$ 3,524,864	$ 4,721,905	$ 2,735,638	$ 3,188,810	$ 22,513	$ 18,869,356

Individually evaluated for impairment	144,070	36,329	27,912	4,116	10,829	4	223,260
Loans acquired with deteriorated credit quality	—	—	11,844	—	—	—	11,844
Total	$ 4,819,696	$ 3,561,193	$ 4,761,661	$ 2,739,754	$ 3,199,639	$ 22,517	$ 19,104,460

Accruing and Non-accrual Loans and Leases TCF's key credit quality indicator is the receivable's payment performance status, defined as accruing or non-accruing. Non-accrual loans and leases are those which management believes have a higher risk of loss. Delinquent balances are determined based on the contractual terms of the loan or lease. Loans and leases that are over 60 days delinquent have a higher potential to become non-accrual and generally are a leading indicator for future charge-off trends. TCF's accruing and non-accrual loans and leases were as follows:

	At March 31, 2018					
(In thousands)	Current-59 Days Delinquent and Accruing	60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total Accruing	Non-accrual	Total
Consumer real estate:						
First mortgage lien	$ 1,813,418	$ 3,670	$ 578	$ 1,817,666	$ 60,775	$ 1,878,441
Junior lien	2,818,158	1,601	—	2,819,759	23,462	2,843,221
Total consumer real estate	4,631,576	5,271	578	4,637,425	84,237	4,721,662
Commercial:						
Commercial real estate	2,802,819	—	—	2,802,819	6,633	2,809,452
Commercial business	863,961	—	—	863,961	4,768	868,729
Total commercial	3,666,780	—	—	3,666,780	11,401	3,678,181
Leasing and equipment finance	4,632,004	4,600	584	4,637,188	19,968	4,657,156
Inventory finance	3,454,189	44	1	3,454,234	3,621	3,457,855
Auto finance	2,825,425	4,323	2,416	2,832,164	7,199	2,839,363
Other	19,804	17	31	19,852	2	19,854
Subtotal	19,229,778	14,255	3,610	19,247,643	126,428	19,374,071
Portfolios acquired with deteriorated credit quality	7,907	—	1,176	9,083	—	9,083
Total	$ 19,237,685	$ 14,255	$ 4,786	$ 19,256,726	$ 126,428	$ 19,383,154

	At December 31, 2017					
(In thousands)	Current-59 Days Delinquent and Accruing	60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total Accruing	Non-accrual	Total
Consumer real estate:						
First mortgage lien	$ 1,892,771	$ 4,073	$ 593	$ 1,897,437	$ 61,950	$ 1,959,387
Junior lien	2,837,767	1,268	—	2,839,035	21,274	2,860,309
Total consumer real estate	4,730,538	5,341	593	4,736,472	83,224	4,819,696
Commercial:						
Commercial real estate	2,744,500	—	—	2,744,500	6,785	2,751,285
Commercial business	809,907	1	—	809,908	—	809,908
Total commercial	3,554,407	1	—	3,554,408	6,785	3,561,193
Leasing and equipment finance	4,726,339	4,272	2,117	4,732,728	17,089	4,749,817
Inventory finance	2,735,430	191	17	2,735,638	4,116	2,739,754
Auto finance	3,183,196	6,078	2,999	3,192,273	7,366	3,199,639
Other	22,506	3	6	22,515	2	22,517
Subtotal	18,952,416	15,886	5,732	18,974,034	118,582	19,092,616
Portfolios acquired with deteriorated credit quality	10,283	361	1,200	11,844	—	11,844
Total	$ 18,962,699	$ 16,247	$ 6,932	$ 18,985,878	$ 118,582	$ 19,104,460

Interest income recognized on loans and leases in non-accrual status and contractual interest that would have been recorded had the loans and leases performed in accordance with their original contractual terms were as follows:

	Quarter Ended March 31,	
(In thousands)	2018	2017
Contractual interest due on non-accrual loans and leases	$ 2,927	$ 4,498

Interest income recognized on non-accrual loans and leases	458	1,056
Unrecognized interest income	$ 2,469	$ 3,442

Consumer real estate loans to customers currently involved in ongoing Chapter 7 or Chapter 13 bankruptcy proceedings which have not yet been discharged, dismissed or completed were as follows:

(In thousands)	At March 31, 2018	At December 31, 2017
Consumer real estate loans to customers in bankruptcy:		
0-59 days delinquent and accruing	$ 6,589	$ 7,324
Non-accrual	11,845	10,552
Total consumer real estate loans to customers in bankruptcy	$ 18,434	$ 17,876

Loan Modifications for Borrowers with Financial Difficulties Included within loans and leases in the previous accruing and non-accrual loans and leases tables are certain loans that have been modified in order to maximize collection of loan balances. If, for economic or legal reasons related to the customer's financial difficulties, TCF grants a concession, the modified loan is classified as a troubled debt restructuring ("TDR") loan. All loans classified as TDR loans are considered to be impaired. For purposes of this disclosure, purchased credit impaired ("PCI") loans have been excluded.

TDR loans were as follows:

	At March 31, 2018			At December 31, 2017		
(In thousands)	Accruing TDR Loans	Non-accrual TDR Loans	Total TDR Loans	Accruing TDR Loans	Non-accrual TDR Loans	Total TDR Loans
Consumer real estate	$ 87,314	$ 33,531	$ 120,845	$ 88,092	$ 34,282	$ 122,374
Commercial	6,843	4,807	11,650	12,249	83	12,332
Leasing and equipment finance	7,365	1,691	9,056	10,263	1,413	11,676
Inventory finance	—	371	371	—	476	476
Auto finance	3,549	5,296	8,845	3,464	5,351	8,815
Other	3	1	4	3	1	4
Total	$ 105,074	$ 45,697	$ 150,771	$ 114,071	$ 41,606	$ 155,677

The allowance on accruing consumer real estate TDR loans was $16.8 million, or 19.2% of the outstanding balance, at March 31, 2018 and $17.1 million, or 19.4% of the outstanding balance, at December 31, 2017. At March 31, 2018, 0.1% of accruing consumer real estate TDR loans were more than 60 days delinquent, compared with 0.5% at December 31, 2017.

Consumer real estate TDR loans generally remain on accruing status following modification if they are less than 90 days past due and payment in full under the modified terms of the loan is expected based on a current credit evaluation and historical payment performance. Of the non-accrual TDR balance at March 31, 2018, $21.1 million, or 63.0%, were loans discharged in Chapter 7 bankruptcy that were not reaffirmed by the borrower, of which 72.5% were current. Of the non-accrual TDR balance at December 31, 2017, $22.3 million, or 65.0%, were loans discharged in Chapter 7 bankruptcy that were not reaffirmed, of which 70.0% were current. All eligible loans are re-aged to current delinquency status upon modification.

The allowance on accruing TDRs for the remaining classes of finance receivables was not material at March 31, 2018 or December 31, 2017. Accruing TDR loans that were 60 days or more delinquent at March 31, 2018 and December 31, 2017 were not material for the remaining classes of finance receivables.

Unfunded commitments to consumer real estate and commercial loans classified as TDRs were $2.3 million and $0.9 million at March 31, 2018 and December 31, 2017, respectively. At March 31, 2018 and December 31, 2017, no additional funds were committed to leasing and equipment finance, inventory finance or auto finance loans classified as TDRs.

Interest income on TDR loans is recognized based on the restructured terms. Unrecognized interest represents the difference between interest income recognized on accruing TDR loans and the contractual interest that would have been recorded under the original contractual terms. For the first quarter of 2018, unrecognized interest income for consumer real estate first mortgage lien accruing TDR loans and consumer real estate junior lien accruing TDR loans was $0.4 million and $0.1 million, respectively. The average yield for the same period on consumer real estate accruing TDR loans was 4.2%, which compares to the original contractual average rate of 6.7%. For the first quarter of 2017, unrecognized interest income for the consumer real estate first mortgage lien accruing TDR loans and consumer real estate junior lien accruing TDR loans was $0.5 million and $0.2 million, respectively. The average yield for the same period on consumer real estate accruing TDR loans was 4.2%, which compares to the original contractual average rate of 6.6%. The unrecognized interest income for the remaining classes of finance receivables was not material for the first quarter of 2018 or 2017.

TCF considers a loan to have defaulted when under the modified terms it becomes 90 or more days delinquent, has been transferred to non-accrual status, has been charged down or has been transferred to other real estate owned or repossessed and returned assets. The following table summarizes the TDR loans that defaulted during the first quarter of 2018 and 2017, which were modified during the respective reporting period or within one year of the beginning of the respective reporting period. Included in commercial loans that defaulted during the first quarter of 2018 was one commercial loan that was transferred to non-accrual status, compared to three commercial loans that were transferred to non-accrual status during the first quarter of 2017.

	Quarter Ended March 31,	
(In thousands)	2018	2017
Defaulted TDR loan balances modified during the applicable period:[(1)]		
Consumer real estate:		
First mortgage lien	$ 1,480	$ 368
Junior lien	28	112
Total consumer real estate	1,508	480
Commercial:		
Commercial real estate	—	6,681
Commercial business	4,697	3,353
Total commercial	4,697	10,034
Leasing and equipment finance	—	407
Auto finance	364	302
Defaulted TDR loan balances modified during the applicable period	$ 6,569	$ 11,223

(1) The loan balances presented are not materially different than the pre-modification loan balances as TCF's loan modifications generally do not forgive principal amounts.

Impaired Loans TCF considers impaired loans to include non-accrual commercial loans, non-accrual equipment finance loans and non-accrual inventory finance loans, as well as all TDR loans. For purposes of this disclosure, PCI loans have been excluded. Non-accrual impaired loans, including non-accrual TDR loans, are included in non-accrual loans and leases within the previous tables. Accruing TDR loans have been disclosed by delinquency status within the previous tables of accruing and non-accrual loans and leases. In the following table, the loan balance of impaired loans represents the amount recorded within loans and leases on the Consolidated Statements of Financial Condition, whereas the unpaid contractual balance represents the balances legally owed by the borrowers.

Information on impaired loans was as follows:

	At March 31, 2018			At December 31, 2017		
(In thousands)	Unpaid Contractual Balance	Loan Balance	Related Allowance Recorded	Unpaid Contractual Balance	Loan Balance	Related Allowance Recorded
Impaired loans with an allowance recorded:						
Consumer real estate:						
First mortgage lien	$ 90,065	$ 79,687	$ 13,491	$ 91,624	$ 80,802	$ 13,792
Junior lien	31,763	29,200	4,086	32,327	29,544	4,165
Total consumer real estate	121,828	108,887	17,577	123,951	110,346	17,957
Commercial:						
Commercial real estate	6,766	6,559	1,000	6,810	6,702	1,000
Commercial business	7,262	7,264	563	7,841	7,841	560
Total commercial	14,028	13,823	1,563	14,651	14,543	1,560
Leasing and equipment finance	16,548	16,548	1,897	17,105	17,105	1,345
Inventory finance	1,185	1,189	188	1,296	1,298	288
Auto finance	961	729	138	1,333	1,016	243
Other	3	4	1	3	4	1
Total impaired loans with an allowance recorded	154,553	141,180	21,364	158,339	144,312	21,394
Impaired loans without an allowance recorded:						
Consumer real estate:						
First mortgage lien	12,844	10,397	—	12,898	10,445	—
Junior lien	13,777	1,561	—	17,697	1,583	—
Total consumer real estate	26,621	11,958	—	30,595	12,028	—
Commercial:						
Commercial real estate	4,483	4,421	—	4,552	4,491	—
Commercial business	—	—	—	—	—	—
Total commercial	4,483	4,421	—	4,552	4,491	—
Inventory finance	2,426	2,432	—	2,810	2,818	—
Auto finance	11,376	8,116	—	10,566	7,799	—
Other	331	—	—	331	—	—
Total impaired loans without an allowance recorded	45,237	26,927	—	48,854	27,136	—
Total impaired loans	$ 199,790	$ 168,107	$ 21,364	$ 207,193	$ 171,448	$ 21,394

The average loan balance of impaired loans and interest income recognized on impaired loans were as follows:

	Quarter Ended March 31,			
	2018		2017	
(In thousands)	Average Loan Balance	Interest Income Recognized	Average Loan Balance	Interest Income Recognized
Impaired loans with an allowance recorded:				
Consumer real estate:				
First mortgage lien	$ 80,245	$ 654	$ 96,979	$ 725
Junior lien	29,372	305	43,827	446
Total consumer real estate	109,617	959	140,806	1,171
Commercial:				
Commercial real estate	6,631	—	6,733	16
Commercial business	7,552	86	1,052	48
Total commercial	14,183	86	7,785	64
Leasing and equipment finance	16,826	6	10,620	3
Inventory finance	1,243	23	4,510	52
Auto finance	873	—	5,109	46
Other	4	—	6	—
Total impaired loans with an allowance recorded	142,746	1,074	168,836	1,336
Impaired loans without an allowance recorded:				
Consumer real estate:				
First mortgage lien	10,421	183	12,342	318
Junior lien	1,572	55	1,883	252
Total consumer real estate	11,993	238	14,225	570
Commercial:				
Commercial real estate	4,457	58	17,936	174
Commercial business	—	—	429	—
Total commercial	4,457	58	18,365	174
Inventory finance	2,625	57	638	44
Auto finance	7,957	69	2,590	—
Total impaired loans without an allowance recorded	27,032	422	35,818	788
Total impaired loans	$ 169,778	$ 1,496	$ 204,654	$ 2,124

Other Real Estate Owned and Repossessed and Returned Assets

Other real estate owned and repossessed and returned assets were as follows:

(In thousands)	At March 31, 2018	At December 31, 2017
Other real estate owned	$ 17,179	$ 18,225
Repossessed and returned assets	13,248	12,630
Consumer real estate loans in process of foreclosure	21,449	22,622

Other real estate owned and repossessed and returned assets were written down $1.2 million and $1.7 million for the first quarter of 2018 and 2017, respectively, and included in net foreclosed real estate and repossessed assets expense.

Note 7. Long-term Borrowings

Long-term borrowings were as follows:

(Dollars in thousands)	Stated Maturity	At March 31, 2018 Amount	At March 31, 2018 Stated Rate	At December 31, 2017 Amount	At December 31, 2017 Stated Rate
Federal Home Loan Bank advances	2019	$ —	—%	$ 600,000	1.40% - 1.75%
	2020	1,100,000	1.86% - 2.25	275,000	1.76 - 1.78
Subtotal		1,100,000		875,000	
Subordinated bank notes	2022	108,923	6.25	108,867	6.25
	2025	148,304	4.60	148,252	4.60
Hedge-related basis adjustment[(1)]		(5,808)		(2,157)	
Subtotal		251,419		254,962	
Discounted lease rentals	2018	36,140	2.73 - 7.95	52,347	2.55 - 7.95
	2019	36,042	2.53 - 6.00	34,978	2.53 - 6.00
	2020	20,843	2.64 - 6.50	19,736	2.64 - 6.50
	2021	10,700	2.88 - 5.49	10,077	2.88 - 5.00
	2022	2,829	3.04 - 5.43	2,349	3.04 - 5.43
	2023	3	5.40 - 5.40	—	—
Subtotal		106,557		119,487	
Total long-term borrowings		$ 1,457,976		$ 1,249,449	

(1) Related to subordinated bank notes with a stated maturity of 2025.

At March 31, 2018, TCF Bank had pledged loans secured by consumer and commercial real estate and Federal Home Loan Bank ("FHLB") stock with an aggregate carrying value of $4.3 billion as collateral for FHLB advances. At March 31, 2018, $1.1 billion of the FHLB advances outstanding were prepayable at TCF's option.

Note 8. Equity

Preferred Stock

Preferred stock was as follows:

(In thousands)	At March 31, 2018		At December 31, 2017	
Series B non-cumulative perpetual preferred stock	$	—	$	96,519
Series C non-cumulative perpetual preferred stock		169,302		169,302
Total preferred stock	$	169,302	$	265,821

At March 31, 2018 and December 31, 2017**,** TCF had 7,000,000 depositary shares outstanding, each representing a 1/1000th ownership interest in a share of the 5.70% Series C non-cumulative perpetual preferred stock of TCF Financial Corporation, par value $0.01 per share, with a liquidation preference of $25,000 per share (equivalent to $25 per depositary share) (the "Series C Preferred Stock"). Dividends are payable on the Series C Preferred Stock if, as and when declared by TCF's Board of Directors on a non-cumulative basis on March 1, June 1, September 1 and December 1 of each year at a per annum rate of 5.70%. TCF paid cash dividends to holders of the Series C Preferred Stock of $2.5 million for the first quarter of 2018. The Series C Preferred Stock may be redeemed at TCF's option in whole or in part on December 1, 2022 or on any dividend payment date thereafter.

On March 1, 2018, TCF redeemed all 4,000,000 of the outstanding shares of the 6.45% Series B non-cumulative perpetual preferred stock of TCF Financial Corporation, par value $0.01 per share, with a liquidation preference of $25 per share (the "Series B Preferred Stock") for $100.0 million. Deferred stock issuance costs of $3.5 million originally recorded as a reduction to preferred stock upon the issuance of the Series B Preferred Stock were reclassified to retained earnings and resulted in a one-time, non-cash reduction to net income available to common stockholders utilized in the computation of earnings per common share and diluted earnings per common share for the first quarter of 2018. Dividends were payable on the Series B Preferred Stock if, as and when declared by TCF's Board of Directors on a non-cumulative basis on March 1, June 1, September 1 and December 1 of each year at a per annum rate of 6.45%. TCF paid cash dividends to holders of the Series B Preferred Stock of $1.6 million for both the first quarter of 2018 and 2017.

Treasury Stock and Other

Treasury stock and other were as follows:

(In thousands)	At March 31, 2018		At December 31, 2017	
Treasury stock, at cost	$	67,938	$	10,265
Shares held in trust for deferred compensation plans, at cost		29,862		30,532
Total	$	97,800	$	40,797

TCF repurchased 2,567,171 shares of its common stock in the first quarter of 2018 at an average cost of $22.45 per share pursuant to its share repurchase program. These shares were recorded as treasury stock. No repurchases of common stock were made in the first quarter of 2017. At March 31, 2018, TCF had the authority to repurchase an additional $83.2 million in aggregate value of shares pursuant to its stock repurchase program authorized by TCF's Board of Directors.

Note 9. Regulatory Capital Requirements

TCF and TCF Bank are subject to minimum capital requirements administered by the federal banking regulators. Failure to meet minimum capital requirements can initiate certain mandatory, and possible additional discretionary, actions by the federal banking regulators that could have a material adverse effect on TCF. In general, TCF Bank may not declare or pay a dividend to TCF Financial in excess of 100% of its net retained earnings for the current year combined with its net retained earnings for the preceding two calendar years, which was $253.7 million at March 31, 2018, without prior approval of the Office of the Comptroller of the Currency ("OCC"). The OCC also has the authority to prohibit the payment of dividends by a national bank when it determines such payments would constitute an unsafe and unsound banking practice. TCF Bank's ability to make capital distributions in the future may require regulatory approval and may be restricted by its federal banking regulators. TCF Bank's ability to make any such distributions will also depend on its earnings and ability to meet minimum regulatory capital requirements in effect during future periods. In the future, these capital adequacy standards may be higher than existing minimum regulatory capital requirements.

Regulatory capital information for TCF and TCF Bank was as follows:

	TCF		TCF Bank			
(Dollars in thousands)	At March 31, 2018	At December 31, 2017	At March 31, 2018	At December 31, 2017	Well-capitalized Standard	Minimum Capital Requirement(1)
Regulatory Capital:						
Common equity Tier 1 capital	$ 2,222,390	$ 2,242,410	$ 2,300,115	$ 2,409,027		
Tier 1 capital	2,414,838	2,522,178	2,328,552	2,426,854		
Total capital	2,786,637	2,889,323	2,736,257	2,837,374		
Regulatory Capital Ratios:						
Common equity Tier 1 capital ratio	10.57%	10.79%	10.94%	11.59%	6.50%	4.50%
Tier 1 risk-based capital ratio	11.49	12.14	11.08	11.68	8.00	6.00
Total risk-based capital ratio	13.26	13.90	13.02	13.65	10.00	8.00
Tier 1 leverage ratio	10.52	11.12	10.14	10.70	5.00	4.00

(1) Excludes capital conservation buffer of 1.875% and 1.25% as of March 31, 2018 and December 31, 2017.

Note 10. Stock Compensation

TCF's restricted stock award and stock option transactions under the TCF Financial 2015 Omnibus Incentive Plan ("Omnibus Incentive Plan") and the TCF Financial Incentive Stock Program were as follows:

	Restricted Stock Awards		Stock Options		
	Shares	Weighted-average Grant Date Fair Value	Shares	Weighted-average Remaining Contractual Life in Years	Weighted-average Exercise Price
Outstanding at December 31, 2017	2,639,663	$ 13.65	366,000	0.06	$ 15.75
Granted	450,795	22.19	—	—	—
Exercised	—	—	(366,000)	—	15.75
Forfeited/canceled	(93,820)	14.78	—	—	—
Vested	(477,179)	10.73	—	—	—
Outstanding at March 31, 2018	2,519,459	15.69	—	—	—
Exercisable at March 31, 2018	N.A.	N.A.	—		—

N.A. Not Applicable.

At March 31, 2018, there were 264,373 shares of performance-based restricted stock awards outstanding that will vest only if certain performance goals and service conditions are achieved. Failure to achieve the performance goals and service conditions will result in all or a portion of the shares being forfeited. Unrecognized stock compensation expense for restricted stock awards was $22.0 million with a weighted-average remaining amortization period of 1.5 years at March 31, 2018.

At March 31, 2018, there were 411,825 performance-based restricted stock units granted under the Omnibus Incentive Plan that will vest only if certain performance goals are achieved. The number of restricted stock units granted was at target and the actual restricted stock units that will vest will depend on actual performance with a maximum total payout of 150% of target. Failure to achieve the performance goals will result in all or a portion of the restricted stock units being forfeited. The remaining weighted-average performance period of the restricted stock units was 2.1 years at March 31, 2018.

Compensation expense for restricted stock awards and restricted stock units was $5.9 million and $1.9 million for the first quarter of 2018 and 2017, respectively.

Note 11. Employee Benefit Plans

The net periodic benefit plan (income) cost included in other non-interest expense for the TCF Cash Balance Pension Plan (the "Pension Plan") and the Postretirement Plan were as follows:

	Pension Plan	
	Quarter Ended March 31,	
(In thousands)	2018	2017
Interest cost	$ 246	$ 285
Return on plan assets	(132)	(142)
Net periodic benefit plan (income) cost	$ 114	$ 143

	Postretirement Plan	
	Quarter Ended March 31,	
(In thousands)	2018	2017
Interest cost	$ 28	$ 34
Amortization of prior service cost	(12)	(12)
Net periodic benefit plan (income) cost	$ 16	$ 22

TCF made no cash contributions to the Pension Plan in either of the first quarter of 2018 or 2017. During the first quarter of 2018 and 2017, TCF contributed $0.1 million to the Postretirement Plan.

Note 12. Derivative Instruments

All derivative instruments are recognized at fair value within other assets or accrued expenses and other liabilities on the Consolidated Statements of Financial Condition. Derivative instruments were as follows:

	At March 31, 2018			
(In thousands)	Notional Amount	Gross Amounts Recognized	Gross Amounts Offset	Net Amount Presented
Derivative Assets:				
Derivatives designated as hedging instruments:				
Interest rate contract	$ 150,000	$ 311	$ (311)	$ —
Total derivative assets designated as hedging instruments		311	(311)	—
Derivatives not designated as hedging instruments:				
Forward foreign exchange contracts	85,305	218	(218)	—
Interest rate contracts	101,172	704	(176)	528
Interest rate lock commitments	37,820	558	—	558
Total derivative assets not designated as hedging instruments		1,480	(394)	1,086
Total derivative assets		$ 1,791	$ (705)	$ 1,086
Derivative Liabilities:				
Derivatives designated as hedging instruments:				
Forward foreign exchange contracts	$ 78,248	$ 291	$ (94)	$ 197
Total derivative liabilities designated as hedging instruments		291	(94)	197
Derivatives not designated as hedging instruments:				
Forward foreign exchange contracts	241,103	2,214	(2,077)	137
Interest rate contracts	576,844	4,799	(388)	4,411
Other contracts	13,804	538	(538)	—
Total derivative liabilities not designated as hedging instruments		7,551	(3,003)	4,548
Total derivative liabilities		$ 7,842	$ (3,097)	$ 4,745

	At December 31, 2017			
(In thousands)	Notional Amount	Gross Amounts Recognized	Gross Amounts Offset	Net Amount Presented
Derivative Assets:				
Derivatives designated as hedging instruments:				
Interest rate contract	$ 150,000	$ 405	$ (405)	$ —
Total derivative assets designated as hedging instruments		405	(405)	—
Derivatives not designated as hedging instruments:				
Interest rate contracts	169,377	1,392	(52)	1,340
Interest rate lock commitments	17,974	223	—	223
Total derivative assets not designated as hedging instruments		1,615	(52)	1,563
Total derivative assets		$ 2,020	$ (457)	$ 1,563
Derivative Liabilities:				
Derivatives designated as hedging instruments:				
Forward foreign exchange contracts	$ 77,879	$ 1,744	$ (1,744)	$ —
Total derivative liabilities designated as hedging instruments		1,744	(1,744)	—
Derivatives not designated as hedging instruments:				
Forward foreign exchange contracts	330,928	4,619	(4,282)	337
Interest rate contracts	423,006	1,688	(457)	1,231
Other contracts	13,804	615	(615)	—
Interest rate lock commitments	41	—	—	—
Total derivative liabilities not designated as hedging instruments		6,922	(5,354)	1,568
Total derivative liabilities		$ 8,666	$ (7,098)	$ 1,568

Derivatives Designated as Hedging Instruments

Interest Rate Contract TCF Bank entered into an interest rate swap agreement which was designated as a fair value hedge of its contemporaneously issued subordinated debt. The interest rate swap agreement effectively converts the fixed interest rate to a floating rate based on the three-month London InterBank Offered Rate plus a number of basis points on the $150.0 million notional amount. See Note 7. Long-term Borrowings for further information. As of March 31, 2018 and December 31, 2017, the following amounts were recorded on the Consolidated Statements of Financial Condition related to the cumulative basis adjustment for the subordinated debt:

Line Item in the Consolidated Statement of Financial Condition in Which the Hedged Item is Included	Carrying Amount of the Hedged Liability		Cumulative Amount of Fair Value Hedging Adjustments Included in the Carrying Amount of the Hedged Liability	
(In thousands)	At March 31, 2018	At December 31, 2017	At March 31, 2018	At December 31, 2017
Long-term borrowings	$ 142,496	$ 146,095	$ (5,808)	$ (2,157)

The gains and losses related to changes in the fair value of the interest rate swap, as well as the offsetting changes in fair value of the hedged debt, were as follows:

	Quarter Ended March 31,	
(In thousands)	2018	2017
Total amount presented in the Consolidated Statements of Income in which the effects of the fair value hedge are recorded:		
Interest expense - borrowings	$ 9,553	$ —
Other non-interest income	—	2,703
Effect of fair value hedge:	Income (expense)	
Hedged item	$ 3,806	$ 513
Derivative designated as a hedging instrument	(3,858)	(501)

Forward Foreign Exchange Contracts Certain of TCF's forward foreign exchange contracts are used to manage the foreign exchange risk associated with the Company's net investment in TCF Commercial Finance Canada, Inc., a wholly-owned indirect Canadian subsidiary of TCF Bank. These forward foreign exchange contracts have been designated as net investment hedges. The effect of net investment hedges on accumulated other comprehensive income was as follows:

	Quarter Ended March 31,	
(In thousands)	2018	2017
Forward foreign exchange contracts	$ 2,137	$ (504)

Derivatives Not Designated as Hedging Instruments Certain other forward foreign exchange contracts and interest rate contracts, along with other contracts and interest rate lock commitments have not been designated as hedging instruments. The effect of these derivatives included in the Consolidated Statements of Income was as follows:

		Quarter Ended March 31,	
(In thousands)	Location of Gain (Loss)	2018	2017
Forward foreign exchange contracts	Other non-interest expense	$ 8,944	$ (3,259)
Interest rate lock commitments	Gains on sales of consumer real estate loans, net	624	167
Interest rate contracts	Other non-interest income	99	(9)
Net gain (loss) recognized		$ 9,667	$ (3,101)

TCF executes all of its forward foreign exchange contracts in the over-the-counter market with large financial institutions pursuant to International Swaps and Derivatives Association, Inc. agreements. These agreements include credit risk-related features that enhance the creditworthiness of these instruments, as compared with other obligations of the respective counterparty with whom TCF has transacted, by requiring that additional collateral be posted under certain circumstances. The amount of collateral required depends on the contract and is determined daily based on market and currency exchange rate conditions.

At March 31, 2018 and December 31, 2017, credit risk-related contingent features existed on forward foreign exchange contracts with a notional value of $93.1 million and $39.8 million, respectively. In the event TCF is rated less than BB- by Standard and Poor's, the contracts could be terminated or TCF may be required to provide approximately $1.9 million and $0.8 million in additional collateral at March 31, 2018 and December 31, 2017, respectively. There were $0.7 million and $0.4 million of forward foreign exchange contracts containing credit risk-related features in a liability position at March 31, 2018 and December 31, 2017, respectively.

At March 31, 2018, TCF had posted $7.4 million, $2.0 million and $1.4 million of cash collateral related to its interest rate contracts, forward foreign exchange contracts and other contracts, respectively.

Note 13. Fair Value Disclosures

TCF uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures. The Company's fair values are based on the price that would be received upon the sale of an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Debt securities available for sale, certain loans held for sale, interest-only strips, forward foreign exchange contracts, interest rate contracts, other contracts, interest rate lock commitments, forward loan sales commitments, and assets and liabilities held in trust for deferred compensation plans are recorded at fair value on a recurring basis. From time to time we may be required to record at fair value other assets on a non-recurring basis, such as certain debt securities held to maturity, loans, goodwill, other intangible assets, other real estate owned, repossessed and returned assets and the securitization receivable. These non-recurring fair value adjustments typically involve application of lower of cost or fair value accounting or write-downs of individual assets.

TCF groups its assets and liabilities measured at fair value in three levels, based on the markets in which the assets and liabilities are traded and the degree and reliability of estimates and assumptions used to determine fair value. The levels are as follows: Level 1, which includes valuations that are based on prices obtained from independent pricing sources for the same instruments traded in active markets; Level 2, which includes valuations that are based on prices obtained from independent pricing sources that are based on observable transactions of similar instruments, but not quoted markets and Level 3, which includes valuations generated from Company model-based techniques that use significant unobservable inputs. Such unobservable inputs reflect estimates of assumptions that market participants would use in pricing the asset or liability.

The following is a discussion of the valuation methodologies used to record assets and liabilities at fair value on a recurring or non-recurring basis.

Debt Securities Available for Sale Debt securities available for sale consist primarily of securities of U.S. Government sponsored enterprises and federal agencies, and obligations of states and political subdivisions. The fair value of these securities, categorized as Level 2, is recorded using prices obtained from independent asset pricing services that are based on observable transactions, but not quoted markets. Management reviews the prices obtained from independent asset pricing services for unusual fluctuations and comparisons to current market trading activity.

Loans Held for Sale Loans held for sale for which the fair value option has been elected are categorized as Level 3. The fair value of these loans is recorded utilizing internal valuation models which use quoted investor prices to estimate the fair value.

Loans Loans for which repayment is expected to be provided solely by the value of the underlying collateral, categorized as Level 3 and recorded at fair value on a non-recurring basis, are valued based on the fair value of that collateral less estimated selling costs. Such loans include non-accrual impaired loans as well as certain delinquent non-accrual consumer real estate and auto finance loans. The fair value of the collateral is determined based on internal estimates and assessments provided by third-party appraisers.

Interest-only Strips The fair value of interest-only strips, categorized as Level 3, represents the present value of future cash flows expected to be received by TCF on certain assets. TCF uses available market data, along with its own empirical data and discounted cash flow models, to arrive at the fair value of its interest-only strips. The present value of the estimated expected future cash flows to be received is determined by using discount, loss and prepayment rates that TCF believes are commensurate with the risks associated with the cash flows and what a market participant would use. These assumptions are inherently subject to volatility and uncertainty and, as a result, the fair value of the interest-only strips may fluctuate significantly from period to period.

Derivative Instruments

Forward Foreign Exchange Contracts TCF's forward foreign exchange contracts are currency contracts executed in over-the-counter markets and are recorded at fair value using a cash flow model that includes key inputs such as foreign exchange rates and an assessment of the risk of counterparty non-performance. The risk of counterparty non-performance is based on external assessments of credit risk. The fair value of these contracts, categorized as Level 2, is based on observable transactions, but not quoted markets.

Interest Rate Contracts TCF executes interest rate contracts with commercial banking customers to facilitate their respective risk management strategies. Certain of these interest rate contracts are simultaneously hedged by offsetting interest rate contracts TCF executes with a third party, minimizing TCF's net interest rate risk exposure resulting from such transactions. TCF also has an interest rate swap agreement to convert its $150.0 million of fixed-rate subordinated notes to floating rate debt. These derivative instruments are recorded at fair value. The fair value of these interest rate contracts, categorized as Level 2, is determined using a cash flow model which considers the forward curve, the discount curve and credit valuation adjustments related to counterparty and/or borrower non-performance risk.

Other Contracts TCF's swap agreement, categorized as Level 3, is related to the sale of TCF's Visa Class B stock. The fair value of the swap agreement is based on TCF's estimated exposure related to the Visa covered litigation through a probability analysis of the funding and estimated settlement amounts.

Interest Rate Lock Commitments TCF's interest rate lock commitments are derivative instruments that are recorded at fair value using an internal valuation model that utilizes estimated rates of successful loan closings and quoted investor prices. While this model uses both Level 2 and Level 3 inputs, TCF has determined that the significant inputs used in the valuation of these commitments fall within Level 3 and therefore the interest rate lock commitments are categorized as Level 3.

Forward Loan Sales Commitments TCF enters into forward loan sales commitments to sell certain consumer real estate loans. The resulting loans held for sale are recorded at fair value under the elected fair value option. TCF relies on internal valuation models to estimate the fair value of these instruments. The valuation models utilize estimated rates of successful loan closings and quoted investor prices. While these models use both Level 2 and Level 3 inputs, TCF has determined that the significant inputs used in the valuation of these commitments fall within Level 3 and therefore the forward loan sales commitments are categorized as Level 3.

Other Real Estate Owned and Repossessed and Returned Assets The fair value of other real estate owned, categorized as Level 3, is based on independent appraisals, real estate brokers' price opinions or automated valuation methods, less estimated selling costs. Certain properties require assumptions that are not observable in an active market in the determination of fair value. The fair value of repossessed and returned assets is based on available pricing guides, auction results or price opinions, less estimated selling costs. Assets acquired through foreclosure, repossession or returned to TCF are initially recorded at the lower of the loan or lease carrying amount or fair value less estimated selling costs at the time of transfer to other real estate owned or repossessed and returned assets.

Assets and Liabilities Held in Trust for Deferred Compensation Plans Assets held in trust for deferred compensation plans include investments in publicly traded securities, excluding TCF common stock reported in treasury stock and other equity, and U.S. Treasury notes. The fair value of these assets, categorized as Level 1, is based on prices obtained from independent asset pricing services based on active markets. The fair value of the liabilities equals the fair value of the assets.

The balances of assets and liabilities measured at fair value on a recurring and non-recurring basis were as follows:

	Fair Value Measurements at March 31, 2018			
(In thousands)	Level 1	Level 2	Level 3	Total
Recurring Fair Value Measurements through Net Income:				
Assets:				
Loans held for sale	$ —	$ —	$ 9,058	$ 9,058
Forward foreign exchange contracts[(1)]	—	218	—	218
Interest rate contracts[(1)]	—	1,015	—	1,015
Interest rate lock commitments[(1)]	—	—	558	558
Forward loan sales commitments	—	—	182	182
Assets held in trust for deferred compensation plans	29,952	—	—	29,952
Total assets	$ 29,952	$ 1,233	$ 9,798	$ 40,983
Liabilities:				
Forward foreign exchange contracts[(1)]	$ —	$ 2,214	$ —	$ 2,214
Interest rate contracts[(1)]	—	4,799	—	4,799
Other contracts[(1)]	—	—	538	538
Forward loan sales commitments	—	—	38	38
Liabilities held in trust for deferred compensation plans	29,952	—	—	29,952
Total liabilities	$ 29,952	$ 7,013	$ 576	$ 37,541
Recurring Fair Value Measurements through Other Comprehensive Income:				
Assets:				
Debt securities available for sale:				
Mortgage-backed securities:				
U.S. Government sponsored enterprises and federal agencies	$ —	$ 1,141,652	$ —	$ 1,141,652
Other	—	—	5	5
Obligations of states and political subdivisions	—	812,589	—	812,589
Interest-only strips	—	—	21,851	21,851
Total assets	$ —	$ 1,954,241	$ 21,856	$ 1,976,097
Liabilities:				
Forward foreign exchange contracts[(1)]	$ —	$ 291	$ —	$ 291
Total liabilities	$ —	$ 291	$ —	$ 291
Non-recurring Fair Value Measurements:				
Loans	$ —	$ —	$ 76,424	$ 76,424
Other real estate owned:				
Consumer	—	—	13,002	13,002
Commercial	—	—	85	85
Repossessed and returned assets	—	4,505	3,579	8,084
Total non-recurring fair value measurements	$ —	$ 4,505	$ 93,090	$ 97,595

(1) As permitted under GAAP, TCF has elected to net derivative assets and derivative liabilities when a legally enforceable master netting agreement exists as well as the related cash collateral received and paid. For purposes of this table, the derivative assets and derivative liabilities are presented gross of this netting adjustment.

(In thousands)	Fair Value Measurements at December 31, 2017 Level 1	Level 2	Level 3	Total
Recurring Fair Value Measurements through Net Income:				
Assets:				
Loans held for sale	$ —	$ —	$ 3,356	$ 3,356
Interest rate contracts[(1)]	—	1,797	—	1,797
Interest rate lock commitments[(1)]	—	—	223	223
Forward loan sales commitments	—	—	68	68
Assets held in trust for deferred compensation plans	29,962	—	—	29,962
Total assets	$ 29,962	$ 1,797	$ 3,647	$ 35,406
Liabilities:				
Forward foreign exchange contracts[(1)]	$ —	$ 4,619	$ —	$ 4,619
Interest rate contracts[(1)]	—	1,688	—	1,688
Other contracts[(1)]	—	—	615	615
Forward loan sales commitments	—	—	5	5
Liabilities held in trust for deferred compensation plans	29,962	—	—	29,962
Total liabilities	$ 29,962	$ 6,307	$ 620	$ 36,889
Recurring Fair Value Measurements through Other Comprehensive Income:				
Assets:				
Debt securities available for sale:				
Mortgage-backed securities:				
U.S. Government sponsored enterprises and federal agencies	$ —	$ 894,685	$ —	$ 894,685
Other	—	—	6	6
Obligations of states and political subdivisions	—	814,327	—	814,327
Interest-only strips	—	—	21,386	21,386
Total assets	$ —	$ 1,709,012	$ 21,392	$ 1,730,404
Liabilities:				
Forward foreign exchange contracts[(1)]	$ —	$ 1,744	$ —	$ 1,744
Total liabilities	$ —	$ 1,744	$ —	$ 1,744
Non-recurring Fair Value Measurements:				
Loans	$ —	$ —	$ 72,287	$ 72,287
Other real estate owned:				
Consumer	—	—	13,951	13,951
Commercial	—	—	85	85
Repossessed and returned assets	—	3,669	4,388	8,057
Total non-recurring fair value measurements	$ —	$ 3,669	$ 90,711	$ 94,380

(1) As permitted under GAAP, TCF has elected to net derivative assets and derivative liabilities when a legally enforceable master netting agreement exists as well as the related cash collateral received and paid. For purposes of this table, the derivative assets and derivative liabilities are presented gross of this netting adjustment.

Management assesses the appropriate classification of financial assets and liabilities within the fair value hierarchy by monitoring the level of available observable market information. Changes in markets or economic conditions, as well as changes to Company valuation models, may require the transfer of financial instruments from one fair value level to another. Such transfers, if any, are recorded at the fair values as of the beginning of the quarter in which the transfer occurred. TCF had no transfers in the first quarter of 2018 or 2017.

The changes in Level 3 assets and liabilities measured at fair value on a recurring basis were as follows:

(In thousands)		Debt Securities Available for Sale		Loans Held for Sale		Interest-only Strips		Interest Rate Lock Commitments		Forward Loan Sales Commitments		Other Contracts
At or For the Quarter Ended March 31, 2018:												
Asset (liability) balance, beginning of period	$	6	$	3,356	$	21,386	$	223	$	63	$	(615)
Total net gains (losses) included in:												
Net income		—		97		331		335		81		—
Other comprehensive income (loss)		—		—		777		—		—		—
Sales		—		(59,747)		—		—		—		—
Originations		—		65,355		3,299		—		—		—
Principal paydowns / settlements		(1)		(3)		(3,942)		—		—		77
Asset (liability) balance, end of period	$	5	$	9,058	$	21,851	$	558	$	144	$	(538)
At or For the Quarter Ended March 31, 2017:												
Asset (liability) balance, beginning of period	$	18	$	6,498	$	40,152	$	297	$	361	$	(619)
Total net gains (losses) included in:												
Net income		—		104		1,113		167		(453)		—
Other comprehensive income (loss)		—		—		(328)		—		—		—
Sales		—		(46,714)		—		—		—		—
Originations		—		43,479		1,347		—		—		—
Principal paydowns / settlements		(4)		(5)		(6,501)		—		—		78
Asset (liability) balance, end of period	$	14	$	3,362	$	35,783	$	464	$	(92)	$	(541)

Fair Value Option

TCF Bank originates first mortgage lien loans in its primary banking markets and sells the loans through a correspondent relationship. TCF elected the fair value option for these loans. This election facilitates the offsetting of changes in fair value of the loans held for sale and the derivative financial instruments used to economically hedge them. The difference between the aggregate fair value and aggregate unpaid principal balance of these loans held for sale was as follows:

(In thousands)		At March 31, 2018		At December 31, 2017
Fair value carrying amount	$	9,058	$	3,356
Aggregate unpaid principal amount		8,911		3,268
Fair value carrying amount less aggregate unpaid principal	$	147	$	88

Differences between the fair value carrying amount and the aggregate unpaid principal balance include changes in fair value recorded at and subsequent to funding and gains and losses on the related loan commitment prior to funding. No loans recorded under the fair value option were delinquent or on non-accrual status at March 31, 2018 or December 31, 2017. The net gain from initial measurement of the correspondent lending loans held for sale, any subsequent changes in fair value while the loans are outstanding and any actual adjustment to the gains realized upon sales of the loans totaled $1.6 million for the first quarter of 2018, compared with $1.1 million for the same period in 2017, and are included in net gains on sales of consumer real estate loans. This amount excludes the impact from the interest rate lock commitments and forward loan sales commitments which are also included in net gains on sales of consumer real estate loans.

Disclosures About Fair Value of Financial Instruments

Management discloses the estimated fair value of financial instruments, including assets and liabilities on and off the balance sheet, for which it is practicable to estimate fair value. These fair value estimates were made at March 31, 2018 and December 31, 2017 based on relevant market information and information about the financial instruments. Fair value estimates are intended to represent the price at which an asset could be sold or a liability could be settled. However, given there is no active market or observable market transactions for many of the Company's financial instruments, the estimates of fair values are subjective in nature, involve uncertainties and include matters of significant judgment. Changes in assumptions could significantly affect the estimated values.

The following is a summary of the fair value classifications used for the financial instruments not recorded at fair value.

Investments The estimated fair value of investments in FHLB stock and Federal Reserve Bank stock is categorized as Level 2.

Debt Securities Held to Maturity The estimated fair value of mortgage-backed securities of U.S. Government sponsored enterprises and federal agencies is categorized as Level 2. The estimated fair value of other debt securities held to maturity is categorized as Level 3.

Loans Held for Sale The estimated fair value of loans held for sale is categorized as Level 3.

Loans The estimated fair value of loans is categorized as Level 3.

Securitization Receivable The estimated fair value of the securitization receivable is categorized as Level 3.

Deposits The estimated fair value of checking, savings and money market deposits is categorized as Level 1. The estimated fair value of certificates of deposit is categorized as Level 2. The intangible value of long-term relationships with depositors is not taken into account in the estimated fair values disclosed.

Long-term Borrowings The estimated fair value of TCF's long-term borrowings is categorized as Level 2.

Financial Instruments with Off-Balance Sheet Risk The estimated fair value of TCF's commitments to extend credit and standby letters of credit is categorized as Level 2.

The carrying amounts and estimated fair values of the Company's financial instruments, excluding short-term financial assets and liabilities as their carrying amounts approximate fair value, and excluding financial instruments recorded at fair value on a recurring basis, were as follows. This information represents only a portion of TCF's balance sheet and not the estimated value of the Company as a whole. Non-financial instruments such as the intangible value of TCF's branches and core deposits, leasing operations, goodwill, premises and equipment and the future revenues from TCF's customers are not reflected in this disclosure. Therefore, this information is of limited use in assessing the value of TCF.

(In thousands)	Carrying Amount	Estimated Fair Value at March 31, 2018			
		Level 1	Level 2	Level 3	Total
Financial instrument assets:					
Investments	$ 91,661	$ —	$ 91,661	$ —	$ 91,661
Debt securities held to maturity	158,099	—	155,696	2,800	158,496
Loans held for sale	50,075	—	—	51,654	51,654
Loans:					
Consumer real estate	4,721,662	—	—	4,791,418	4,791,418
Commercial real estate	2,809,452	—	—	2,757,467	2,757,467
Commercial business	868,729	—	—	843,412	843,412
Equipment finance	2,220,591	—	—	2,174,558	2,174,558
Inventory finance	3,457,855	—	—	3,441,004	3,441,004
Auto finance	2,839,363	—	—	2,813,761	2,813,761
Other	19,854	—	—	18,517	18,517
Allowance for loan losses[(1)]	(167,703)	—	—	—	—
Securitization receivable[(2)]	19,242	—	—	18,702	18,702
Total financial instrument assets	$ 17,088,880	$ —	$ 247,357	$ 16,913,293	$ 17,160,650
Financial instrument liabilities:					
Deposits	$ 18,697,672	$ 13,702,036	$ 5,031,743	$ —	$ 18,733,779
Long-term borrowings	1,457,976	—	1,461,557	—	1,461,557
Total financial instrument liabilities	$ 20,155,648	$ 13,702,036	$ 6,493,300	$ —	$ 20,195,336
Financial instruments with off-balance sheet risk:[(3)]					
Commitments to extend credit	$ 19,081	$ —	$ 19,081	$ —	$ 19,081
Standby letters of credit	(64)	—	(64)	—	(64)
Total financial instruments with off-balance sheet risk	$ 19,017	$ —	$ 19,017	$ —	$ 19,017

(1) Expected credit losses are included in the estimated fair values.
(2) Carrying amounts are included in other assets.
(3) Positive amounts represent assets, negative amounts represent liabilities.

(In thousands)	Carrying Amount	Estimated Fair Value at December 31, 2017 Level 1	Level 2	Level 3	Total
Financial instrument assets:					
Investments	$ 82,644	$ —	$ 82,644	$ —	$ 82,644
Debt securities held to maturity	161,576	—	162,826	2,800	165,626
Loans held for sale	134,752	—	—	139,458	139,458
Loans:					
Consumer real estate	4,819,696	—	—	4,916,475	4,916,475
Commercial real estate	2,751,285	—	—	2,710,237	2,710,237
Commercial business	809,908	—	—	776,989	776,989
Equipment finance	2,300,479	—	—	2,260,692	2,260,692
Inventory finance	2,739,754	—	—	2,723,045	2,723,045
Auto finance	3,199,639	—	—	3,197,794	3,197,794
Other	22,517	—	—	21,129	21,129
Allowance for loan losses[(1)]	(171,041)	—	—	—	—
Securitization receivable[(2)]	19,179	—	—	18,595	18,595
Total financial instrument assets	$ 16,870,388	$ —	$ 245,470	$ 16,767,214	$ 17,012,684
Financial instrument liabilities:					
Deposits	$ 18,335,002	$ 13,352,731	$ 5,023,526	$ —	$ 18,376,257
Long-term borrowings	1,249,449	—	1,255,333	—	1,255,333
Total financial instrument liabilities	$ 19,584,451	$ 13,352,731	$ 6,278,859	$ —	$ 19,631,590
Financial instruments with off-balance sheet risk:[(3)]					
Commitments to extend credit	$ 19,423	$ —	$ 19,423	$ —	$ 19,423
Standby letters of credit	(83)	—	(83)	—	(83)
Total financial instruments with off-balance sheet risk	$ 19,340	$ —	$ 19,340	$ —	$ 19,340

(1) Expected credit losses are included in the estimated fair values.
(2) Carrying amounts are included in other assets.
(3) Positive amounts represent assets, negative amounts represent liabilities.

Note 14. Earnings Per Common Share

The computations of basic and diluted earnings per common share were as follows:

	Quarter Ended March 31,	
(Dollars in thousands, except per share data)	2018	2017
Basic Earnings Per Common Share:		
Net income attributable to TCF Financial Corporation	$ 73,761	$ 46,278
Preferred stock dividends	4,106	4,847
Impact of preferred stock redemption (1)	3,481	—
Net income available to common stockholders	66,174	41,431
Less: Earnings allocated to participating securities	9	8
Earnings allocated to common stock	$ 66,165	$ 41,423
Weighted-average common shares outstanding for basic earnings per common share	168,507,448	167,902,615
Basic earnings per common share	$ 0.39	$ 0.25
Diluted Earnings Per Common Share:		
Earnings allocated to common stock	$ 66,165	$ 41,423
Weighted-average common shares outstanding used in basic earnings per common share calculation	168,507,448	167,902,615
Net dilutive effect of:		
Non-participating restricted stock	721,353	436,442
Stock options	8,278	41,626
Warrants	760,067	149,051
Weighted-average common shares outstanding for diluted earnings per common share	169,997,146	168,529,734
Diluted earnings per common share	$ 0.39	$ 0.25

(1) Represents the amount of deferred stock issuance costs originally recorded in preferred stock upon the issuance of the Series B Preferred Stock that were reclassified to retained earnings on March 1, 2018, as the Company redeemed all outstanding Series B Preferred Stock.

For the first quarter of 2018 and 2017, there were 0.6 million and 0.5 million,respectively, of outstanding shares related to non-participating restricted stock that were not included in the computation of diluted earnings per common share because they were anti-dilutive.

Note 15. Other Non-interest Expense

Other non-interest expense was as follows:

	Quarter Ended March 31,	
(In thousands)	2018	2017
Advertising and marketing	$ 7,297	$ 6,406
Professional fees	5,321	7,193
Outside processing	5,236	4,481
Card processing and issuance costs	4,457	4,109
FDIC insurance	4,070	3,959
Loan and lease processing	3,587	6,181
Severance	2,091	6,633
Other	26,760	25,254
Total other non-interest expense	$ 58,819	$ 64,216

Note 16. Business Segments

The Company's reportable segments are Consumer Banking, Wholesale Banking and Enterprise Services. Consumer Banking is comprised of all of the Company's consumer-facing businesses and includes retail banking, consumer real estate and auto finance. Wholesale Banking is comprised of commercial banking, leasing and equipment finance, and inventory finance. Enterprise Services is comprised of (i) corporate treasury, which includes TCF's investment and borrowing portfolios and management of capital, debt and market risks; (ii) corporate functions, such as information technology, risk and credit management, bank operations, finance, investor relations, corporate development, internal audit, legal and human capital management that provide services to the operating segments; (iii) the Holding Company and (iv) eliminations.

TCF evaluates performance and allocates resources based on each reportable segment's net income or loss. The reportable business segments follow GAAP as described in Note 1. Basis of Presentation, in Item 8. of TCF's 2017 Annual Report on Form 10-K, except for the accounting for intercompany interest income and interest expense, which are eliminated in consolidation, and presenting net interest income on a fully tax-equivalent basis. TCF generally accounts for inter-segment sales and transfers at cost.

Certain information for each of TCF's reportable segments, including reconciliations of TCF's consolidated totals, was as follows:

(In thousands)	Consumer Banking	Wholesale Banking	Enterprise Services	Consolidated
At or For the Quarter Ended March 31, 2018:				
Interest income:				
Loans and leases	$ 109,760	$ 151,525	$ (910)	$ 260,375
Debt securities available for sale	—	—	10,123	10,123
Debt securities held to maturity	—	23	996	1,019
Loans held for sale and other	2,057	21	1,667	3,745
Funds transfer pricing - credits	96,582	7,748	(104,330)	—
Total interest income	208,399	159,317	(92,454)	275,262
Interest expense:				
Deposits	17,855	1,434	3,221	22,510
Borrowings	12,407	17,398	(20,252)	9,553
Funds transfer pricing - charges	38,229	44,885	(83,114)	—
Total interest expense	68,491	63,717	(100,145)	32,063
Net interest income	139,908	95,600	7,691	243,199
Provision for credit losses	8,889	2,479	—	11,368
Net interest income after provision for credit losses	131,019	93,121	7,691	231,831
Non-interest income:				
Fees and service charges	28,597	2,154	—	30,751
Card revenue	13,750	9	—	13,759
ATM revenue	4,649	1	—	4,650
Subtotal	46,996	2,164	—	49,160
Gains on sales of consumer real estate loans, net	9,123	—	—	9,123
Servicing fee income	7,926	369	—	8,295
Subtotal	17,049	369	—	17,418
Leasing and equipment finance	—	41,847	—	41,847
Other	3,065	607	44	3,716
Fees and other revenue	67,110	44,987	44	112,141
Gains (losses) on debt securities, net	—	63	—	63
Total non-interest income	67,110	45,050	44	112,204
Non-interest expense:				
Compensation and employee benefits	55,230	24,288	44,322	123,840
Occupancy and equipment	25,868	4,907	9,739	40,514
Other	76,100	28,645	(45,926)	58,819
Subtotal	157,198	57,840	8,135	223,173
Operating lease depreciation	—	17,274	—	17,274
Foreclosed real estate and repossessed assets, net	4,259	650	7	4,916
Other credit costs, net	9	608	—	617
Total non-interest expense	161,466	76,372	8,142	245,980
Income (loss) before income tax expense (benefit)	36,663	61,799	(407)	98,055
Income tax expense (benefit)	8,823	13,877	(1,069)	21,631
Income after income tax expense (benefit)	27,840	47,922	662	76,424
Income attributable to non-controlling interest	—	2,663	—	2,663
Preferred stock dividends	—	—	4,106	4,106
Impact of preferred stock redemption	—	—	3,481	3,481
Net income (loss) available to common stockholders	$ 27,840	$ 45,259	$ (6,925)	$ 66,174
Revenues from external customers:				
Interest income	$ 111,817	$ 150,659	$ 12,786	$ 275,262
Non-interest income	67,110	45,050	44	112,204

Total	$	178,927	$	195,709	$	12,830	$	387,466
Total assets	$	8,325,213	$	12,293,798	$	2,766,041	$	23,385,052

(In thousands)	Consumer Banking	Wholesale Banking	Enterprise Services	Consolidated
At or For the Quarter Ended March 31, 2017:				
Interest income:				
Loans and leases	$ 97,233	$ 123,726	$ (1,411)	$ 219,548
Debt securities available for sale	—	—	7,980	7,980
Debt securities held to maturity	—	28	1,252	1,280
Loans held for sale and other	12,600	22	877	13,499
Funds transfer pricing - credits	87,882	5,357	(93,239)	—
Total interest income	197,715	129,133	(84,541)	242,307
Interest expense:				
Deposits	12,042	325	1,348	13,715
Borrowings	11,083	9,932	(14,537)	6,478
Funds transfer pricing - charges	34,273	31,234	(65,507)	—
Total interest expense	57,398	41,491	(78,696)	20,193
Net interest income (expense)	140,317	87,642	(5,845)	222,114
Provision for credit losses	5,351	6,842	—	12,193
Net interest income (expense) after provision for credit losses	134,966	80,800	(5,845)	209,921
Non-interest income:				
Fees and service charges	29,509	1,773	—	31,282
Card revenue	13,150	—	—	13,150
ATM revenue	4,675	—	—	4,675
Subtotal	47,334	1,773	—	49,107
Gains on sales of auto loans, net	2,864	—	—	2,864
Gains on sales of consumer real estate loans, net	8,891	—	—	8,891
Servicing fee income	11,313	338	—	11,651
Subtotal	23,068	338	—	23,406
Leasing and equipment finance	—	28,298	—	28,298
Other	2,360	310	33	2,703
Fees and other revenue	72,762	30,719	33	103,514
Total non-interest income	72,762	30,719	33	103,514
Non-interest expense:				
Compensation and employee benefits	61,220	22,433	40,645	124,298
Occupancy and equipment	25,668	4,896	9,036	39,600
Other	78,796	26,227	(40,807)	64,216
Subtotal	165,684	53,556	8,874	228,114
Operating lease depreciation	—	11,242	—	11,242
Foreclosed real estate and repossessed assets, net	3,579	688	282	4,549
Other credit costs, net	25	76	—	101
Total non-interest expense	169,288	65,562	9,156	244,006
Income (loss) before income tax expense (benefit)	38,440	45,957	(14,968)	69,429
Income tax expense (benefit)	13,510	15,068	(7,735)	20,843
Income (loss) after income tax expense (benefit)	24,930	30,889	(7,233)	48,586
Income attributable to non-controlling interest	—	2,308	—	2,308
Preferred stock dividends	—	—	4,847	4,847
Net income (loss) available to common stockholders	$ 24,930	$ 28,581	$ (12,080)	$ 41,431
Revenues from external customers:				
Interest income	$ 109,833	$ 122,365	$ 10,109	$ 242,307
Non-interest income	72,762	30,719	33	103,514
Total	$ 182,595	$ 153,084	$ 10,142	$ 345,821

Total assets	$	8,876,967	$	10,845,817	$	2,113,784	$	21,836,568

Note 17. Litigation Contingencies

From time to time TCF is a party to legal proceedings arising out of its lending, leasing and deposit operations, including foreclosure proceedings and other collection actions as part of its lending and leasing collections activities. TCF may also be subject to regulatory examinations and enforcement actions brought by federal regulators, including the Securities and Exchange Commission, the Federal Reserve, the OCC and the Consumer Financial Protection Bureau ("CFPB") which may impose sanctions on TCF for failures related to regulatory compliance. From time to time borrowers and other customers, and employees and former employees have also brought actions against TCF, in some cases claiming substantial damages. TCF and other financial services companies are subject to the risk of class action litigation. Litigation is often unpredictable and the actual results of litigation cannot be determined and therefore the ultimate resolution of a matter and the possible range of loss associated with certain potential outcomes cannot be established. Except as discussed below, based on our current understanding of TCF's pending legal proceedings, management does not believe that judgments or settlements arising from pending or threatened legal matters, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, operating results or cash flows of TCF.

On January 19, 2017, the CFPB filed a civil lawsuit against TCF Bank in the United States District Court for the District of Minnesota (the "Court"), captioned Consumer Financial Protection Bureau v. TCF National Bank, alleging violations of the Consumer Financial Protection Act ("CFPA") and Regulation E, §1005.17 in connection with TCF Bank's practices administering checking account overdraft program "opt-in" requirements from 2010 to early 2014. In its complaint, the CFPB seeks, among other relief, redress for consumers, injunctive relief and unspecified penalties. On September 8, 2017, the Court issued a ruling on the motion made by TCF Bank to dismiss the complaint of the CFPB. In its ruling, the Court granted TCF Bank's motion to dismiss the CFPB's Regulation E claims and also dismissed the CFPB's unfair, deceptive and abusive conduct claims under the CFPA for periods prior to July 21, 2011. The Court did not grant TCF Bank's motion to dismiss CFPA claims for periods on or after July 21, 2011. TCF Bank rejects the claims made by the CFPB in its complaint and intends to continue to vigorously defend against the CFPB's allegations. TCF has not accrued any amounts with respect to this matter because (i) TCF does not believe a loss is probable, (ii) TCF believes the Company has meritorious defenses to the claims made and (iii) the damages sought are unspecified and uncertain. Therefore, TCF is currently unable to reasonably estimate a range of potential loss, if any, relating to this matter. There is no assurance that the ultimate resolution of this lawsuit will not have a material adverse effect on the consolidated financial position, operating results or cash flows of TCF.

Table of Contents

Note 18. Accumulated Other Comprehensive Income (Loss)

The components of other comprehensive income (loss), reclassifications from accumulated other comprehensive income (loss) to various financial statement line items and the related tax effects were as follows:

	Quarter Ended March 31,					
	2018			2017		
(In thousands)	Before Tax	Tax Effect	Net of Tax	Before Tax	Tax Effect	Net of Tax
Net unrealized gains (losses) on debt securities available for sale and interest-only strips:						
Net unrealized gains (losses) arising during the period	$ (37,892)	$ 9,538	$ (28,354)	$ 4,162	$ (1,582)	$ 2,580
Reclassification of net (gains) losses from accumulated other comprehensive income (loss) to:						
Total interest income	276	(69)	207	48	(18)	30
Other non-interest expense	437	(109)	328	257	(98)	159
Amounts reclassified from accumulated other comprehensive income (loss)	713	(178)	535	305	(116)	189
Net unrealized gains (losses) on debt securities available for sale and interest-only strips	(37,179)	9,360	(27,819)	4,467	(1,698)	2,769
Net unrealized gains (losses) on net investment hedges	2,137	(533)	1,604	(504)	191	(313)
Foreign currency translation adjustment[(1)]	(2,110)	—	(2,110)	581	—	581
Recognized postretirement prior service cost:						
Reclassification of amortization of prior service cost to Other non-interest expense	(12)	3	(9)	(12)	5	(7)
Total other comprehensive income (loss)	$ (37,164)	$ 8,830	$ (28,334)	$ 4,532	$ (1,502)	$ 3,030

(1) Foreign investments are deemed to be permanent in nature and, therefore, TCF does not provide for taxes on foreign currency translation adjustments.

The components of accumulated other comprehensive income (loss) were as follows:

(In thousands)	Net Unrealized Gains (Losses) on Debt Securities Available for Sale and Interest-only Strips	Net Unrealized Gains (Losses) on Net Investment Hedges	Foreign Currency Translation Adjustment	Recognized Postretirement Prior Service Cost	Total
At or For the Quarter Ended March 31, 2018:					
Balance, beginning of period	$ (16,353)	$ 4,536	$ (6,843)	$ 143	$ (18,517)
Other comprehensive income (loss)	(28,354)	1,604	(2,110)	—	(28,860)
Amounts reclassified from accumulated other comprehensive income (loss)	535	—	—	(9)	526
Net other comprehensive income (loss)	(27,819)	1,604	(2,110)	(9)	(28,334)
Balance, end of period	$ (44,172)	$ 6,140	$ (8,953)	$ 134	$ (46,851)
At or For the Quarter Ended March 31, 2017:					
Balance, beginning of period	$ (28,601)	$ 6,493	$ (11,764)	$ 147	$ (33,725)
Other comprehensive income (loss)	2,580	(313)	581	—	2,848
Amounts reclassified from accumulated other comprehensive income (loss)	189	—	—	(7)	182
Net other comprehensive income (loss)	2,769	(313)	581	(7)	3,030
Balance, end of period	$ (25,832)	$ 6,180	$ (11,183)	$ 140	$ (30,695)

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Overview

TCF Financial Corporation (together with its direct and indirect subsidiaries, "we," "us," "our," "TCF" or the "Company"), a Delaware corporation, is a national bank holding company based in Wayzata, Minnesota. References herein to "TCF Financial" or the "Holding Company" refer to TCF Financial Corporation on an unconsolidated basis. Its principal subsidiary, TCF National Bank ("TCF Bank"), is headquartered in Sioux Falls, South Dakota. At March 31, 2018, TCF Bank operated 318 bank branches in Illinois, Minnesota, Michigan, Colorado, Wisconsin, Arizona and South Dakota (TCF's primary banking markets). Through its direct subsidiaries, TCF Bank provides a full range of consumer facing and commercial services, including providing consumer banking services, commercial banking services, commercial leasing and equipment financing and commercial inventory financing.

TCF provides convenient financial services through multiple channels in its primary banking markets. TCF has developed products and services designed to meet the specific needs of the largest consumer segments in the market. The Company focuses on attracting and retaining customers through service and convenience, including select locations open seven days a week with extended hours and on most holidays, full-service supermarket branches, access to automated teller machine ("ATM") networks and digital banking channels. TCF's philosophy is to generate interest income, fees and other revenue growth through business lines that emphasize higher yielding assets and low interest cost deposits. TCF's growth strategies include organic growth in existing businesses, development of new products and services, new customer acquisition and acquisitions of portfolios or businesses. New products and services are designed to build on existing businesses and expand into complementary products and services through strategic initiatives. Funded generally through retail deposit generation, TCF continues to focus on profitable asset growth.

Net interest income, the difference between interest income earned on loans and leases, debt securities, investments and other interest-earning assets (interest income) and interest paid on deposits and borrowings (interest expense), represented 68.4% of TCF's total revenue for the first quarter of 2018, compared with 68.2% for the same period in 2017. Net interest income can change significantly from period to period based on interest rates, customer prepayment patterns, the volume and mix of interest-earning assets and the volume and mix of interest-bearing and non-interest bearing deposits and interest-bearing borrowings. TCF manages the risk of changes in interest rates on its net interest income through a management Asset & Liability Committee and through related interest rate risk monitoring and management policies. See "Part I, Item 3. Quantitative and Qualitative Disclosures about Market Risk" for further discussion.

Non-interest income is a significant source of revenue for TCF and an important component of TCF's results of operations. The significant components of non-interest income are from leasing and equipment finance and fees and service charges. The leasing and equipment finance business generates non-interest income primarily from operating leases and sales-type leases. Providing a wide range of consumer banking services is an integral component of TCF's business philosophy. Primary drivers of bank fees and service charges include the number of customers we attract, the customers' level of engagement and the frequency with which the customer uses our solutions. As an effort to diversify TCF's non-interest income sources and manage credit concentration risk, TCF sells loans, primarily secured by consumer real estate, which result in gains on sales, as well as servicing fee income. Primary drivers of gains on sales include TCF's ability to originate loans held for sale, identify loan buyers and execute loan sales.

The following portions of this Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion and Analysis") focus in more detail on the results of operations for the first quarter of 2018 and 2017 and on information about TCF's financial condition, loan and lease portfolio, liquidity, funding resources, capital and other matters.

Results of Operations

Performance Summary TCF reported diluted earnings per common share of 39 cents for the first quarter of 2018, compared with 25 cents for the same period in 2017. The amount of deferred stock issuance costs originally recorded in preferred stock upon the issuance of the 6.45% Series B non-cumulative perpetual preferred stock (the "Series B Preferred Stock") was reclassified to retained earnings and resulted in a non-cash, one-time reduction to net income available to common stockholders of $3.5 million utilized in the computation of earnings per common share and diluted earnings per common share. This lowered earnings per common share and diluted earnings per common share by 2 cents per share for the first quarter of 2018. TCF reported net income of $73.8 million for the first quarter of 2018, compared with $46.3 million for the same period in 2017.

Return on average assets on a fully tax-equivalent basis was 1.33% for the first quarter of 2018, compared with 0.90% for the same period in 2017. Total average assets were $23.1 billion for the first quarter of 2018, compared with $21.7 billion for the same period in 2017. Return on average common equity was 11.23% for the first quarter of 2018, compared with 7.64% for the same period in 2017. TCF reported net income available to common stockholders of $66.2 million for the first quarter of 2018, compared with $41.4 million for the same period in 2017. Total average common equity was $2.4 billion for the first quarter of 2018, compared with $2.2 billion for the same period in 2017.

Consolidated Income Statement Analysis

Net Interest Income Net interest income represented 68.4% of TCF's total revenue for the first quarter of 2018, compared with 68.2% for the same period in 2017. Net interest income was $243.2 million for the first quarter of 2018, compared with $222.1 million for the same period in 2017. Total interest income was $275.3 million for the first quarter of 2018, compared with $242.3 million for the same period in 2017. The increase in total interest income was primarily due to higher average balances and increased average yields on inventory finance loans and leasing and equipment finance loans and leases, as well as increased average yields and higher average balances of commercial loans. Total interest expense was $32.1 million for the first quarter of 2018, compared with $20.2 million for the same period in 2017. The increase was primarily due to increased average rates and higher average balances of certificates of deposit and increased average rates on long-term borrowings and savings accounts, partially offset by lower average balances of money market accounts.

Net interest income on a fully tax-equivalent basis divided by average interest-earning assets is referred to as the net interest margin, expressed as a percentage. Net interest income and net interest margin are affected by (i) changes in prevailing short- and long-term interest rates, (ii) loan and deposit pricing strategies and competitive conditions, (iii) the volume and mix of interest-earning assets, non-interest bearing deposits and interest-bearing liabilities, (iv) the level of non-accrual loans and leases and other real estate owned and (v) the impact of modified loans and leases.

Net interest margin was 4.59% for the first quarter of 2018, compared with 4.46% for the same period in 2017. The increase was primarily due to increased average yields on the variable- and adjustable-rate loan portfolios as a result of interest rate increases, partially offset by increased average rates and higher average balances of certificates of deposit and increased average rates on long-term borrowings and savings accounts. The average yield on interest-earning assets on a fully tax-equivalent basis was 5.19% for the first quarter of 2018, compared with 4.86% for the same period in 2017. Average interest-earning assets were $21.6 billion for the first quarter of 2018, compared with $20.4 billion for the same period in 2017. The average rate on interest-bearing liabilities on a fully tax-equivalent basis was 0.81% for the first quarter of 2018, compared with 0.54% for the same period in 2017. Average interest-bearing liabilities were $16.0 billion for the first quarter of 2018, compared with $15.2 billion for the same period in 2017.

TCF's average balances, interest, and yields and rates on major categories of TCF's interest-earning assets and interest-bearing liabilities on a fully tax-equivalent basis were as follows:

	Quarter Ended March 31,					
	2018			2017		
(Dollars in thousands)	Average Balance	Interest[1]	Yields and Rates[1][2]	Average Balance	Interest[1]	Yields and Rates[1][2]
Assets:						
Investments and other	$ 332,319	$ 2,776	3.38%	$ 286,519	$ 2,747	3.88%
Debt securities held to maturity	159,139	1,019	2.56	177,939	1,280	2.88
Debt securities available for sale:						
Taxable	981,843	5,813	2.37	815,867	4,654	2.28
Tax-exempt[3]	821,642	5,456	2.66	640,826	5,117	3.19
Loans and leases held for sale	63,095	969	6.22	464,301	10,752	9.39
Loans and leases:[4]						
Consumer real estate:						
Fixed-rate	1,786,636	24,613	5.58	2,083,472	29,287	5.70
Variable- and adjustable-rate	3,012,036	45,881	6.18	2,945,529	40,239	5.54
Total consumer real estate	4,798,672	70,494	5.96	5,029,001	69,526	5.60
Commercial:						
Fixed-rate	931,275	10,597	4.61	1,000,316	11,713	4.75
Variable- and adjustable-rate	2,669,745	33,160	5.04	2,302,575	24,391	4.30
Total commercial	3,601,020	43,757	4.93	3,302,891	36,104	4.43
Leasing and equipment finance	4,690,868	56,407	4.81	4,285,944	47,976	4.48
Inventory finance	3,128,290	51,195	6.64	2,696,787	39,451	5.93
Auto finance	3,020,187	39,285	5.28	2,714,862	27,771	4.15
Other	14,446	147	4.16	9,740	131	5.44
Total loans and leases	19,253,483	261,285	5.49	18,039,225	220,959	4.95
Total interest-earning assets	21,611,521	277,318	5.19	20,424,677	245,509	4.86
Other assets[5]	1,453,742			1,263,678		
Total assets	$ 23,065,263			$ 21,688,355		
Liabilities and Equity:						
Non-interest bearing deposits:						
Retail	$ 2,182,780			$ 1,880,298		
Small business	928,057			894,845		
Commercial and custodial	634,908			626,081		
Total non-interest bearing deposits	3,745,745			3,401,224		
Interest-bearing deposits:						
Checking	2,461,548	113	0.02	2,530,281	83	0.01
Savings	5,395,669	3,165	0.24	4,756,486	501	0.04
Money market	1,698,064	2,409	0.58	2,385,353	2,938	0.50
Certificates of deposit	4,998,133	16,823	1.36	4,033,143	10,193	1.02
Total interest-bearing deposits	14,553,414	22,510	0.63	13,705,263	13,715	0.41
Total deposits	18,299,159	22,510	0.50	17,106,487	13,715	0.33
Borrowings:						
Short-term borrowings	3,952	19	1.99	4,628	7	0.65
Long-term borrowings	1,423,075	9,534	2.70	1,459,053	6,471	1.78
Total borrowings	1,427,027	9,553	2.70	1,463,681	6,478	1.78
Total interest-bearing liabilities	15,980,441	32,063	0.81	15,168,944	20,193	0.54
Total deposits and borrowings	19,726,186	32,063	0.66	18,570,168	20,193	0.44
Other liabilities	758,157			665,301		
Total liabilities	20,484,343			19,235,469		

Total TCF Financial Corp. stockholders' equity	2,557,729				2,431,755		
Non-controlling interest in subsidiaries	23,191				21,131		
Total equity	2,580,920				2,452,886		
Total liabilities and equity	$ 23,065,263				$ 21,688,355		
Net interest income and margin		$	245,255	4.59		$	225,316	4.46

(1) Interest and yields are presented on a fully tax-equivalent basis.
(2) Annualized.
(3) The yield on tax-exempt debt securities available for sale is computed on a tax-equivalent basis using a statutory federal income tax rate of 21% and 35% for the first quarter of 2018 and 2017, respectively.
(4) Average balances of loans and leases include non-accrual loans and leases and are presented net of unearned income.
(5) Includes leased equipment and related initial direct costs under operating leases of $281.9 million and $180.3 million for the first quarter of 2018 and 2017, respectively.

Provision for Credit Losses The provision for credit losses is calculated as part of the determination of the allowance for loan and lease losses, which is a critical accounting estimate. TCF's evaluation of incurred losses is based on historical loss rates multiplied by the respective portfolio's loss emergence period. Factors utilized in the determination and allocation of the allowance for loan and lease losses and the related provision for credit losses include historical trends in loss rates, a portfolio's overall risk characteristics, changes in its character or size, risk rating migration, delinquencies, collateral values, economic outlook and prevailing economic conditions.

The composition of TCF's provision for credit losses was as follows:

	Quarter Ended March 31,				Change	
(Dollars in thousands)	2018		2017		$	%
Consumer real estate	$ 2,104	18.5 %	$ (8,137)	(66.7)%	$ 10,241	N.M.
Commercial	(11)	(0.1)	3,669	30.1	(3,680)	N.M.
Leasing and equipment finance	1,996	17.6	1,386	11.4	610	44.0 %
Inventory finance	512	4.5	1,965	16.1	(1,453)	(73.9)
Auto finance	6,253	55.0	12,857	105.4	(6,604)	(51.4)
Other	514	4.5	453	3.7	61	13.5
Total	$ 11,368	100.0 %	$ 12,193	100.0 %	$ (825)	(6.8)

N.M. Not Meaningful.

TCF's provision for credit losses was $11.4 million for the first quarter of 2018, compared with $12.2 million for the same period in 2017. The decrease was primarily due to decreased provision for credit losses related to the auto finance, commercial and inventory finance portfolios, partially offset by an increased provision for credit losses related to the consumer real estate portfolio. The decrease in the provision for credit losses related to the auto finance portfolio was primarily due to run-off in the auto finance portfolio. The decrease in the provision for credit losses related to the commercial and inventory finance portfolios was primarily due to decreased reserve rates. The increase in the provision for credit losses related to the consumer real estate portfolio was primarily due to the recovery of $8.7 million in the first quarter of 2017 on previous charge-offs related to the consumer real estate non-accrual loans that were sold.

Net loan and lease charge-offs for the first quarter of 2018 were $14.2 million, or 0.29% of average loans and leases (annualized), compared with $5.1 million, or 0.11% of average loans and leases (annualized), for the same period in 2017. The increase in net loan and lease charge-offs was primarily due to the recovery of $8.7 million in the first quarter of 2017 on previous charge-offs related to the consumer real estate non-accrual loans that were sold and increased net charge-offs in the auto finance portfolio in the first quarter of 2018, partially offset by decreased net charge-offs in the commercial portfolio.

For further information, see "Consolidated Financial Condition Analysis — Credit Quality" in this Management's Discussion and Analysis and Note 6. Allowance for Loan and Lease Losses and Credit Quality Information of Notes to Consolidated Financial Statements.

Non-interest Income

The components of non-interest income were as follows:

	Quarter Ended March 31,		Change	
(Dollars in thousands)	2018	2017	$	%
Fees and service charges	$ 30,751	$ 31,282	$ (531)	(1.7)%
Card revenue	13,759	13,150	609	4.6
ATM revenue	4,650	4,675	(25)	(0.5)
Subtotal	49,160	49,107	53	0.1
Gains on sales of auto loans, net	—	2,864	(2,864)	(100.0)
Gains on sales of consumer real estate loans, net	9,123	8,891	232	2.6
Servicing fee income	8,295	11,651	(3,356)	(28.8)
Subtotal	17,418	23,406	(5,988)	(25.6)
Leasing and equipment finance	41,847	28,298	13,549	47.9
Other	3,716	2,703	1,013	37.5
Fees and other revenue	112,141	103,514	8,627	8.3
Gains (losses) on debt securities, net	63	—	63	N.M.
Total non-interest income	$ 112,204	$ 103,514	$ 8,690	8.4
Total non-interest income as a percentage of total revenue	31.6%	31.8%		

N.M. Not Meaningful.

Servicing Fee Income Servicing fee income was $8.3 million on $4.5 billion of average loans and leases serviced for others for the first quarter of 2018, compared with $11.7 million on $5.6 billion of average loans and leases serviced for others for the same period in 2017. The decrease was primarily due to run-off in the auto finance loans serviced for others portfolio. Servicing fee income on auto finance loans serviced for others comprised $6.4 million of total servicing fee income for the first quarter of 2018, compared with $9.8 million for the same period in 2017. Average auto finance loans serviced for others were $1.8 billion for the first quarter of 2018, compared with $2.9 billion for the same period in 2017. Servicing fee income on consumer real estate loans serviced for others comprised $1.5 million of total servicing fee income on $2.4 billion of average consumer real estate loans serviced for others for the first quarter of 2018 and 2017.

Leasing and Equipment Finance Leasing and equipment finance non-interest income was $41.8 million for the first quarter of 2018, compared with $28.3 million for the same period in 2017. The increase was primarily due to an increase in operating lease revenue, mainly driven by the acquisition of a leasing company in the second quarter of 2017 and an increase in sales-type lease revenue.

Non-interest Expense

The components of non-interest expense were as follows:

	Quarter Ended March 31,		Change	
(Dollars in thousands)	2018	2017	$	%
Compensation and employee benefits	$ 123,840	$ 124,298	$ (458)	(0.4)%
Occupancy and equipment	40,514	39,600	914	2.3
Other	58,819	64,216	(5,397)	(8.4)
Subtotal	223,173	228,114	(4,941)	(2.2)
Operating lease depreciation	17,274	11,242	6,032	53.7
Foreclosed real estate and repossessed assets, net	4,916	4,549	367	8.1
Other credit costs, net	617	101	516	N.M.
Total non-interest expense	$ 245,980	$ 244,006	$ 1,974	0.8

N.M. Not Meaningful.

Other Non-interest Expense Other non-interest expense was $58.8 million for the first quarter of 2018, compared with $64.2 million for the same period in 2017. The decrease was primarily due to decreases in severance expense, loan and lease processing expense and professional fees, partially offset by increases in advertising and marketing expense and outside processing expense. See Note 15. Other Non-interest Expense of Notes to Consolidated Financial Statements for further information.

Operating Lease Depreciation Operating lease depreciation was $17.3 million for the first quarter of 2018, compared with $11.2 million for the same period in 2017. The increase was primarily due to an increase in leasing and equipment finance operating lease revenue related to the acquisition of a leasing company in the second quarter of 2017.

Income Taxes Income tax expense was $21.6 million, or 22.1% of income before income tax expense, for the first quarter of 2018, compared with $20.8 million, or 30.0% of income before income tax expense, for the same period in 2017. The effective tax rates for the first quarter of 2018 and 2017 were impacted by $1.2 million and $2.0 million, respectively, of tax benefits related to stock compensation. The lower effective income tax rate for the first quarter of 2018 was primarily due to changes in the corporate statutory tax rate as a result of the Tax Cuts and Jobs Act that was enacted on December 22, 2017 ("Tax Reform").

No adjustments were made in the first quarter of 2018 to the provisional amounts recorded as of December 31, 2017 related to Tax Reform. These provisional amounts relate to TCF's deemed repatriation tax; like-kind-exchange program; the timing of payments associated with certain liabilities; reports, tax forms and forecasts from various partnership investments; grantor letters and tax forms from various trusts; and the results of detailed analyses of information associated with several deferred tax items. TCF will obtain, prepare and continue to analyze the provisional information during the measurement period, up to and including the period in which it files its 2017 consolidated federal income tax return. TCF may adjust these provisional amounts during the measurement period.

Reportable Segment Results

The Company's reportable segments are Consumer Banking, Wholesale Banking and Enterprise Services. See Note 16. Business Segments of Notes to Consolidated Financial Statements for further information regarding net income (loss), revenues and assets for each of TCF's reportable segments.

Consumer Banking

Consumer Banking is comprised of all of the Company's consumer-facing businesses and includes retail banking, consumer real estate and auto finance. TCF's consumer banking strategy is primarily to generate deposits and originate high credit quality secured consumer real estate loans for investment and for sale. Effective December 1, 2017, the Company discontinued auto loan originations. TCF will continue to service existing auto loans on its balance sheet and those serviced for others. Deposits are generated from consumers and small businesses to provide a source of low cost funds, with a focus on building and maintaining quality customer relationships. The Consumer Banking reportable segment generates a significant portion of the Company's net interest income and non-interest income from fees and service charges, card revenue, gains on sales of loans and servicing fee income and incurs a significant portion of the Company's provision for credit losses and non-interest expense.

Consumer Banking generated net income available to common stockholders of $27.8 million for the first quarter of 2018, compared with $24.9 million for the same period in 2017.

Consumer Banking provision for credit losses was $8.9 million for the first quarter of 2018, compared with $5.4 million for the same period in 2017. The increase was primarily due to the recovery of $8.7 million in the first quarter of 2017 on previous charge-offs related to the consumer real estate non-accrual loans that were sold, partially offset by run-off in the auto finance portfolio.

Consumer Banking non-interest income was $67.1 million for the first quarter of 2018, compared with $72.8 million for the same period in 2017. The decrease was primarily due to decreased servicing fee income related to auto finance loans serviced for others and the discontinuation of sales of auto finance loans. Servicing fee income was $7.9 million for the first quarter of 2018, compared with $11.3 million for the same period in 2017. Servicing fee income on auto finance loans serviced for others comprised $6.4 million of total servicing fee income for the first quarter of 2018, compared with $9.8 million for the same period in 2017. Average auto finance loans serviced for others were $1.8 billion for the first quarter of 2018, compared with $2.9 billion for the same period in 2017. Servicing fee income on consumer real estate loans serviced for others comprised $1.5 million of total servicing fee income on $2.4 billion of average consumer real estate loans serviced for others for the first quarter of 2018 and 2017.

Consumer Banking non-interest expense was $161.5 million for the first quarter of 2018, compared with $169.3 million for the same period in 2017. The decrease was primarily due to lower compensation and employee benefits expense as a result of lower headcount in auto finance and a decrease in other non-interest expense. The decrease in other non-interest expense was primarily due to decreases in severance expense in the auto finance business and lower loan and lease processing expense, partially offset by higher allocations from Enterprise Services primarily related to information technology and human capital management initiatives, as well as higher advertising and marketing expense and higher outside processing expense.

Wholesale Banking

Wholesale Banking is comprised of commercial banking, leasing and equipment finance, and inventory finance. TCF's wholesale banking strategy is primarily to originate high credit quality secured loans and leases for investment.

Wholesale Banking generated net income available to common stockholders of $45.3 million for the first quarter of 2018, compared with $28.6 million for the same period in 2017.

Wholesale Banking net interest income was $95.6 million for the first quarter of 2018, compared with $87.6 million for the same period in 2017. Total interest income attributable to the Wholesale Banking segment was $159.3 million for the first quarter of 2018, compared with $129.1 million for the same period in 2017. The increase was primarily due to higher average balances and increased average yields on inventory finance loans and leasing and equipment finance loans and leases, as well as increased average yields and higher average balances of commercial loans. Total interest expense attributable to the Wholesale Banking segment was $63.7 million for the first quarter of 2018, compared with $41.5 million for the same period in 2017. The increase was primarily due to higher funds transfer pricing charges and higher interest expense on inter-company borrowings driven by an increase in loans and leases and an increase in interest rates on inter-company borrowings.

Wholesale Banking provision for credit losses was $2.5 million for the first quarter of 2018, compared with $6.8 million for the same period in 2017. The decrease was primarily due to decreased reserve rates for the commercial and inventory finance portfolios.

Wholesale Banking non-interest income was $45.1 million for the first quarter of 2018, compared with $30.7 million for the same period in 2017. The increase was primarily due to an increase in leasing and equipment finance non-interest income attributable to operating lease revenue mainly driven by the acquisition of a leasing company in the second quarter of 2017 and an increase in sales-type lease revenue.

Wholesale Banking non-interest expense was $76.4 million for the first quarter of 2018, compared with $65.6 million for the same period in 2017. The increase was primarily due to an increase in operating lease depreciation related to an increase in leasing and equipment finance operating lease revenue mainly driven by the acquisition of a leasing company in the second quarter of 2017 and an increase in other non-interest expense. The increase in other non-interest expense was primarily due to higher allocations from Enterprise Services primarily related to information technology initiatives.

Enterprise Services

Enterprise Services is comprised of (i) corporate treasury, which includes the Company's investment and borrowing portfolios and management of capital, debt and market risks, (ii) corporate functions, such as information technology, risk and credit management, bank operations, finance, investor relations, corporate development, internal audit, legal and human capital management that provide services to the operating segments, (iii) the Holding Company and (iv) eliminations. The Company's investment portfolio accounts for the earning assets within this segment. Borrowings may be used to offset reductions in deposits or to support lending activities. This segment also includes residual revenues and expenses representing the difference between actual amounts incurred by Enterprise Services and amounts allocated to the operating segments, including interest rate risk residuals such as funds transfer pricing mismatches.

Enterprise Services generated a net loss available to common stockholders of $6.9 million for the first quarter of 2018, compared with $12.1 million for the same period in 2017.

Enterprise Services net interest income was $7.7 million for the first quarter of 2018, compared with net interest expense of $5.8 million for the same period in 2017. The increase was primarily due to a decrease in funds transfer pricing mismatches as a result of rising interest rates and an increase in interest income attributable to higher average balances of debt securities available for sale, partially offset by an increase in interest expense primarily due to increased average rates on long-term borrowings.

Enterprise Services non-interest expense was $8.1 million for the first quarter of 2018, compared with $9.2 million for the same period in 2017. The decrease was primarily due to an increase in allocated other non-interest expense to the Consumer Banking and Wholesale Banking segments and a decrease in professional fees, partially offset by increased compensation and employee benefits expense.

Consolidated Financial Condition Analysis

Debt Securities Available for Sale and Debt Securities Held to Maturity Total debt securities available for sale were $2.0 billion at March 31, 2018, compared with $1.7 billion at December 31, 2017. TCF's debt securities available for sale portfolio consists primarily of fixed-rate mortgage-backed securities issued by the Federal National Mortgage Association ("Fannie Mae") and obligations of states and political subdivisions. TCF may, from time to time, sell debt securities available for sale and utilize the proceeds to reduce borrowings, fund growth in loans and leases or for other corporate purposes.

Total debt securities held to maturity were $158.1 million at March 31, 2018, compared with $161.6 million at December 31, 2017. TCF's debt securities held to maturity portfolio consists primarily of fixed-rate mortgage-backed securities issued by Fannie Mae.

The amortized cost, fair value and fully tax-equivalent yield of debt securities available for sale and debt securities held to maturity by final contractual maturity were as follows. The remaining contractual principal maturities do not consider possible prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay.

	At March 31, 2018			At December 31, 2017		
(Dollars in thousands)	Amortized Cost	Fair Value	Tax-equivalent Yield	Amortized Cost	Fair Value	Tax-equivalent Yield
Debt securities available for sale:						
Mortgage-backed securities:						
Due in one year or less	$ 5	$ 5	1.96%	$ 6	$ 6	1.98%
Due in 5-10 years	104,677	102,031	2.02	82,842	82,046	2.04
Due after 10 years	1,066,836	1,039,621	2.55	825,347	812,639	2.32
Obligations of states and political subdivisions:						
Due in 1-5 years	29,294	29,201	2.47	15,178	15,312	2.97
Due in 5-10 years	453,433	445,675	2.60	431,494	435,821	3.14
Due after 10 years	347,569	337,713	2.72	363,487	363,194	3.29
Total debt securities available for sale	$ 2,001,814	$ 1,954,246	2.56	$ 1,718,354	$ 1,709,018	2.72
Debt securities held to maturity:						
Mortgage-backed securities:						
Due in 5-10 years	$ 18	$ 21	6.50%	$ —	$ —	—%
Due after 10 years	155,281	155,675	2.55	158,776	162,826	2.55
Other securities:						
Due in one year or less	1,000	1,000	3.00	1,000	1,000	3.00
Due in 1-5 years	1,400	1,400	3.21	1,400	1,400	3.21
Due in 5-10 years	400	400	3.00	400	400	3.00
Total debt securities held to maturity	$ 158,099	$ 158,496	2.56	$ 161,576	$ 165,626	2.56

See Note 4. Debt Securities Available for Sale and Debt Securities Held to Maturity of Notes to Consolidated Financial Statements for further information regarding TCF's securities available for sale and securities held to maturity.

Loans and Leases Information about loans and leases held in TCF's portfolio was as follows:

(Dollars in thousands)	At March 31, 2018 Amount	At March 31, 2018 % of Total	At December 31, 2017 Amount	At December 31, 2017 % of Total	Change $	Change %
Consumer real estate:						
First mortgage lien	$ 1,878,441	9.7%	$ 1,959,387	10.3%	$ (80,946)	(4.1)%
Junior lien	2,843,221	14.7	2,860,309	15.0	(17,088)	(0.6)
Total consumer real estate	4,721,662	24.4	4,819,696	25.2	(98,034)	(2.0)
Commercial:						
Commercial real estate	2,809,452	14.5	2,751,285	14.4	58,167	2.1
Commercial business	868,729	4.5	809,908	4.2	58,821	7.3
Total commercial	3,678,181	19.0	3,561,193	18.6	116,988	3.3
Leasing and equipment finance	4,666,239	24.1	4,761,661	24.9	(95,422)	(2.0)
Inventory finance	3,457,855	17.8	2,739,754	14.3	718,101	26.2
Auto finance	2,839,363	14.6	3,199,639	16.7	(360,276)	(11.3)
Other	19,854	0.1	22,517	0.3	(2,663)	(11.8)
Total loans and leases	$ 19,383,154	100.0%	$ 19,104,460	100.0%	$ 278,694	1.5

Consumer Real Estate The consumer real estate portfolio is secured by mortgages on residential real estate and consisted of $1.9 billion of first mortgage lien loans and $2.8 billion of junior lien loans at March 31, 2018, compared with $2.0 billion and $2.9 billion, respectively, at December 31, 2017. The decrease in the consumer real estate portfolio was primarily due to run-off in the first mortgage lien portfolio and lower originations. Loans are originated for investment and for sale. Consumer real estate originations were $432.5 million for the first quarter of 2018, compared with $495.1 million for the same period in 2017. TCF sold $266.3 million of consumer real estate loans in the first quarter of 2018, compared with $379.4 million for the same period in 2017. At March 31, 2018, 60.1% of the consumer real estate portfolio was in TCF's primary banking markets, compared with 61.5% at December 31, 2017. At March 31, 2018, 62.9% of the consumer real estate portfolio carried a variable or adjustable rate generally tied to the prime rate, compared with 62.2% at December 31, 2017. At March 31, 2018, 41.3% of TCF's consumer real estate loans consisted of closed-end loans, compared with 42.2% at December 31, 2017. TCF's closed-end consumer real estate loans require payments of principal and interest over a fixed term.

The average Fair Isaac Corporation ("FICO®") credit score at loan origination for the consumer real estate portfolio was 738 at both March 31, 2018 and December 31, 2017. As part of TCF's credit risk monitoring, TCF obtains updated FICO score information quarterly. The average updated FICO score for the consumer real estate portfolio was 734 at March 31, 2018, compared with 736 at December 31, 2017.

TCF's consumer real estate underwriting standards are intended to produce adequately secured loans to customers with good credit scores at the origination date. Beginning in 2008, TCF generally has not made new loans in excess of 90% loan-to-value at origination. TCF also has not originated consumer real estate loans with multiple payment options or loans with "teaser" interest rates. At March 31, 2018, 69.1% of the consumer real estate portfolio had been originated since January 1, 2009 with annualized net charge-offs of 0.05%.

The consumer real estate junior lien portfolio was comprised of $2.6 billion of home equity lines of credit ("HELOCs") and $196.5 million of amortizing consumer real estate junior lien mortgage loans at March 31, 2018, compared with $2.7 billion and $206.2 million, respectively, at December 31, 2017. At both March 31, 2018 and December 31, 2017, $2.3 billion of the consumer real estate junior lien HELOCs had a 10-year interest-only draw period and a 20-year amortization repayment period. All consumer real estate junior lien HELOCs at both periods were within the 10-year interest-only draw period and will not convert to amortizing loans until 2021 or later. At March 31, 2018, $376.9 million of the consumer real estate junior lien HELOCs were interest-only revolving draw loans with no defined amortization period and original draw periods of five to 40 years, compared with $400.4 million at December 31, 2017. At March 31, 2018, 15.6% of these loans mature prior to 2021. Outstanding balances on consumer real estate lines of credit were 66.7% of total lines of credit at March 31, 2018, compared with 66.9% at December 31, 2017.

Commercial The commercial portfolio consisted of $2.8 billion of commercial real estate loans and $868.7 million of commercial business loans at March 31, 2018, compared with $2.8 billion and $809.9 million, respectively, at December 31, 2017. Total commercial originations were $537.5 million for the first quarter of 2018, compared with $405.0 million for the same period in 2017. At March 31, 2018, 73.9% of TCF's commercial real estate loans outstanding were secured by properties located in TCF's primary banking markets, compared with 74.7% at December 31, 2017. With an emphasis on secured lending, essentially all of TCF's commercial loans were secured either by properties or other business assets at March 31, 2018 and December 31, 2017. At March 31, 2018, variable- and adjustable-rate loans represented 74.9% of total commercial loans outstanding, compared with 73.5% at December 31, 2017.

Leasing and Equipment Finance The leasing and equipment finance portfolio consisted of $2.4 billion of leases and $2.2 billion of loans at March 31, 2018, compared with $2.5 billion and $2.3 billion, respectively, at December 31, 2017. The decrease in the leasing and equipment finance portfolio was primarily due to payments received outpacing originations. Leasing and equipment finance originations (excluding loan and lease purchases) were $432.8 million for the first quarter of 2018, compared with $406.0 million for the same period in 2017. Leasing and equipment finance originations include operating lease originations. The uninstalled backlog of approved transactions was $629.9 million at March 31, 2018, compared with $506.4 million at December 31, 2017.

Inventory Finance The inventory finance portfolio consisted of $3.5 billion of loans at March 31, 2018, compared with $2.7 billion at December 31, 2017. The increase was primarily due to a seasonally higher balance in the lawn and garden marketing segment and strong originations. Inventory finance originations were $2.4 billion for the first quarter of 2018, compared with $1.8 billion for the same period in 2017. Origination levels are impacted by the velocity of fundings and repayments with dealers. TCF's inventory finance customers included more than 11,100 active dealers at March 31, 2018, compared with more than 10,900 active dealers at December 31, 2017.

Auto Finance The auto finance portfolio consisted of $2.8 billion of loans at March 31, 2018, compared with $3.2 billion at December 31, 2017. The decrease was primarily due to the discontinuation of auto finance loan originations effective December 1, 2017 and run-off. There were no auto finance loan originations in the first quarter of 2018, compared with $863.2 million for the same period in 2017. TCF did not sell any auto finance loans in the first quarter of 2018, compared with $250.6 million for the same period in 2017. The auto finance portfolio consisted of 19.9% new auto finance loans and 80.1% used auto finance loans at both March 31, 2018 and December 31, 2017.

Credit Quality The following summarizes TCF's loan and lease portfolio based on the credit quality factors that TCF believes are the most important and should be considered to understand the overall condition of the portfolio.

Past Due Loans and Leases Over 60-day delinquent loans and leases by type, excluding non-accrual loans and leases, were as follows. Delinquent balances are determined based on the contractual terms of the loan or lease. See Note 6. Allowance for Loan and Lease Losses and Credit Quality Information of Notes to Consolidated Financial Statements for further information.

	At March 31, 2018		At December 31, 2017	
(Dollars in thousands)	60 Days or More Delinquent and Accruing	Percentage of Period-End Loans and Leases (1)	60 Days or More Delinquent and Accruing	Percentage of Period-End Loans and Leases (1)
Consumer real estate:				
First mortgage lien	$ 4,248	0.23%	$ 4,666	0.25%
Junior lien	1,601	0.06	1,268	0.04
Total consumer real estate	5,849	0.13	5,934	0.13
Commercial	—	—	1	—
Leasing and equipment finance	5,184	0.11	6,389	0.14
Inventory finance	45	—	208	0.01
Auto finance	6,739	0.24	9,077	0.28
Other	48	0.24	9	0.04
Subtotal	17,865	0.09	21,618	0.11
Portfolios acquired with deteriorated credit quality	1,176	12.95	1,561	13.18
Total	$ 19,041	0.10	$ 23,179	0.12

(1) Excludes non-accrual loans and leases.

Loan Modifications Troubled debt restructuring ("TDR") loans were as follows:

	At March 31, 2018		
(Dollars in thousands)	Accruing TDR Loans	Non-accrual TDR Loans	Total TDR Loans
Consumer real estate	$ 87,314	$ 33,531	$ 120,845
Commercial	6,843	4,807	11,650
Leasing and equipment finance	7,365	1,691	9,056
Inventory finance	—	371	371
Auto finance	3,549	5,296	8,845
Other	3	1	4
Total	$ 105,074	$ 45,697	$ 150,771
Over 60-day delinquency as a percentage of total accruing TDR loans	0.08%	N.A	N.A

N.A. Not Applicable.

	At December 31, 2017		
(Dollars in thousands)	Accruing TDR Loans	Non-accrual TDR Loans	Total TDR Loans
Consumer real estate	$ 88,092	$ 34,282	$ 122,374
Commercial	12,249	83	12,332
Leasing and equipment finance	10,263	1,413	11,676
Inventory finance	—	476	476
Auto finance	3,464	5,351	8,815
Other	3	1	4
Total	$ 114,071	$ 41,606	$ 155,677
Over 60-day delinquency as a percentage of total accruing TDR loans	0.36%	N.A	N.A

N.A. Not Applicable.

Total TDR loans were $150.8 million at March 31, 2018, compared with $155.7 million at December 31, 2017. Accruing TDR loans were $105.1 million at March 31, 2018, compared with $114.1 million at December 31, 2017. The decrease was primarily due to the transfer of one commercial business accruing TDR loan to non-accrual status and a decrease in leasing and equipment finance accruing TDRs. Non-accrual TDR loans were $45.7 million at March 31, 2018, compared with $41.6 million at December 31, 2017. The increase was primarily due to the transfer of one commercial business accruing TDR loan to non-accrual status.

TCF modifies loans through reductions in interest rates, extension of payment dates, term extensions or term extensions with a reduction of contractual payments, but generally not through reductions of principal.

Loan modifications to borrowers who have not been granted concessions are not considered TDR loans, and therefore are not included in the table above. Additionally, loan modifications to troubled borrowers are not reported as TDR loans in the calendar years after modification if the loans were modified to an interest rate equal to or greater than the yields of new loan originations with comparable risk at the time of restructuring and if the loan is performing based on the restructured terms; however, these loans are still considered impaired and follow TCF's impaired loan reserve policies.

TCF typically reduces a consumer real estate customer's contractual payments by reducing the interest rate by an amount appropriate for the borrower's financial condition. Loans discharged in Chapter 7 bankruptcy where the borrower did not reaffirm the debt are reported as non-accrual TDR loans upon discharge as a result of the removal of the borrower's personal liability on the loan. These loans may return to accrual status when TCF expects full repayment of the remaining pre-discharged contractual principal and interest. At March 31, 2018, 72.3% of total consumer real estate TDR loans were accruing and TCF recognized more than 62% of the original contractual interest due on accruing consumer real estate TDR loans for the first quarter of 2018, yielding 4.2%, by modifying the loans to qualified customers instead of foreclosing on the property. At March 31, 2018, collection of principal and interest under the modified terms was reasonably assured on all accruing consumer real estate TDR loans. TDR loans for the remaining classes of financing receivables were not material at March 31, 2018.

See Note 6. Allowance for Loan and Lease Losses and Credit Quality Information of Notes to Consolidated Financial Statements for further information regarding TCF's loan modifications.

Non-performing Assets TCF's non-accrual loans and leases and other real estate owned were as follows:

(Dollars in thousands)	At March 31, 2018	At December 31, 2017
Non-accrual loans and leases:		
Consumer real estate	$ 84,237	$ 83,224
Commercial	11,401	6,785
Leasing and equipment finance	19,968	17,089
Inventory finance	3,621	4,116
Auto finance	7,199	7,366
Other	2	2
Total non-accrual loans and leases	126,428	118,582
Other real estate owned:		
Consumer real estate	16,486	17,907
Commercial real estate	693	318
Total other real estate owned	17,179	18,225
Total non-accrual loans and leases and other real estate owned	$ 143,607	$ 136,807
Non-accrual loans and leases as a percentage of total loans and leases	0.65%	0.62%
Non-accrual loans and leases and other real estate owned as a percentage of total loans and leases and other real estate owned	0.74	0.72
Allowance for loan and lease losses as a percentage of non-accrual loans and leases	132.65	144.24

Non-accrual loans and leases were $126.4 million at March 31, 2018, compared with $118.6 million at December 31, 2017. The increase was primarily due to increases in commercial business and leasing and equipment finance non-accrual loans and leases. The increase in commercial business non-accrual loans was due to the transfer of three loans to non-accrual status during the quarter. Other real estate owned was $17.2 million at March 31, 2018, compared with $18.2 million at December 31, 2017. See Note 6. Allowance for Loan and Lease Losses and Credit Quality Information of Notes to Consolidated Financial Statements for further information.

Loans and leases are generally placed on non-accrual status when the collection of interest or principal is 90 days or more past due unless, in the case of commercial loans, they are well secured and in process of collection. Delinquent consumer real estate junior lien loans are also placed on non-accrual status when there is evidence that the related third-party first lien mortgage may be 90 days or more past due, or foreclosure, charge-off or collection action has been initiated. TDR loans are placed on non-accrual status prior to the past due thresholds outlined above if repayment under the modified terms is not likely after performing a well-documented credit analysis. Loans on non-accrual status are generally reported as non-accrual loans until there is sustained repayment performance for six consecutive months, with the exception of loans not reaffirmed upon discharge under Chapter 7 bankruptcy, which remain on non-accrual status until a well-documented credit analysis indicates full repayment of the remaining pre-discharged contractual principal and interest is likely. For purposes of this disclosure, purchased credit impaired loans have been excluded. Most of TCF's non-accrual loans and past due loans are secured by real estate. Given the nature of these assets and the related mortgage foreclosure, property sale and, if applicable, mortgage insurance claims processes, it can take 18 months or longer for a loan to migrate from initial delinquency to final disposition. This resolution process generally takes much longer for loans secured by real estate than for unsecured loans or loans secured by other property primarily due to state real estate foreclosure laws.

Changes in the amount of non-accrual loans and leases were as follows:

	At or For the Quarter Ended March 31, 2018						
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Balance, beginning of period	$ 83,224	$ 6,785	$ 17,089	$ 4,116	$ 7,366	$ 2	$ 118,582
Additions	13,800	4,636	10,485	2,916	2,614	11	34,462
(Charge-offs) recoveries	(1,387)	1	(1,481)	(462)	(596)	34	(3,891)
Transfers to other assets	(5,196)	—	(1,707)	(962)	(592)	—	(8,457)
Return to accrual status	(2,698)	—	(1,225)	(412)	—	—	(4,335)
Payments received	(3,542)	(698)	(3,193)	(1,537)	(1,593)	(45)	(10,608)
Other, net	36	677	—	(38)	—	—	675
Balance, end of period	$ 84,237	$ 11,401	$ 19,968	$ 3,621	$ 7,199	$ 2	$ 126,428

Loan and Lease Credit Classifications TCF assesses the risk of its loan and lease portfolio utilizing numerous risk characteristics as outlined in the previous sections. Loan and lease credit classifications are an additional characteristic monitored in the overall credit risk process. Loan and lease credit classifications are derived from standard regulatory rating definitions which include: non-classified (pass and special mention) and classified (substandard and doubtful). Classified loans and leases have well-defined weaknesses, but may never result in a loss.

Loans and leases by portfolio and regulatory classification were as follows:

	At March 31, 2018				
	Non-classified		Classified		
(In thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Consumer real estate	$ 4,611,789	$ 18,037	$ 91,836	$ —	$ 4,721,662
Commercial	3,566,472	47,680	64,029	—	3,678,181
Leasing and equipment finance	4,586,354	38,783	41,102	—	4,666,239
Inventory finance	3,247,364	139,543	70,948	—	3,457,855
Auto finance	2,821,035	528	17,800	—	2,839,363
Other	19,804	—	50	—	19,854
Total loans and leases	$ 18,852,818	$ 244,571	$ 285,765	$ —	$ 19,383,154

	At December 31, 2017				
	Non-classified		Classified		
(In thousands)	Pass	Special Mention	Substandard	Doubtful	Total
Consumer real estate	$ 4,706,493	$ 22,075	$ 91,128	$ —	$ 4,819,696
Commercial	3,452,837	42,729	65,627	—	3,561,193
Leasing and equipment finance	4,681,488	40,252	39,921	—	4,761,661
Inventory finance	2,553,028	116,312	70,414	—	2,739,754
Auto finance	3,180,807	551	18,281	—	3,199,639
Other	22,507	—	10	—	22,517
Total loans and leases	$ 18,597,160	$ 221,919	$ 285,381	$ —	$ 19,104,460

Allowance for Loan and Lease Losses The determination of the allowance for loan and lease losses is a critical accounting estimate. TCF's evaluation of incurred losses is based on historical loss rates multiplied by the respective portfolio's loss emergence period. Factors utilized in the determination of the amount of the allowance include historical trends in loss rates, a portfolio's overall risk characteristics, changes in its character or size, risk rating migration, delinquencies, collateral values, economic outlook and prevailing economic conditions. The various factors used in the methodologies are reviewed on a periodic basis.

The Company considers the allowance for loan and lease losses of $167.7 million appropriate to cover losses incurred in the loan and lease portfolios at March 31, 2018. However, no assurance can be given that TCF will not, in any particular period, sustain loan and lease losses that are sizable in relation to the amount reserved or will not require significant changes in the balance of the allowance for loan and lease losses due to subsequent evaluations of the loan and lease portfolios, in light of factors then prevailing, including economic conditions, information obtained during TCF's ongoing credit review process or regulatory requirements. Among other factors, an economic slowdown, increasing levels of unemployment, a decline in collateral values and/or rising interest rates may have an adverse impact on the current adequacy of the allowance for loan and lease losses by increasing credit risk and the risk of potential loss.

The total allowance for loan and lease losses is generally available to absorb losses from any segment of the portfolio. The allocation of TCF's allowance for loan and lease losses disclosed in the following table is subject to change based on changes in the criteria used to evaluate the allowance and is not necessarily indicative of the trend of future losses in any particular portfolio.

In conjunction with Note 6. Allowance for Loan and Lease Losses and Credit Quality Information of Notes to Consolidated Financial Statements, detailed information regarding TCF's allowance for loan and lease losses was as follows:

	At March 31, 2018		At December 31, 2017	
	Credit Loss Reserves		Credit Loss Reserves	
(Dollars in thousands)	Amount	As a Percentage of Portfolio	Amount	As a Percentage of Portfolio
Consumer real estate:				
First mortgage lien	$ 26,077	1.39%	$ 26,698	1.36%
Junior lien	21,608	0.76	20,470	0.72
Consumer real estate	47,685	1.01	47,168	0.98
Commercial:				
Commercial real estate	20,766	0.74	24,842	0.90
Commercial business	16,432	1.89	12,353	1.53
Total commercial	37,198	1.01	37,195	1.04
Leasing and equipment finance	23,182	0.50	22,528	0.47
Inventory finance	13,253	0.38	13,233	0.48
Auto finance	45,822	1.61	50,225	1.57
Other	563	2.84	692	3.07
Total allowance for loan and lease losses	167,703	0.87	171,041	0.90
Other credit loss reserves:				
Reserves for unfunded commitments	2,001	N.A.	1,479	N.A.
Total credit loss reserves	$ 169,704	0.88	$ 172,520	0.90

N.A. Not Applicable.

Liquidity Management TCF manages its liquidity to ensure that its funding needs are met both promptly and in a cost-effective manner. Asset liquidity arises from liquid assets that can be sold or pledged as collateral, amortization, prepayment or maturity of assets and from the ability of TCF to sell loans. Liability liquidity results from the ability of TCF to maintain a diverse set of funding sources to promptly meet funding requirements.

TCF Bank had $245.9 million of net liquidity qualifying interest-bearing deposits at the Federal Reserve Bank at March 31, 2018, compared with $242.6 million at December 31, 2017. Interest-bearing deposits held at the Federal Reserve Bank and unencumbered U.S. Government sponsored enterprises and federal agencies mortgage-backed securities were $1.4 billion at March 31, 2018, compared with $1.2 billion at December 31, 2017. In addition, TCF held unencumbered obligations of states and political subdivisions of $812.6 million at March 31, 2018, compared with $814.3 million at December 31, 2017.

Deposits are the primary source of TCF's funds for use in lending and for other general business purposes. In addition to deposits, TCF receives funds from loan and lease repayments, loan sales and borrowings. Borrowings may be used to compensate for reductions in normal sources of funds, such as deposit inflows at less than projected levels, net deposit outflows or to fund balance sheet growth. Historically, TCF has borrowed primarily from the Federal Home Loan Bank ("FHLB") of Des Moines, institutional sources under repurchase agreements and other sources. TCF had $1.3 billion of additional borrowing capacity at the FHLB of Des Moines at March 31, 2018 as well as access to the Federal Reserve Discount Window. In addition, TCF maintains a diversified set of unsecured and uncommitted funding sources, including access to overnight federal funds purchased lines, brokered deposits and capital markets. Lending activities, such as loan originations and purchases and equipment purchases for lease financing, are the primary uses of TCF's funds.

TCF Commercial Finance Canada, Inc. ("TCFCFC") maintains a $20.0 million Canadian dollar-denominated line of credit facility with a counterparty, which is guaranteed by TCF Bank. TCFCFC had $0.8 million (USD) outstanding under the line of credit with the counterparty at March 31, 2018 and no outstanding borrowings at December 31, 2017.

Deposits Deposits were $18.7 billion at March 31, 2018, compared with $18.3 billion at December 31, 2017. The increase was primarily due to growth in savings and checking account balances, partially offset by a decrease in money market balances.

Non-interest bearing checking accounts represented 21.4% of total deposits at March 31, 2018, compared with 20.0% of total deposits at December 31, 2017. TCF's weighted-average interest rate for deposits, including non-interest bearing deposits, was 0.50% at March 31, 2018, compared with 0.38% at December 31, 2017. The increase was primarily due to increased rates on certificates of deposit and savings accounts as a result of rising interest rates.

Certificates of deposit were $5.0 billion at March 31, 2018 and December 31, 2017. The maturities of certificates of deposit with denominations equal to or greater than $100,000 were as follows:

(In thousands)	Denominations $100 Thousand or Greater at March 31, 2018
Maturity:	
Three months or less	$ 347,012
Over three through six months	481,591
Over six through 12 months	942,581
Over 12 months	700,822
Total	$ 2,472,006

Borrowings Borrowings were $1.5 billion at March 31, 2018, compared with $1.2 billion at December 31, 2017. Historically, TCF has borrowed primarily from the FHLB of Des Moines, institutional sources under repurchase agreements and other sources.

See Note 7. Long-term Borrowings of Notes to Consolidated Financial Statements and Liquidity Management for further information regarding TCF's long-term borrowings.

Capital Management TCF is committed to managing capital to maintain protection for stockholders, depositors and creditors. TCF employs a variety of capital management tools to achieve its capital goals, including, but not limited to, dividends, public offerings of preferred and common stock, common stock repurchases, redemption of preferred stock and the issuance or redemption of subordinated debt and other capital instruments. TCF maintains a Capital Planning and Dividend Policy which applies to TCF Financial and incorporates TCF Bank's Capital Planning and Dividend Policy. These policies ensure that capital strategy actions, including the addition of new capital, if needed, common stock repurchases, redemption of preferred stock or the declaration of preferred stock, common stock and bank dividends are prudent, efficient and provide value to TCF's stockholders, while ensuring that past and prospective earnings retention is consistent with TCF's capital needs for growth, as well as asset quality and overall financial condition. TCF and TCF Bank manage their capital levels to exceed all regulatory capital requirements, which were achieved at March 31, 2018 and December 31, 2017. See Note 9. Regulatory Capital Requirements of Notes to Consolidated Financial Statements for further information.

Equity Total equity was $2.6 billion, or 10.9% of total assets, at March 31, 2018, compared with $2.7 billion, or 11.7% of total assets, at December 31, 2017.

Preferred Stock Preferred stock was $169.3 million at March 31, 2018, compared with $265.8 million at December 31, 2017. The decrease was due to the redemption of all 4,000,000 shares of the outstanding Series B Preferred Stock on March 1, 2018.

At March 31, 2018 and December 31, 2017**,** TCF had 7,000,000 depositary shares outstanding, each representing a 1/1000th ownership interest in a share of the 5.70% Series C non-cumulative perpetual preferred stock of TCF Financial Corporation, par value $0.01 per share, with a liquidation preference of $25,000 per share (equivalent to $25 per depositary share) (the "Series C Preferred Stock"). Dividends are payable on the Series C Preferred Stock if, as and when declared by TCF's Board of Directors on a non-cumulative basis on March 1, June 1, September 1 and December 1 of each year at a per annum rate of 5.70%. The Series C Preferred Stock may be redeemed at TCF's option in whole or in part on December 1, 2022 or on any dividend payment date thereafter.

Common Stock TCF repurchased 2,567,171 shares of its common stock in the first quarter of 2018 at an average cost of $22.45 per share pursuant to its share repurchase program. At March 31, 2018, TCF had the authority to repurchase an additional $83.2 million in aggregate value of shares pursuant to its stock repurchase program authorized by its Board of Directors on November 27, 2017. Future repurchases will be based on market conditions, the trading price of TCF shares and other factors. The ability to repurchase shares in the future may be adversely affected by new legislation or regulations or by changes in regulatory policies. This authorization may be commenced or suspended at any time or from time to time.

Dividends to common stockholders on a per share basis were 15.0 cents for the first quarter of 2018, compared with 7.5 cents for the same period in 2017. TCF's common dividend payout ratio was 38.5% for the first quarter of 2018, compared with 30.0% for the same period in 2017. TCF Financial's primary funding sources for dividends are earnings and dividends received from TCF Bank.

Total common stockholders' equity was $2.4 billion, or 10.06% of total assets, at March 31, 2018, compared with $2.4 billion, or 10.42% of total assets, at December 31, 2017. Tangible common equity was $2.2 billion, or 9.37% of total tangible assets, at March 31, 2018, compared with $2.2 billion, or 9.72% of total tangible assets, at December 31, 2017. Tangible common equity and tangible assets are not financial measures recognized under generally accepted accounting principles in the United States ("GAAP") (i.e., non-GAAP). Tangible common equity represents total equity less non-controlling interest in subsidiaries, preferred stock, goodwill and other intangible assets. Tangible assets represent total assets less goodwill and other intangible assets. When evaluating capital adequacy and utilization, management considers financial measures such as tangible common equity to tangible assets. This non-GAAP financial measure is viewed by management as a useful indicator of capital levels available to withstand unexpected market or economic conditions and also provide investors, regulators and other users with information to be viewed in relation to other banking institutions.

Reconciliations of the non-GAAP financial measures of tangible common equity and tangible assets to the GAAP measures of total equity and total assets were as follows:

(Dollars in thousands)		At March 31, 2018	At December 31, 2017
Computation of tangible common equity to tangible assets:			
Total equity		$ 2,550,950	$ 2,680,584
Less: Non-controlling interest in subsidiaries		28,437	17,827
Total TCF Financial Corporation stockholders' equity		2,522,513	2,662,757
Less: Preferred stock		169,302	265,821
Total common stockholders' equity	(a)	2,353,211	2,396,936
Less:			
Goodwill, net		154,757	154,757
Other intangibles, net[(1)]		23,112	23,687
Tangible common equity	(b)	$ 2,175,342	$ 2,218,492
Total assets	(c)	$ 23,385,052	$ 23,002,159
Less:			
Goodwill, net		154,757	154,757
Other intangibles, net[(1)]		23,112	23,687
Tangible assets	(d)	$ 23,207,183	$ 22,823,715
Common equity to assets	(a) / (c)	10.06%	10.42%
Tangible common equity to tangible assets	(b) / (d)	9.37%	9.72%

(1) Includes non-mortgage servicing assets.

Recent Accounting Developments

In June 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, which changes the impairment model for most financial assets, including trade and other receivables, held to maturity debt securities, loans and purchased financial assets with credit deterioration. The ASU requires the use of a current expected credit loss ("CECL") approach to determine the allowance for credit losses for loans and held to maturity debt securities. CECL requires loss estimates for the remaining estimated life of the asset using historical loss data as well as reasonable and supportable forecasts based on current economic conditions. The adoption of this ASU will be required on a modified retrospective basis with a cumulative effect adjustment required beginning with TCF's Quarterly Report on Form 10-Q for the quarter ending March 31, 2020. Early adoption is allowed. Management is currently evaluating the potential impact of this guidance on our consolidated financial statements. CECL represents a significant change in GAAP and may result in a material impact to our consolidated financial statements. The impact of the ASU will depend on the composition of TCF's portfolios and general economic conditions at the date of adoption. Additionally, there are several implementation questions which could affect the adoption impact once resolved. TCF has established a governance structure to implement the ASU and is in the process of assessing its current processes and determining future methodologies to be used upon adoption.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*, which, along with other amendments, requires lessees to recognize most leases on their balance sheet. Lessor accounting is largely unchanged. The ASU requires both quantitative and qualitative disclosure regarding key information about leasing arrangements from both lessees and lessors. In September 2017, the FASB issued ASU No. 2017-13, *Revenue Recognition (Topic 605), Revenue from Contracts with Customers (Topic 606), Leases (Topic 840), and Leases (Topic 842): Amendments to SEC Paragraphs*, which rescinds certain SEC Observer comments and staff announcements from the lease guidance and incorporates SEC staff announcements on the effect of a change in tax law on leverage leases from Accounting Standards Codification ("ASC") 840 into ASC 842. In January 2018, the FASB issued ASU No. 2018-01, Leases *(Topic 842): Land Easement Practical Expedient for Transition to Topic 842*, which amends the new lease guidance to add an optional transition practical expedient that permits an entity to continue applying its current accounting policy for land easements that exist or expire before Topic 842's effective date. The adoption of these ASUs will be required on a modified retrospective basis beginning with TCF’s Quarterly Report on Form 10-Q for the quarter ending March 31, 2019. Early adoption is allowed. Management has started to implement this ASU which has included an initial evaluation of TCF's leasing contracts and activities. Management has evaluated and plans to elect the practical expedients, which would allow for existing leases to be accounted for consistent with current guidance, with the exception of the balance sheet recognition for lessees. As a lessee, TCF had $158.6 million in total future minimum lease payments for operating leases as of December 31, 2017. Management is developing the methodologies and processes to estimate and account for the right-of-use assets and lease liabilities, which is based on the present value of future lease payments. The adoption of this guidance is not expected to result in a material change to lessee expense recognition. While there are limited changes to lessor accounting, there are certain implementation questions whose resolution may result in changes in recognition and measurement from current practice. Management will continue to evaluate the impact of this guidance on our consolidated financial statements.

Forward-looking Information

Any statements contained in this Quarterly Report on Form 10-Q regarding the outlook for the Company's businesses and their respective markets, such as projections of future performance, targets, guidance, statements of the Company's plans and objectives, forecasts of market trends and other matters are forward-looking statements based on the Company's assumptions and beliefs. Such statements may be identified by such words or phrases as "will likely result," "are expected to," "will continue," "outlook," "will benefit," "is anticipated," "estimate," "project," "management believes" or similar expressions. These forward-looking statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those discussed in such statements and no assurance can be given that the results in any forward-looking statement will be achieved. For these statements, TCF claims the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995. Any forward-looking statement speaks only as of the date on which it is made and we disclaim any obligation to subsequently revise any forward-looking statement to reflect events or circumstances after such date or to reflect the occurrence of anticipated or unanticipated events.

Certain factors could cause the Company's future results to differ materially from those expressed or implied in any forward-looking statements contained herein. These factors include the factors discussed in Part I, Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2017 under the heading "Risk Factors", the factors discussed below and any other cautionary statements, written or oral, which may be made or referred to in connection with any such forward-looking statements. Since it is not possible to foresee all such factors, these factors should not be considered as complete or exhaustive.

Adverse Economic or Business Conditions; Competitive Conditions; Credit and Other Risks. Deterioration in general economic and banking industry conditions, including those arising from government shutdowns, defaults, anticipated defaults or rating agency downgrades of sovereign debt (including debt of the U.S.), or increases in unemployment; adverse economic, business and competitive developments such as shrinking interest margins, reduced demand for financial services and loan and lease products, deposit outflows, increased deposit costs due to competition for deposit growth and evolving payment system developments, deposit account attrition or an inability to increase the number of deposit accounts; customers completing financial transactions without using a bank; adverse changes in credit quality and other risks posed by TCF's loan, lease, investment, debt securities held to maturity and debt securities available for sale portfolios, including declines in commercial or residential real estate values, changes in the allowance for loan and lease losses dictated by new market conditions or regulatory requirements, or the inability of home equity line borrowers to make increased payments caused by increased interest rates or amortization of principal; deviations from estimates of prepayment rates and fluctuations in interest rates that result in decreases in the value of assets such as interest-only strips that arise in connection with TCF's loan sales activity; interest rate risks resulting from fluctuations in prevailing interest rates or other factors that result in a mismatch between yields earned on TCF's interest-earning assets and the rates paid on its deposits and borrowings; foreign currency exchange risks; counterparty risk, including the risk of defaults by our counterparties or diminished availability of counterparties who satisfy our credit quality requirements; decreases in demand for the types of equipment that TCF leases or finances; the effect of any negative publicity; the effects of man-made and natural disasters, including fires, floods, tornadoes, hurricanes, acts of terrorism, civil disturbances and environmental damage, which may negatively affect our operations and/or our customers.

Legislative and Regulatory Requirements. New consumer protection and supervisory requirements and regulations, including those resulting from action by the Consumer Financial Protection Bureau ("CFPB") and changes in the scope of Federal preemption of state laws that could be applied to national banks and their subsidiaries; the imposition of requirements that adversely impact TCF's deposit, lending, loan collection and other business activities such as mortgage foreclosure moratorium laws, further regulation of financial institution campus banking programs, restrictions on arbitration or new restrictions on loan and lease products; changes affecting customer account charges and fee income, including changes to interchange rates; regulatory actions or changes in customer opt-in preferences with respect to overdrafts, which may have an adverse impact on TCF; governmental regulations or judicial actions affecting the security interests of creditors; deficiencies in TCF's compliance programs, including under the Bank Secrecy Act, which may result in regulatory enforcement action including monetary penalties; increased health care costs including those resulting from health care reform; regulatory criticism and resulting enforcement actions or other adverse consequences such as increased capital requirements, higher deposit insurance assessments or monetary damages or penalties; heightened regulatory practices, requirements or expectations, including, but not limited to, requirements related to enterprise risk management, the Bank Secrecy Act and anti-money laundering compliance activity.

Earnings/Capital Risks and Constraints, Liquidity Risks. Limitations on TCF's ability to carry out its share repurchase program, pay dividends or increase dividends because of financial performance deterioration, regulatory restrictions or limitations; increased deposit insurance premiums, special assessments or other costs related to adverse conditions in the banking industry; the impact on banks of regulatory reform, including additional capital, leverage, liquidity and risk management requirements or changes in the composition of qualifying regulatory capital; adverse changes in securities markets directly or indirectly affecting TCF's ability to sell assets or to fund its operations; diminished unsecured borrowing capacity resulting from TCF credit rating downgrades or unfavorable conditions in the credit markets that restrict or limit various funding sources; costs associated with new regulatory requirements or interpretive guidance including those relating to liquidity; uncertainties relating to future retail deposit account changes, including limitations on TCF's ability to predict customer behavior and the impact on TCF's fee revenues.

Branching Risk; Growth Risks. Adverse developments affecting TCF's supermarket banking relationships or either of the primary supermarket chains in which TCF maintains supermarket branches; costs related to closing underperforming branches; inability to timely close underperforming branches due to long-term lease obligations; slower than anticipated growth in existing or acquired businesses; inability to successfully execute on TCF's growth strategy through acquisitions or expanding existing business relationships; failure to expand or diversify TCF's balance sheet through new or expanded programs or opportunities; failure to effectuate, and risks of claims related to, sales of loans; risks related to new product additions and addition of distribution channels (or entry into new markets) for existing products.

Technological and Operational Matters. Technological or operational difficulties, loss or theft of information, cyber-attacks and other security breaches, counterparty failures and the possibility that deposit account losses (from fraudulent checks, stolen debit card information, etc.) may increase; failure to keep pace with technological change, such as by failing to develop and maintain technology necessary to satisfy customer demands and prevent cyber-attacks, costs and possible disruptions related to upgrading systems or cyber-attacks; the failure to attract and retain key employees.

Litigation Risks. Results of litigation or government enforcement actions such as TCF's pending litigation with the CFPB and related matters, including class action litigation or enforcement actions concerning TCF's lending or deposit activities, including account opening/origination, servicing practices, fees or charges, employment practices or checking account overdraft program "opt in" requirements; possible increases in indemnification obligations for certain litigation against Visa U.S.A.

Accounting, Audit, Tax and Insurance Matters. Changes in accounting standards or interpretations of existing standards; federal or state monetary, fiscal or tax policies, including the impact of the Tax Cuts and Jobs Act tax reform legislation and adoption of federal or state legislation that would increase federal or state taxes; ineffective internal controls; adverse federal, state or foreign tax assessments or findings in tax audits; lack of or inadequate insurance coverage for claims against TCF; potential for claims and legal action related to TCF's fiduciary responsibilities.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

TCF's results of operations depend, to a large degree, on its net interest income and its ability to manage interest rate risk. Although TCF manages other risks in the normal course of business, such as credit risk, liquidity risk and foreign currency risk, the Company considers interest rate risk to be one of its more significant market risks.

Interest Rate Risk

TCF's Asset & Liability Committee ("ALCO") and the Finance Committee of TCF Financial's Board of Directors have adopted interest rate risk policy limits which are incorporated into the Company's investment policy. Interest rate risk is defined as the exposure of net interest income and fair value of financial instruments (interest-earning assets, deposits and borrowings) to movements in interest rates. Since TCF does not hold a trading portfolio, the Company is not exposed to market risk from trading activities. As such, the major sources of the Company's interest rate risk are timing differences in the maturity and repricing characteristics of assets and liabilities, changes in the shape of the yield curve, changes in consumer behavior and changes in relationships between rate indices (basis risk). Management measures these risks and their impact in various ways, including through the use of simulation and valuation analyses. The interest rate scenarios may include gradual or rapid changes in interest rates, spread narrowing and widening, yield curve twists and changes in assumptions about consumer behavior in various interest rate scenarios. A mismatch between maturities, interest rate sensitivities and prepayment characteristics of assets and liabilities results in interest rate risk. TCF, like most financial institutions, has material interest rate risk exposure to changes in both short- and long-term interest rates, as well as variable interest rate indices (e.g., the prime rate or the London InterBank Offered Rate).

TCF's ALCO is responsible for reviewing the Company's interest rate sensitivity position and establishing policies to monitor and limit exposure to interest rate risk. ALCO manages TCF's interest rate risk based on interest rate expectations and other factors. The principal objective of TCF in managing its assets and liabilities is to provide maximum levels of net interest income and facilitate the funding needs of the Company, while maintaining acceptable levels of interest rate risk and liquidity risk.

ALCO primarily uses two interest rate risk tools with policy limits to evaluate TCF's interest rate risk: net interest income simulation and economic value of equity ("EVE") analysis. In addition, the interest rate gap is reviewed periodically to monitor asset and liability repricing over various time periods.

Management utilizes net interest income simulation models to estimate the near-term effects of changing interest rates on its net interest income. Net interest income simulation involves forecasting net interest income under a variety of scenarios, including the level of interest rates, the shape of the yield curve and the spreads between market interest rates. Management exercises its best judgment in making assumptions regarding events that management can influence, such as non-contractual deposit repricings and events outside management's control, including consumer behavior on loan and deposit activity and the effect that competition has on both loan and deposit pricing. These assumptions are subjective and, as a result, net interest income simulation results will differ from actual results due to the timing, magnitude and frequency of interest rate changes and changes in market conditions, consumer behavior and management strategies, among other factors. TCF performs various sensitivity analyses on assumptions of new loan spreads, prepayment rates, basis risk, deposit attrition and deposit repricing.

The following table presents changes in TCF's net interest income over a twelve month period if short- and long-term interest rates were to sustain an immediate increase of 100 basis points and 200 basis points. The impact of planned changes to interest-earning assets and new business activities is factored into the simulation model.

	Impact on Net Interest Income			
(Dollars in millions)	March 31, 2018		December 31, 2017	
Immediate Change in Interest Rates:				
+200 basis points	$ 94.4	9.5%	$ 97.5	10.1%
+100 basis points	51.7	5.2	53.1	5.5

As of March 31, 2018, approximately 64% of TCF's loan and lease balances were expected to reprice, amortize or prepay in the next 12 months and approximately 63% of TCF's deposit balances were low or no cost deposits. TCF believes that the mix of assets repricing compared with low or no cost deposits positions TCF well for rising interest rates.

Management also uses EVE and interest rate gap analyses to measure risk in the balance sheet that might not be taken into account in the net interest income simulation analysis. Net interest income simulation highlights exposure over a relatively short time period, while EVE analysis incorporates all cash flows over the estimated remaining life of all balance sheet positions. The valuation of the balance sheet, at a point in time, is defined as the discounted present value of asset cash flows minus the discounted present value of liability cash flows. EVE analysis addresses only the current balance sheet and does not incorporate the planned changes to interest-earning assets that are used in the net interest income simulation model. As with the net interest income simulation model, EVE analysis is based on key assumptions about the timing and variability of balance sheet cash flows and does not take into account any potential responses by management to anticipated changes in interest rates.

Interest rate gap is primarily the difference between interest-earning assets and interest-bearing liabilities repricing within a given period and represents the net asset or liability sensitivity at a point in time. An interest rate gap measure could be significantly affected by external factors such as loan prepayments, early withdrawals of deposits, changes in the correlation of various interest-bearing instruments, competition, or a rise or decline in interest rates.

Item 4. Controls and Procedures

Disclosure Controls and Procedures The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer (Principal Executive Officer), Chief Financial Officer (Principal Financial Officer) and Chief Accounting Officer (Principal Accounting Officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Rules 13a-15 and 15d-15 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based on that evaluation, management concluded that the Company's disclosure controls and procedures were effective as of March 31, 2018.

Disclosure controls and procedures are designed to ensure that information required to be disclosed by TCF in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. Disclosure controls are also designed with the objective of ensuring that such information is accumulated and communicated to the Company's management, including the Chief Executive Officer (Principal Executive Officer), Chief Financial Officer (Principal Financial Officer) and Chief Accounting Officer (Principal Accounting Officer), as appropriate, to allow for timely decisions regarding required disclosure. TCF's disclosure controls also include internal controls that are designed to provide reasonable assurance that transactions are properly authorized, assets are safeguarded against unauthorized or improper use and that transactions are properly recorded and reported.

Changes in Internal Control Over Financial Reporting There were no changes to TCF's internal control over financial reporting (as defined in Rule 13a-15(f) of the Exchange Act) during the quarter ended March 31, 2018, that materially affected, or are reasonably likely to materially affect, TCF's internal control over financial reporting.

Part II - Other Information

Item 1. Legal Proceedings

From time to time TCF is a party to legal proceedings arising out of its lending, leasing and deposit operations, including foreclosure proceedings and other collection actions as part of its lending and leasing collections activities. TCF may also be subject to regulatory examinations and enforcement actions brought by federal regulators, including the Securities and Exchange Commission, the Federal Reserve, the Office of the Comptroller of the Currency and the Consumer Financial Protection Bureau ("CFPB") which may impose sanctions on TCF for failures related to regulatory compliance. From time to time borrowers and other customers, and employees and former employees have also brought actions against TCF, in some cases claiming substantial damages. TCF and other financial services companies are subject to the risk of class action litigation. Litigation is often unpredictable and the actual results of litigation cannot be determined and therefore the ultimate resolution of a matter and the possible range of loss associated with certain potential outcomes cannot be established. Except as discussed below, based on our current understanding of TCF's pending legal proceedings, management does not believe that judgments or settlements arising from pending or threatened legal matters, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, operating results or cash flows of TCF.

On January 19, 2017, the CFPB filed a civil lawsuit against TCF Bank in the United States District Court for the District of Minnesota (the "Court"), captioned Consumer Financial Protection Bureau v. TCF National Bank, alleging violations of the Consumer Financial Protection Act ("CFPA") and Regulation E, §1005.17 in connection with TCF Bank's practices administering checking account overdraft program "opt-in" requirements from 2010 to early 2014. In its complaint, the CFPB seeks, among other relief, redress for consumers, injunctive relief and unspecified penalties. On September 8, 2017, the Court issued a ruling on the motion made by TCF Bank to dismiss the complaint of the CFPB. In its ruling, the Court granted TCF Bank's motion to dismiss the CFPB's Regulation E claims and also dismissed the CFPB's unfair, deceptive and abusive conduct claims under the CFPA for periods prior to July 21, 2011. The Court did not grant TCF Bank's motion to dismiss CFPA claims for periods on or after July 21, 2011. TCF Bank rejects the claims made by the CFPB in its complaint and intends to continue to vigorously defend against the CFPB's allegations. However, the ultimate resolution of this lawsuit and any other proceeding, action or matter arising from the same or similar facts or practices is uncertain and this lawsuit and any other such proceedings, actions or matters may result in costs, losses, fines, penalties, restitution, injunctive relief, changes to our business practices and regulatory scrutiny, enforcement or restrictions which, individually or in the aggregate, could have a material adverse effect on our reputation, results of operations, cash flows, financial position, ability to offer certain products and business and prospects generally.

Item 1A. Risk Factors

There were no material changes in risk factors for TCF in the quarter covered by this report. You should carefully consider the risks and risk factors included under Item 1A. of the Company's Annual Report on Form 10-K for the year ended December 31, 2017. TCF's business, financial condition or results of operations could be materially adversely affected by any of these risks.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Share repurchase activity for the quarter ended March 31, 2018 was as follows:

Period	Total Number of Shares Purchased		Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan		Approximate Dollar Value of Shares that May Yet Be Purchased Under the Plan
January 1 to January 31, 2018						
Share repurchase program[1]	59,980	$	21.36	59,980	$	139,562,105
Employee transactions[2]	193,895	$	21.69	N.A.		N.A.
February 1 to February 28, 2018						
Share repurchase program[1]	1,138,165	$	21.86	1,138,165	$	114,683,014
Employee transactions[2]	—	$	—	N.A.		N.A.
March 1 to March 31, 2018						
Share repurchase program[1]	1,369,026	$	22.99	1,369,026	$	83,209,281
Employee transactions[2]	—	$	—	N.A.		N.A.
Total						
Share repurchase program[1]	2,567,171	$	22.45	2,567,171	$	83,209,281
Employee transactions[2]	193,895	$	21.69	N.A.		N.A.

N.A. Not Applicable.

(1) The current share repurchase authorization was approved by the Board of Directors and announced in a press release on November 27, 2017. The authorization was for a repurchase of up to $150.0 million in aggregate value of shares of TCF's common stock. Future repurchases will be based on market conditions, the trading price of TCF shares and other factors. The ability to repurchase shares in the future may be adversely affected by new legislation or regulations or by changes in regulatory policies. Repurchases under this authorization may be commenced or suspended at any time or from time to time.

(2) Represents restricted stock withheld pursuant to the terms of awards granted under either the TCF Financial Incentive Stock Program or the TCF Financial 2015 Omnibus Incentive Plan to offset tax withholding obligations that occur upon vesting and release of restricted stock. Both plans provide that the value of shares withheld shall be the average of the high and low prices of common stock of TCF Financial Corporation on the date the relevant transaction occurs.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

See Index to Exhibits on page 65 of this report.

SIGNATURES

Pursuant to the requirements 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.

TCF FINANCIAL CORPORATION

/s/ Craig R. Dahl

Craig R. Dahl,
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

/s/ Brian W. Maass

Brian W. Maass,
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

/s/ Susan D. Bode

Susan D. Bode,
Senior Vice President and Chief Accounting Officer
(Principal Accounting Officer)

Dated: May 3, 2018

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Index to Exhibits for Form 10-Q

Exhibit Number	Description
3.1#	Amended and Restated Certificate of Incorporation of TCF Financial Corporation
10.1	Form of Change in Control Severance Agreement [incorporated by reference to Exhibit 10.1 to TCF Financial Corporation's Current Report on Form 8-K filed March 2, 2018 (No. 18662196)]
31.1#	Certification of the 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 the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101#	Financial statements from the Quarterly Report on Form 10-Q of the Company for the period ended March 31, 2018, formatted in XBRL: (i) the Consolidated Statements of Financial Condition, (ii) the Consolidated Statements of Income, (iii) the Consolidated Statements of Comprehensive Income, (iv) the Consolidated Statements of Equity, (v) the Consolidated Statements of Cash Flows and (vi) the Notes to Consolidated Financial Statements

Filed herein

(Back To Top)

Section 2: EX-3.1 (EXHIBIT 3.1)

Exhibit 3.1

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF
TCF FINANCIAL CORPORATION
(INCORPORATED APRIL 28, 1987)

Pursuant to Sections 242 and 245 of the
General Corporation Law of Delaware

(As amended through March 2, 2018)

The date of filing of its original Certificate of Incorporation with the Secretary of State was April 28, 1987 with Restated Certificates of Incorporation filed on June 29, 1987, August 11, 1987, May 7, 1998, April 23, 2008, April 27, 2011, and April 22, 2015. This Amended and Restated Certificate of Incorporation was duly adopted by the Board of Directors of TCF Financial Corporation and approved by the stockholders pursuant to Sections 242 and 245 of the General Corporation Law of Delaware (the "Delaware Corporation Law"). This Amended and Restated Certificate of Incorporation restates and integrates and further amends the provisions of the Corporation's certificate of incorporation as heretofore amended or supplemented.

TCF Financial Corporation, a corporation organized and existing under the laws of the State of Delaware, hereby certifies as follows:

ARTICLE 1. CORPORATE TITLE

The name of the Corporation is TCF Financial Corporation.

ARTICLE 2. ADDRESS

The address of the Corporation's registered office in the State of Delaware is Corporation Trust Center, 1209 Orange Street, in the City of Wilmington, County of New Castle 19801. The name of its registered agent at such address is The Corporation Trust Company.

ARTICLE 3. PURPOSE

The purpose of the Corporation is to engage in any lawful act or activity for which corporations may be organized under the Delaware Corporation Law.

ARTICLE 4. CAPITAL STOCK

A. AUTHORIZED SHARES

The total number of shares of all classes of stock which the Corporation shall have the authority to issue is three hundred ten million (310,000,000) shares, $.01 par value, divided into two classes of which two hundred eighty million (280,000,000) shares shall be Common Stock (hereinafter the “Common Stock”) and thirty million (30,000,000) shares shall be Preferred Stock (hereinafter the “Preferred Stock”). The number of authorized shares of Preferred Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote without a separate vote of the holders of Preferred Stock as a class.

B. COMMON STOCK

Subject to the rights of the holders of shares of any series of the Preferred Stock, and except as may be expressly provided with respect to the Preferred Stock or any series thereof herein or in a resolution of the Board of Directors establishing such series or by law:

(1) the holders of shares of Common Stock shall be entitled to receive, when and if declared by the Board of Directors, out of the assets of the Corporation which are by law available therefor, dividends payable either in cash, in property, or in shares of the Corporation's capital stock.

(2) Each share of Common stock shall be entitled to one vote for the election of directors and on all other matters requiring stockholder action.

C. PREFERRED STOCK

The designations and the powers, preferences and rights, and the qualifications, limitations or restrictions thereof, of the Preferred Stock shall be as follows:

(1) The Board of Directors is expressly authorized at any time, and from time to time, to provide for the issuance of shares of Preferred Stock in one or more series, with such voting powers, full or limited (including, without limitation, more than one vote, less than one vote or one vote per share and the ability to vote separately as a class or together with all or some of the other classes or series of capital stock on all or certain of the matters to be voted on by the stockholders of the Corporation), or no voting powers, and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof, as shall be stated and expressed in the resolution or resolutions providing for the issuance thereof adopted by the Board of Directors, including, but not limited to, the following:

(a) the designation and number of shares constituting such series;

(b) the dividend rate or rates of such series, if any, or the manner of determining such rate or rates, if any, the conditions and dates upon which such dividends shall be payable, the preference or relation which such dividends shall bear to the dividends payable on any other class or classes or of any other series of capital stock and whether such dividends shall be cumulative or non-cumulative, and, if cumulative, from which date or dates;

(c) whether the shares of such series shall be subject to redemption by the Corporation, and, if made subject to such redemption, the times, prices and other terms and conditions of such redemption;

(d) the terms and amount of any sinking fund provided for the purchase or redemption of the shares of such series;

(e) whether the shares of such series shall be convertible into or exchangeable for shares of any other class or classes or of any other series of any class or classes of capital stock of the Corporation, and, if provision be made for conversion or exchange, the time, prices, rates, adjustments and other terms and conditions of such conversion or exchange;

(f) the extent, if any, to which the holders of the shares of such series shall be entitled to vote as a class or otherwise, and if so entitled, the number of votes to which such holder is entitled, with respect to the election of directors or otherwise;

(g) the restrictions, if any, on the issue or reissue of any additional series of Preferred Stock; and

(h) the rights, if any, of the holders of the shares of such series in the event of voluntary or involuntary liquidation, dissolution or winding up.

(2) Subject to any limitations or restrictions stated in the resolution or resolutions of the Board of Directors originally fixing the number of shares constituting a series, the Board of Directors may by resolution or resolutions likewise adopted increase or decrease (but not below the number of shares of the series then outstanding) the number of shares of the series subsequent to the issue of that series, and in

case the number of shares of any series shall be so decreased the shares constituting the decrease shall resume that status which they had prior to the adoption of the resolution originally fixing the number of shares.

Pursuant to the authority conferred by this Article FOURTH, the following series of Preferred Stock have been designated, each such series consisting of such number of shares, with such voting powers and with such designations, preferences and relative, participating, optional or other special rights, and qualifications, limitations or restrictions thereof as are stated and expressed in the exhibit with respect to such series attached hereto as specified below and incorporated herein by reference:

Exhibit 1	Series A Non-Cumulative Perpetual Preferred Stock
Exhibit 2	6.45% Series B Non-Cumulative Perpetual Preferred Stock

ARTICLE 5. [Omitted]

ARTICLE 6. [Omitted]

ARTICLE 7. BOARD OF DIRECTORS

A. NUMBER OF DIRECTORS

The business and affairs of the Corporation shall be managed by or under the direction of a board of directors (the “Board of Directors”). The authorized number of directors shall consist of not fewer than seven nor more than twenty-five directors. Within such limits, the exact number of directors shall be fixed from time to time pursuant to a resolution adopted by a majority of the Continuing Directors.

“Continuing Director” shall mean (a) if an “interested stockholder” (as defined in Section 203 of the Delaware Corporation Law, as the same shall be in effect from time to time) exists, any member of the Board of Directors of the Corporation who is not an interested stockholder or an “affiliate” or an “associate” (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as the same shall be in effect from time to time) of an interested stockholder and who was a member of the Board of Directors immediately prior to the time that an interested stockholder became an interested stockholder, and any successor to a Continuing Director who is not an interested stockholder or an affiliate or associate of an interested stockholder and is recommended to succeed a Continuing Director by a majority of the Continuing Directors who are then members of the Board of Directors; and (b) if an interested stockholder does not exist, any member of the Board of Directors.

B. ELECTION OF DIRECTORS

Except as otherwise designated pursuant to the provisions of Article 4 relating to the rights of the holders of any class or series of Preferred Stock, the directors of the Corporation shall be elected at the annual meeting of the stockholders. Notwithstanding the foregoing, directors currently serving the Corporation as members of its classified board of directors shall continue to the completion of their respective terms, at which time election of successors will take place on an annual basis. Current Class III directors shall continue to serve until the annual meeting of the stockholders in 2008, current Class I Directors shall continue to serve until the 2009 meeting, and current Class II directors shall continue to serve until the 2010 meeting. Commencing with the annual meeting of stockholders in 2010, all directors shall be elected annually and the Corporation will not have a classified board. Each director shall hold office until the director’s successor is elected and qualified, or until the director’s earlier resignation, disqualification, or removal from office.

C. NEWLY CREATED DIRECTORSHIPS AND VACANCIES

Except as otherwise designated pursuant to the provisions of Article 4 relating to the rights of the holders of any class or series of Preferred Stock, any vacancies on the Board of Directors resulting from death, resignation, retirement, disqualification, removal from office or other cause shall be filled by the affirmative vote of a majority of the Continuing Directors (as defined in Article 7.A), or if there be no Continuing Directors, by the affirmative vote of a majority of directors then in office, although less than a quorum, or by the sole remaining director, or, in the event of the failure of the Continuing Directors, the directors, or the sole remaining director so to act, by the stockholders at the next election of directors; PROVIDED THAT, if the holders of any class or classes of stock or series thereof of the Corporation, voting separately, are entitled to elect one or more directors, vacancies and newly created directorships of such class or classes or series may be filled by a majority of the directors elected by such class or classes or series thereof then in office, or by a sole remaining director so elected. Directors so chosen shall hold office until the director's successor is elected and qualified or until the director's earlier resignation, disqualification or removal from office. A director elected to fill a vacancy by reason of an increase in the number of directorships shall be elected by a majority vote of the directors then in office, although less than a quorum of the Board of Directors, to serve until the director's successor is elected and qualified or until the director's earlier resignation, disqualification or removal from office. No decrease in the number of directors constituting the Board of Directors shall shorten the term of any incumbent director.

D. REMOVAL

A director may be removed with or without cause, as determined by the affirmative vote of the holders of at least a majority of the voting power of the shares then outstanding and entitled to vote in an election of directors, which vote may only be taken at a meeting of stockholders (and not by written consent), the notice of which meeting expressly states such purpose. Any proposal by a stockholder of the Corporation to remove a director, in order to be validly acted upon at any meeting, shall comply with the procedures and information requirements of the Bylaws of the Corporation.

ARTICLE 8. [Omitted]

ARTICLE 9. ACTION BY WRITTEN CONSENT

Except for the removal of a director pursuant to Article 7 hereof, any action required to be taken or which may be taken at any annual or special meeting of the stockholders of the Corporation may be taken by written consent without a meeting if a consent in writing, setting forth the action so taken, shall be signed by all of the stockholders of the Corporation entitled to vote thereon.

ARTICLE 10. SPECIAL MEETINGS

Special meetings of the stockholders for any purpose or purposes may be called at any time by:

A. A majority of the Continuing Directors (as defined in Article 7.A);

B. Stockholders holding twenty-five percent (25%) of the then outstanding shares of the Corporation entitled to vote, provided that (i) the stockholders have held the shares for at least one year and (ii) the request is in proper form as prescribed in the Bylaws of the Corporation or as otherwise required by applicable law.

Such meetings may not be called by any other person or persons.

ARTICLE 11. BYLAWS

Bylaws may be adopted, amended or repealed by (i) the affirmative vote of the holders of a majority of the stock of the Corporation entitled to vote at a stockholders' meeting duly called and held or (ii) a resolution adopted by the Board of Directors, including a majority of the Continuing Directors (as defined in Article 7.A).

ARTICLE 12. LIMITATION OF DIRECTORS' LIABILITY

A director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, except: (i) for any breach of the director's duty of loyalty to the Corporation or its stockholders, (ii) for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) under Section 174 of the Delaware Corporation Law, or (iv) for any transaction from which the director derives any improper personal benefit. If the Delaware Corporation Law is amended after the formation of this Corporation to permit the further elimination or limitation of the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the Delaware Corporation Law, as so amended. Any repeal or modification of this Article 12 by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation in respect of any act or omission occurring prior to the time of such repeal or modification.

ARTICLE 13. INDEMNIFICATION

A. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a “proceeding”), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or a subsidiary thereof or is or was serving at the request of the Corporation, as a director, officer, partner, member or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, partner, member or trustee or in any other capacity while so serving, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware Corporation Law, as the same exists or may hereinafter be amended (but, in the case of any such amendment to the Delaware Corporation Law, the right to indemnification shall be retroactive only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law prior to such amendment permitted the Corporation to provide), against all expense, liability, and loss (including, without limitation, attorneys’ fees and related disbursements, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement thereof) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, partner, member or trustee and shall inure to the benefit of his or her heirs, executors and administrators; PROVIDED, HOWEVER, that, except as provided in Paragraph B hereof with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Paragraph A shall be a contract right and shall include the right to be paid the expenses incurred in defending any such proceeding in advance of its final disposition; PROVIDED, HOWEVER, that, if the Delaware Corporation Law so requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Paragraph A or otherwise. Such right to indemnification and the payment of expenses incurred in defending a proceeding in advance of the final disposition may be conferred upon any person who is or was an employee or agent of the Corporation or a subsidiary thereof or is or was serving at the request of the Corporation as an employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, if, and to the extent, authorized by the Bylaws or the Board of Directors, and shall inure to the benefit or his or her heirs, executors and administrators.

B. If a claim under Paragraph A of this Article 13 is not paid in full by the Corporation within thirty (30) days after a written claim has been received by the Corporation, the claimant may at any time thereinafter bring suit against the Corporation to recover the unpaid amount of the claim and, if successful in whole or in part, the claimant shall also be entitled to be paid the expense of prosecuting such claim. It shall be a defense to any such action (other than an action brought to enforce a claim for expenses incurred in defending any proceeding in advance of its final disposition where the required undertaking, if any is required, has been tendered to the Corporation) that the claimant has not met the standards of conduct which make it permissible under the Delaware Corporation Law for the Corporation to indemnify the claimant for the amount claimed, but the burden of proving such defense shall be on the Corporation. Neither the failure of the Corporation (including, without limitation, its Board of Directors, independent legal counsel, or stockholders) to have made a determination prior to the commencement of such action that indemnification of the claimant is proper in the circumstances because he or she has met the applicable standard of conduct set forth in the Delaware Corporation Law, nor an actual determination by the Corporation (including without limitation, its Board of Directors, independent legal counsel, or stockholders) that the claimant has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that the claimant has not met the applicable standard of conduct.

C. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article 13 shall not be exclusive of any other right to which any person may have or hereinafter acquire under any statute, provision of this Certificate of Incorporation or by the Bylaws of the Corporation, agreement, vote of stockholders or disinterested directors, or otherwise.

D. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee or agent of the Corporation or another corporation, partnership, joint venture, trust or other enterprise against any expense, liability, or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware Corporation Law.

E. Any repeal or modification of the foregoing provisions of this Article 13 shall not adversely affect any right or protection hereunder of any person in respect of any act or omission occurring prior to the time of such repeal or modification.

F. If this Article 13 or any portion hereof shall be invalidated on any ground by any court of competent jurisdiction, then the Corporation shall nevertheless indemnify each director or officer of the Corporation as to any expense (including attorneys' fees), judgment, fine and amount paid in settlement with respect to any action, suit or proceeding, whether civil, criminal, administrative or investigative, including an action by or in the right of the Corporation, to the full extent permitted by any applicable portion of this Article 13 that shall not have been invalidated and to the full extent permitted by applicable law.

ARTICLE 14. AMENDMENT OF CERTIFICATE OF INCORPORATION

The Corporation reserves the right to amend, alter, change or repeal any provision contained in this Certificate of Incorporation in the manner now or hereinafter prescribed by law.

EXHIBIT 1

CERTIFICATE OF DESIGNATIONS
OF
SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

TCF Financial Corporation, a corporation organized and existing under the laws of the state of Delaware (the "Corporation"), in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, does hereby certify that:

1. On June 11, 2012, the Board of Directors of the Corporation (the "Board"), adopted resolutions establishing the terms of the Corporation's Series A Non-Cumulative Perpetual Preferred Stock, $25,000 liquidation preference per share (the "Series A Preferred Stock"), and authorized a committee of the Board (the "Committee") to act on behalf of the Board in establishing the dividend rate, optional redemption date, number of authorized shares and certain other terms of the Series A Preferred Stock.
2. On June 18, 2012, the Committee duly adopted the following resolutions at a special meeting of the Board: "**NOW, THEREFORE, BE IT RESOLVED,** that the authorized number of shares of Series A Preferred Stock shall be 6,900.

   RESOLVED FURTHER, that the powers, designations, and certain other preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, on the Series A Preferred Stock, including those established by the Board, and the additional terms established hereby, are as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, TCF Financial Corporation has caused this Certificate of Designations to be signed on its behalf by James S. Broucek, its Senior Vice President and Treasurer, this 18th day of June, 2012.

TCF FINANCIAL CORPORATION

By: /s/ James S. Broucek
Name: James S. Broucek
Its: Senior Vice President and Treasurer

EXHIBIT A
TO
CERTIFICATE OF DESIGNATIONS
OF
SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be Series A Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series A Preferred Stock"). Each share of Series A Preferred Stock shall be identical in all respects to every other share of Series A Preferred Stock. Series A Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series A Preferred Stock shall be 6,900. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series A Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series A Preferred Stock.

Section 3. Definitions. As used herein with respect to Series A Preferred Stock:

(a) "Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(b) "Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York.

(c) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(d) "Continuing Director" means (a) if an "interested stockholder" (as defined in Section 203 of the General Corporation Law of the State of Delaware, as the same shall be in effect from time to time) exists, any member of the Board of Directors of the Corporation who is not an interested stockholder or an "affiliate" or an "associate" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as the same shall be in effect from time to time) of an interested stockholder and who was a member of the Board of Directors immediately prior to the time that an interested stockholder became an interested stockholder, and any successor to a Continuing Director who is not an interested stockholder or an affiliate or associate of an interested stockholder and is recommended to succeed a Continuing Director by a majority of the Continuing Directors who are then members of the Board of Directors; and (b) if an interested stockholder does not exist, any member of the Board of Directors.

(e) "Corporation" means TCF Financial Corporation, a Delaware corporation.

(f) "Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

(g) "Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

(h) "Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

(i) "DTC" means The Depository Trust Company, together with its successors and assigns.

(j) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series A Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(k) "Parity Stock" means any other class or series of stock of the Corporation that ranks on a parity with Series A Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(l) "Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

(m) "Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

(n) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series A Preferred Stock, (ii) any proposed change in those laws or regulations that is announced after the initial issuance of any share of Series A Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced after the initial issuance of any share of Series A Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series A Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of Series A Preferred Stock is outstanding.

(o) "Series A Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) *Rate*. Holders of Series A Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series A Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 and December 1; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series A Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series A Preferred Stock will accrue on the liquidation preference of $25,000 per share at a rate *per annum* equal to 7.5%. The record date for payment of dividends on the Series A Preferred Stock shall be the 15th day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series A Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) *Non-Cumulative Dividends*. Dividends on shares of Series A Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series A Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of Series A Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the

Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series A Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) *Priority of Dividends*. So long as any share of Series A Preferred Stock remains outstanding, unless full dividends on all outstanding shares of Series A Preferred Stock for the then-current Dividend Period have been declared and paid in full or declared and a sum sufficient for the payment thereof has been set aside, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series A Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, during such dividend period. When dividends are not paid in full upon the shares of Series A Preferred Stock and any Parity Stock, all dividends declared upon shares of Series A Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series A Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series A Preferred Stock that may be in arrears. If the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series A Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series A Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) *Liquidation*. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series A Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series A Preferred Stock upon liquidation and the rights of the Corporation’s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series A Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) *Partial Payment*. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series A Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series A Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

(c) *Residual Distributions*. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series A Preferred Stock, the holders of shares of Series A Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation.

(d) *Merger, Consolidation and Sale of Assets Not Liquidation*. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series A Preferred Stock at the time outstanding, at any time on or after June 25, 2017, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series A Preferred Stock shall be $25,000 per share plus dividends that have been declared but not paid for prior Dividend Periods and accrued but unpaid and undeclared dividends for the then-current Dividend Period to the date of redemption (the “Redemption Price”). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of its intent to redeem as provided in Subsection (b) below, and subsequently redeem, all (but not less than all) of the shares of Series A Preferred Stock at the time outstanding, at the Redemption Price applicable on such date of redemption.

(b) *Notice of Redemption*. Notice of every redemption of shares of Series A Preferred Stock shall be either (i) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (ii) transmitted by such other method approved by the Depositary Trust Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series A Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series A Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series A Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series A Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the Redemption Price;

(iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) *Partial Redemption*. In case of any redemption of only part of the shares of Series A Preferred Stock at the time outstanding, the shares of Series A Preferred Stock to be redeemed shall be selected either pro rata from the holders of record of Series A Preferred Stock in proportion to the number of shares of Series A Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series A Preferred Stock shall be redeemed from time to time.

(d) *Effectiveness of Redemption*. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series A Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) *Supermajority Voting Rights-Amendments*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series A Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any certificate of designations or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series A Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series A Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series A Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series A Preferred Stock.

(b) *Supermajority Voting Rights-Priority*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series A Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series A Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) *Special Voting Right*.

(i) Voting Right. If and whenever dividends on the Series A Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series A Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series A Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series A Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series A Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of stockholders or any special meeting of the holders of Series A Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series A Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, a majority of the Continuing Directors may, and within 20 days after the written request of any holder of Series A Preferred Stock (addressed to the Continuing Directors at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series A Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series A Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's bylaws for a special meeting of the stockholders. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's stockholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series A Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series A Preferred Stock and any other class or series of preferred stock that ranks on parity with Series A Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series A Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) and the terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's Board of Directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series A Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series A Preferred Stock shall not have any rights to convert such Series A Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Amended and Restated Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation or any authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series A Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7, any class of securities ranking senior to the Series A Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series A Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series A Preferred Stock not issued or which have been issued, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series A Preferred Stock are not subject to the operation of a sinking fund.

EXHIBIT 2

CERTIFICATE OF DESIGNATIONS
OF
6.45% SERIES B NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

TCF Financial Corporation, a corporation organized and existing under the laws of the state of Delaware (the "Corporation"), in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, does hereby certify that:

1. On December 11, 2012, the Board of Directors of the Corporation (the "Board"), adopted resolutions establishing the terms of the Corporation's 6.45% Series B Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share, $25 liquidation preference per share (the "Series B Preferred Stock"), and authorized a committee of the Board (the "Committee") to act on behalf of the Board in establishing the dividend rate, optional redemption date, number of authorized shares and certain other terms of the Series B Preferred Stock.
2. On December 12, 2012, the Committee duly adopted the following resolutions at a special meeting of the Board: "**NOW, THEREFORE, BE IT RESOLVED,** that the authorized number of shares of Series B Preferred Stock shall be 4,600,000.

   RESOLVED FURTHER, that the powers, designations, and certain other preferences and relative, participating, optional or other rights, and the qualifications, limitations or restrictions thereof, on the Series B Preferred Stock, including those established by the Board, and the additional terms established hereby, are as set forth in Exhibit A hereto, which is incorporated herein by reference."

IN WITNESS WHEREOF, TCF Financial Corporation has caused this Certificate of Designations to be signed on its behalf by Joseph T. Green, its Senior Vice President, General Counsel and Secretary, this 13th day of December, 2012.

TCF FINANCIAL CORPORATION

By: /s/ Joseph T. Green____________
Name: Joseph T. Green
Its: Senior Vice President, General Counsel and Secretary

EXHIBIT A
TO
CERTIFICATE OF DESIGNATIONS
OF
6.45% SERIES B NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be 6.45% Series B Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series B Preferred Stock"). Each share of Series B Preferred Stock shall be identical in all respects to every other share of Series B Preferred Stock. Series B Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series B Preferred Stock shall be 4,600,000. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series B Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. The Corporation shall have the authority to issue fractional shares of Series B Preferred Stock.

Section 3. Definitions. As used herein with respect to Series B Preferred Stock:

(a) "Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(b) "Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York.

(c) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(d) "Continuing Director" means (a) if an "interested stockholder" (as defined in Section 203 of the General Corporation Law of the State of Delaware, as the same shall be in effect from time to time) exists, any member of the Board of Directors of the Corporation who is not an interested stockholder or an "affiliate" or an "associate" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as the same shall be in effect from time to time) of an interested stockholder and who was a member of the Board of Directors immediately prior to the time that an interested stockholder became an interested stockholder, and any successor to a Continuing Director who is not an interested stockholder or an affiliate or associate of an interested stockholder and is recommended to succeed a Continuing Director by a majority of the Continuing Directors who are then members of the Board of Directors; and (b) if an interested stockholder does not exist, any member of the Board of Directors.

(e) "Corporation" means TCF Financial Corporation, a Delaware corporation.

(f) "Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

(g) "Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

(h) "Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

(i) "DTC" means The Depository Trust Company, together with its successors and assigns.

(j) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series B Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(k) "Parity Stock" means any other class or series of stock of the Corporation that ranks on a parity with Series B Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series A Non-Cumulative Perpetual Preferred Stock for so long as (i) any Series A Non-Cumulative Perpetual Preferred Stock is outstanding and (ii) the terms of the Series A Non-Cumulative Perpetual Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Certificate of Designations that initially established the Series B Preferred Stock.

(l) "Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

(m) "Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

(n) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective after the initial issuance of any share of Series B Preferred Stock, (ii) any proposed change in those laws or regulations that is announced or becomes effective on or after the initial issuance of any share of Series B Preferred Stock, or (iii) any official administrative decision or judicial decision or administrative action or other official pronouncement interpreting or applying those laws or regulations that is announced on or after the initial issuance of any share of Series B Preferred Stock, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of the shares of Series B Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of Series B Preferred Stock is outstanding.

(o) "Series B Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) *Rate*. Holders of Series B Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25 per share of Series B Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 and December 1; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series B Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series B Preferred Stock will accrue on the liquidation preference of $25 per share at a rate *per annum* equal to 6.45%. The record date for payment of dividends on the Series B Preferred Stock shall be the 15th day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series B Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) *Non-Cumulative Dividends*. Dividends on shares of Series B Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series B Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of Series B Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series B Preferred Stock, Parity Stock, Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) *Priority of Dividends*. So long as any share of Series B Preferred Stock remains outstanding, unless full dividends on all outstanding shares of Series B Preferred Stock for the then-current Dividend Period have been declared and paid in full or declared and a sum sufficient for the payment thereof has been set aside, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to *pro rata* offers to purchase all, or a *pro rata* portion, of the Series B Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, during such dividend period. When dividends are not paid in full upon the shares of Series B Preferred Stock and any Parity Stock, all dividends declared upon shares of Series B Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series B Preferred Stock, and accrued dividends, including any accumulations, on Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series B Preferred Stock that may be in arrears. If the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series B Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series B Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) *Liquidation*. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series B Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series B Preferred Stock upon liquidation and the rights of the Corporation’s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series B Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) *Partial Payment*. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series B Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series B Preferred Stock and to the holders of all Parity Stock shall be *pro rata* in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

(c) *Residual Distributions*. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series B Preferred Stock, the holders of shares of Series B Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation.

(d) *Merger, Consolidation and Sale of Assets Not Liquidation*. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) Optional Redemption. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series B Preferred Stock at the time outstanding, at any time on or after December 19, 2017, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series B Preferred Stock shall be $25 per share plus dividends that have been declared but not paid for prior Dividend Periods and accrued but unpaid and undeclared dividends for the then-current Dividend Period to the date of redemption (the “Redemption Price”). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation, at its option, subject to the approval of the Appropriate Federal Banking Agency, may provide notice of its intent to redeem as provided in Subsection (b) below, and subsequently redeem, all (but not less than all) of the shares of Series B Preferred Stock at the time outstanding, at the Redemption Price applicable on such date of redemption.

(b) *Notice of Redemption*. Notice of every redemption of shares of Series B Preferred Stock shall be either (i) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (ii) transmitted by such other method approved by the Depositary Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series B Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series B Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series B Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series B Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) *Partial Redemption*. In case of any redemption of only part of the shares of Series B Preferred Stock at the time outstanding, the shares of Series B Preferred Stock to be redeemed shall be selected either pro rata from the holders of record of Series B Preferred Stock in proportion to the number of shares of Series B Preferred Stock held by such holders or by lot or in such other manner as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series B Preferred Stock shall be redeemed from time to time.

(d) *Effectiveness of Redemption*. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the *pro rata* benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the *pro rata* benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series B Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) *Supermajority Voting Rights-Amendments*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series B Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any certificate of designations or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series B Preferred Stock, taken as a whole; provided, however, that any increase in the amount of the authorized or issued Series B Preferred Stock or authorized preferred stock of the Corporation or the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series B Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series B Preferred Stock.

(b) *Supermajority Voting Rights-Priority*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least 66-2/3% of all of the shares of the Series B Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series B Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation;

(c) *Special Voting Right*.

(i) Voting Right. If and whenever dividends on the Series B Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series B Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series B Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series B Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series B Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of stockholders or any special meeting of the holders of Series B Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series B Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, a majority of the Continuing Directors may, and within 20 days after the written request of any holder of Series B Preferred Stock (addressed to the Continuing Directors at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series B Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series B Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's bylaws for a special meeting of the stockholders. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's stockholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by the vote of the holders of the Series B Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series B Preferred Stock and any other class or series of preferred stock that ranks on parity with Series B Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series B Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) and the terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's Board of Directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series B Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

Section 8. Conversion. The holders of Series B Preferred Stock shall not have any rights to convert such Series B Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Amended and Restated Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series B Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7, any class of securities ranking senior to the Series B Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series B Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series B Preferred Stock not issued or which have been issued, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series B Preferred Stock are not subject to the operation of a sinking fund.

IN WITNESS WHEREOF, this Amended and Restated Certificate of Incorporation has been signed by a duly authorized officer of the Corporation this 28th day of April, 2017.

TCF FINANCIAL CORPORATION

By: __/s/ Joseph T. Green________________
Name: Joseph T. Green
Title: Secretary

CERTIFICATE OF DESIGNATIONS
OF
5.70% SERIES C NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

TCF Financial Corporation, a corporation organized and existing under the laws of the state of Delaware (the "Corporation"), in accordance with the provisions of Section 151 of the General Corporation Law of the State of Delaware, does hereby certify that:

1. On August 31, 2017, the Board of Directors of the Corporation (the "Board"), adopted resolutions establishing the terms of the Corporation's 5.70% Series C Non-Cumulative Perpetual Preferred Stock, par value $0.01 per share (the "Series C Preferred Stock"), $25,000 liquidation preference per share, and authorized a committee of the Board (the "Committee") to act on behalf of the Board in establishing the dividend rate, number of authorized shares and certain other terms of the Series C Preferred Stock.
2. On September 7, 2017, the Committee duly adopted the following resolutions at a special meeting of the Board:

    "**NOW, THEREFORE, BE IT RESOLVED**, that the authorized number of shares of Series C Preferred Stock shall be 8,050.

    RESOLVED FURTHER, that the powers, designations, and certain other preferences and relative, participating, optional or other rights and the qualifications, limitations or restrictions thereof, of the Series C Preferred Stock, including those established by the Board, and the additional terms established hereby, are as set forth in the form of certificate of designations for the Series C Preferred Stock attached as Exhibit A hereto."

IN WITNESS WHEREOF, TCF Financial Corporation has caused this Certificate of Designations to be signed on its behalf by Brian W. Maass, its Executive Vice President and Chief Financial Officer, this 12th day of September, 2017.

TCF FINANCIAL CORPORATION

By: /s/ Brian W. Maass
Name: Brian W. Maass
Its: Executive Vice President and Chief Financial Officer

EXHIBIT A
TO
CERTIFICATE OF DESIGNATIONS
OF
5.70% SERIES C NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

Section 1. Designation. The designation of the series of preferred stock shall be 5.70% Series C Non-Cumulative Perpetual Preferred Stock (hereinafter referred to as the "Series C Preferred Stock"). Each share of Series C Preferred Stock shall be identical in all respects to every other share of Series C Preferred Stock. Series C Preferred Stock will rank equally with Parity Stock, if any, and will rank senior to Junior Stock with respect to the payment of dividends and the distribution of assets in the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 2. Number of Shares. The number of authorized shares of Series C Preferred Stock shall be 8,050. Such number may from time to time be increased (but not in excess of the total number of authorized shares of preferred stock) or decreased (but not below the number of shares of Series C Preferred Stock then outstanding) by further resolution duly adopted by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation and by the filing of a certificate pursuant to the provisions of the General Corporation Law of the State of Delaware stating that such increase or reduction, as the case may be, has been so authorized. All additional shares of Series C Preferred Stock shall be deemed to form a single series with the Series C Preferred Stock, provided that any such additional shares of Series C Preferred Stock are not treated as "disqualified preferred stock" within the meaning of Section 1059(f)(2) of the U.S. Internal Revenue Code of 1986, as amended, and such additional shares of Series C Preferred Stock are otherwise treated as fungible with the Series C Preferred Stock authorized under this Section 2 for U.S. federal income tax purposes. The Corporation shall have the authority to issue fractional shares of Series C Preferred Stock.

Section 3. Definitions. As used herein with respect to Series C Preferred Stock:

(a) "Appropriate Federal Banking Agency" means the "appropriate Federal banking agency" with respect to the Corporation as defined in Section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. Section 1813(q)), or any successor provision.

(b) "Business Day" means each Monday, Tuesday, Wednesday, Thursday or Friday on which banking institutions are not authorized or obligated by law, regulation or executive order to close in New York, New York.

(c) "Common Stock" means the common stock, par value $0.01 per share, of the Corporation.

(d) "Continuing Director" means (a) if an "interested stockholder" (as defined in Section 203 of the General Corporation Law of the State of Delaware, as the same shall be in effect from time to time) exists, any member of the Board of Directors of the Corporation who is not an interested stockholder or an "affiliate" or an "associate" (as such terms are defined in Rule 12b-2 under the Securities Exchange Act of 1934, as amended, as the same shall be in effect from time to time) of an interested stockholder and who was a member of the Board of Directors immediately prior to the time that an interested stockholder became an interested stockholder, and any successor to a Continuing Director who is not an interested stockholder or an affiliate or associate of an interested stockholder and is recommended to succeed a Continuing Director by a majority of the Continuing Directors who are then members of the Board of Directors; and (b) if an interested stockholder does not exist, any member of the Board of Directors.

(e) "Corporation" means TCF Financial Corporation, a Delaware corporation.

(f) "Depositary Company" shall have the meaning set forth in Section 6(d) hereof.

(g) "Dividend Payment Date" shall have the meaning set forth in Section 4(a) hereof.

(h) "Dividend Period" shall have the meaning set forth in Section 4(a) hereof.

(i) "DTC" means The Depository Trust Company, together with its successors and assigns.

(j) "Junior Stock" means the Common Stock and any other class or series of stock of the Corporation hereafter authorized over which Series C Preferred Stock has preference or priority in the payment of dividends or in the distribution of assets on any liquidation, dissolution or winding up of the Corporation.

(k) "Parity Stock" means any other class or series of stock of the Corporation that ranks on a parity with Series C Preferred Stock in the payment of dividends and in the distribution of assets on any liquidation, dissolution or winding up of the Corporation and includes, without limitation, the Series A Non-Cumulative Perpetual Preferred Stock (the "Series A Preferred Stock") and the 6.45% Series B Non-Cumulative Perpetual Preferred Stock (the "Series B Preferred Stock") for so long as (i) any Series A Preferred Stock or Series B Preferred Stock is outstanding and (ii) the terms of the Series A Preferred Stock or Series B Preferred Stock have not been amended to provide otherwise subsequent to the effective date of the Certificate of Designations that initially established the Series C Preferred Stock.

(l) "Preferred Director" shall have the meaning set forth in Section 7(c)(i) hereof.

(m) "Redemption Price" shall have the meaning set forth in Section 6(a) hereof.

(n) "Regulatory Capital Treatment Event" means the good faith determination by the Corporation that, as a result of (i) any amendment to, clarification of, or change (including any announced prospective change) in, the laws or regulations of the United States or any political subdivision of or in the United States that is enacted or becomes effective on or after September 7, 2017, (ii) any proposed change in those laws or regulations that is announced or becomes effective on or after September 7, 2017, or (iii) any official administrative decision or judicial decision, or administrative action, or other official pronouncement interpreting or applying those laws or regulations that is announced on or after September 7, 2017, there is more than an insubstantial risk that the Corporation will not be entitled to treat the full liquidation value of all shares of Series C Preferred Stock then outstanding as "tier 1 capital" (or its equivalent) for purposes of the capital adequacy guidelines of the Board of Governors of the Federal Reserve System (or, as and if applicable, the capital adequacy guidelines or regulations of any successor Appropriate Federal Banking Agency), as then in effect and applicable, for as long as any share of Series C Preferred Stock is outstanding.

(o) "Series C Preferred Stock" shall have the meaning set forth in Section 1 hereof.

Section 4. Dividends.

(a) *Rate*. Holders of Series C Preferred Stock shall be entitled to receive, if, as and when declared by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, but only out of assets legally available therefor, non-cumulative cash dividends on the liquidation preference of $25,000 per share of Series C Preferred Stock, and no more, payable quarterly in arrears on each March 1, June 1, September 1 and December 1; provided, however, if any such day is not a Business Day, then payment of any dividend otherwise payable on that date will be made on the next succeeding day that is a Business Day (without any interest or other payment in respect of such delay) (each such day on which dividends are payable a "Dividend Payment Date"). The period from and including the date of issuance of the Series C Preferred Stock or any Dividend Payment Date to but excluding the next Dividend Payment Date is a "Dividend Period." Dividends on each share of Series C Preferred Stock will accrue on the liquidation preference amount of $25,000 per share at a rate *per annum* equal to 5.70%. The record date for payment of dividends on the Series C Preferred Stock shall be the 15th day of the calendar month immediately preceding the month during which the Dividend Payment Date falls. The amount of dividends payable shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Notwithstanding any other provision hereof, dividends on the Series C Preferred Stock shall not be declared, paid or set aside for payment to the extent such act would cause the Corporation to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

(b) *Non-Cumulative Dividends*. Dividends on shares of Series C Preferred Stock shall be non-cumulative. To the extent that any dividends payable on the shares of Series C Preferred Stock on any Dividend Payment Date are not declared and paid, in full or otherwise, on such Dividend Payment Date, then such unpaid dividends shall not cumulate and shall cease to accrue and be payable and the Corporation shall have no obligation to pay, and the holders of Series C Preferred Stock shall have no right to receive, dividends accrued for such Dividend Period after the Dividend Payment Date for such Dividend Period or interest with respect to such dividends, whether or not dividends are declared for any subsequent Dividend Period with respect to Series C Preferred Stock, any Parity Stock, any Junior Stock or any other class or series of authorized preferred stock of the Corporation.

(c) *Priority of Dividends*. So long as any share of Series C Preferred Stock remains outstanding, unless full dividends on all outstanding shares of Series C Preferred Stock for the then-current Dividend Period have been declared and paid in full or declared and a sum sufficient for the payment thereof has been set aside, (i) no dividend shall be declared or paid or set aside for payment and no distribution shall be declared or made or set aside for payment on any Junior Stock, other than a dividend payable solely in Junior Stock, (ii) no shares of Junior Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation, directly or indirectly (other than as a result of a reclassification of Junior Stock for or into other Junior Stock, or the exchange or conversion of one share of Junior Stock for or into another share of Junior Stock, and other than through the use of the proceeds of a substantially contemporaneous sale of other shares of Junior Stock), nor shall any monies be paid to or made available for a sinking fund for the redemption of any such securities by the Corporation and (iii) no shares of Parity Stock shall be repurchased, redeemed or otherwise acquired for consideration by the Corporation otherwise than pursuant to pro rata offers to purchase all, or a pro rata portion, of the Series C Preferred Stock and such Parity Stock except by conversion into or exchange for Junior Stock, during such dividend period. When dividends are not paid in full upon the shares of Series C Preferred Stock and any Parity Stock, all dividends declared upon shares of Series C Preferred Stock and any Parity Stock shall be declared on a proportional basis so that the amount of dividends declared per share will bear to each other the same ratio that accrued dividends for the then-current Dividend Period per share on Series C Preferred Stock, and accrued dividends, including any accumulation, on any Parity Stock, bear to each other. No interest will be payable in respect of any dividend payment on shares of Series C Preferred Stock that may be in arrears. If the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation determines not to pay any dividend or a full dividend on a Dividend Payment Date, the Corporation will provide, or cause to be provided, written notice to the holders of the Series C Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series C Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) *Liquidation*. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series C Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of any holders of any class or series of securities ranking senior to or on parity with Series C Preferred Stock upon liquidation and the rights of the Corporation’s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. Holders of Series C Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

(b) *Partial Payment*. If the assets of the Corporation are not sufficient to pay in full the liquidation preference plus any authorized, declared and unpaid dividends to all holders of Series C Preferred Stock and all holders of any Parity Stock, the amounts paid to the holders of Series C Preferred Stock and to the holders of all Parity Stock shall be paid pro rata in accordance with the respective amounts that would be payable on such shares if all amounts payable thereon were paid in full.

(c) *Residual Distributions*. If the liquidation preference plus any authorized, declared and unpaid dividends has been paid in full to all holders of Series C Preferred Stock, the holders of shares of Series C Preferred Stock will not be entitled to any further participation in any distribution of assets by the Corporation.

(d) *Merger, Consolidation and Sale of Assets Not Liquidation*. For purposes of this Section 5, the sale, conveyance, exchange or transfer (for cash, shares of stock, securities or other consideration) of all or substantially all of the property and assets of the Corporation shall not be deemed a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation, nor shall the merger, consolidation or any other business combination transaction of the Corporation into or with any other corporation or person or the merger, consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

(a) *Optional Redemption*. The Corporation, at the option of its Board of Directors or any duly authorized committee of the Board of Directors of the Corporation, may redeem in whole or in part the shares of Series C Preferred Stock at the time outstanding, at any time on December 1, 2022 or any Dividend Payment Date thereafter, upon notice given as provided in Section 6(b) below. The redemption price for shares of Series C Preferred Stock shall be $25,000 per share, plus any declared and unpaid dividends for prior Dividend Periods, without accumulation of undeclared dividends (the "Redemption Price"). Notwithstanding the foregoing, within 90 days following the occurrence of a Regulatory Capital Treatment Event, the Corporation may, at its option, subject to the approval of the Appropriate Federal Banking Agency, provide notice of its intent to redeem as provided in Section 6(b) below, and subsequently redeem, all (but not less than all) of the shares of Series C Preferred Stock at the time outstanding, at the Redemption Price applicable on such date of redemption.

(b) *Notice of Redemption*. Notice of every redemption of shares of Series C Preferred Stock shall be either (i) mailed by first class mail, postage prepaid, addressed to the holders of record of such shares to be redeemed at their respective last addresses appearing on the stock register of the Corporation or (ii) transmitted by such other method approved by the Depositary Trust Company, in its reasonable discretion, to the holders of record of such shares to be redeemed. Such mailing or transmittal shall be at least 30 days and not more than 60 days before the date fixed for redemption. Notwithstanding the foregoing, if the Series C Preferred Stock is held in book-entry form through DTC, the Corporation may give such notice in any manner permitted by DTC. Any notice mailed or transmitted as provided in this Section 6(b) shall be conclusively presumed to have been duly given, whether or not the holder receives such notice, but failure duly to give such notice by mail or other transmission, or any defect in such notice or in the mailing or transmittal thereof, to any holder of shares of Series C Preferred Stock designated for redemption shall not affect the validity of the proceedings for the redemption of any other shares of Series C Preferred Stock. Each notice shall state (i) the redemption date; (ii) the number of shares of Series C Preferred Stock to be redeemed and, if fewer than all the shares held by such holder are to be redeemed, the number of such shares to be redeemed from such holder; (iii) the Redemption Price; (iv) the place or places where the certificates for such shares are to be surrendered for payment of the Redemption Price; and (v) that dividends on the shares to be redeemed will cease to accrue on the redemption date.

(c) *Partial Redemption*. In case of any redemption of only part of the shares of Series C Preferred Stock at the time outstanding, the shares of Series C Preferred Stock to be redeemed shall be selected either pro rata from the holders of record of Series C Preferred Stock in proportion to the number of shares of Series C Preferred Stock held by such holders or in such other manner consistent with the rules and policies of the New York Stock Exchange as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine to be fair and equitable. Subject to the provisions of this Section 6, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors shall have full power and authority to prescribe the terms and conditions upon which shares of Series C Preferred Stock shall be redeemed from time to time.

(d) *Effectiveness of Redemption*. If notice of redemption has been duly given and if on or before the redemption date specified in the notice all funds necessary for the redemption have been set aside by the Corporation, separate and apart from its other assets, in trust for the pro rata benefit of the holders of the shares called for redemption, so as to be and continue to be available therefor, or deposited by the Corporation with a bank or trust company selected by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors (the "Depositary Company") in trust for the pro rata benefit of the holders of the shares called for redemption, then, notwithstanding that any certificate for any share so called for redemption has not been surrendered for cancellation, on and after the redemption date all shares so called for redemption shall cease to be outstanding, all dividends with respect to such shares shall cease to accrue after such redemption date, and all rights with respect to such shares shall forthwith on such redemption date cease and terminate, except only the right of the holders thereof to receive the amount payable on such redemption from such bank or trust company at any time after the redemption date from the funds so deposited, without interest. The Corporation shall be entitled to receive, from time to time, from the Depositary Company any interest accrued on such funds, and the holders of any shares called for redemption shall have no claim to any such interest. Any funds so deposited and unclaimed at the end of three years from the redemption date shall, to the extent permitted by law, be released or repaid to the Corporation, and in the event of such repayment to the Corporation, the holders of record of the shares so called for redemption shall be deemed to be unsecured creditors of the Corporation for an amount equivalent to the amount deposited as stated above for the redemption of such shares and so repaid to the Corporation, but shall in no event be entitled to any interest.

Section 7. Voting Rights. The holders of Series C Preferred Stock will have no voting rights and will not be entitled to elect any directors, except as expressly provided by law and except that:

(a) *Supermajority Voting Rights-Amendments*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least $66^2/_3$% of all of the shares of the Series C Preferred Stock at the time outstanding, voting separately as a class, shall be required to authorize any amendment of the Certificate of Incorporation or of any certificate amendatory thereof or supplemental thereto (including any certificate of designations or any similar document relating to any series of preferred stock) which will materially and adversely affect the powers, preferences, privileges or rights of the Series C Preferred Stock, taken as a whole; provided, however, that the following will not be deemed to adversely affect the powers, preferences, privileges or rights of the Series C Preferred Stock: (i) any increase in the amount of the authorized or issued Series C Preferred Stock, (ii) any increase in the amount of authorized preferred stock of the Corporation, or (iii) the creation and issuance, or an increase in the authorized or issued amount, of other series of preferred stock ranking equally with and/or junior to the Series C Preferred Stock with respect to the payment of dividends (whether such dividends are cumulative or non-cumulative) and/or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(b) *Supermajority Voting Rights-Priority*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the affirmative vote or consent of the holders of at least $66^2/_3$% of all of the shares of the Series C Preferred Stock and all other Parity Stock, at the time outstanding, voting as a single class without regard to series, shall be required to issue, authorize or increase the authorized amount of, or to issue or authorize any obligation or security convertible into or evidencing the right to purchase, any additional class or series of stock ranking prior to the shares of the Series C Preferred Stock and all other Parity Stock as to dividends or the distribution of assets upon liquidation, dissolution or winding up of the Corporation.

(c) *Special Voting Right.*

(i) Voting Right. If and whenever dividends on the Series C Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series C Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series C Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships), provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series C Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series C Preferred Stock as to payment of dividends is a "Preferred Director."

(ii) Election. The election of the Preferred Directors will take place at any annual meeting of stockholders or any special meeting of the holders of Series C Preferred Stock and any other class or series of the Corporation's stock that ranks on parity with Series C Preferred Stock as to payment of dividends and for which dividends have not been paid, called as provided herein. At any time after the special voting power has vested pursuant to Section 7(c)(i) above, a majority of the Continuing Directors may, and within 20 days after the written request of any holder of Series C Preferred Stock (addressed to the Continuing Directors at the Corporation's principal office) must (unless such request is received less than 90 days before the date fixed for the next annual or special meeting of the stockholders, in which event such election shall be held at such next annual or special meeting of stockholders), call a special meeting of the holders of Series C Preferred Stock, and any other class or series of preferred stock that ranks on parity with Series C Preferred Stock as to payment of dividends and for which dividends have not been paid, for the election of the two directors to be elected by them as provided in Section 7(c)(iii) below. The Preferred Directors shall each be entitled to one vote per director on any matter.

(iii) Notice for Special Meeting. Notice for a special meeting will be given in a similar manner to that provided in the Corporation's bylaws for a special meeting of the stockholders. The Preferred Directors elected at any such special meeting will hold office until the next annual meeting of the Corporation's stockholders unless they have been previously terminated or removed pursuant to Section 7(c)(iv). In case any vacancy in the office of a Preferred Director occurs (other than prior to the initial election of the Preferred Directors), the vacancy may be filled by the written consent of the Preferred Director remaining in office, or if none remains in office, by a vote of the holders of the outstanding shares of Series C Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) to serve until the next annual meeting of the stockholders.

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series C Preferred Stock and any other class or series of preferred stock that ranks on parity with Series C Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend Periods, then the right of the holders of Series C Preferred Stock to elect such additional two directors will cease (subject to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) and the term of office of each Preferred Director so elected will immediately terminate and the number of directors constituting the Corporation's Board of Directors will be automatically reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series C Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

(d) *Changes after Provision for Redemption*. No vote or consent of the holders of Series C Preferred Stock shall be required pursuant to Section 7(a), (b) or (c) above if, at or prior to the time when any such vote or consent would otherwise be required pursuant to such section, all outstanding Series C Preferred Stock shall have been redeemed, or notice of redemption has been given and sufficient funds shall have been irrevocably deposited in trust to effect such redemption.

Section 8. Conversion. The holders of Series C Preferred Stock shall not have any rights to convert such Series C Preferred Stock into shares of any other class of capital stock of the Corporation.

Section 9. Rank. Notwithstanding anything set forth in the Amended and Restated Certificate of Incorporation or this Certificate of Designations to the contrary, the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation, without the vote of the holders of the Series C Preferred Stock, may authorize and issue additional shares of Junior Stock, Parity Stock or, subject to the voting rights granted in Section 7, any class of securities ranking senior to the Series C Preferred Stock as to dividends and the distribution of assets upon any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation.

Section 10. Repurchase. Subject to the limitations imposed herein, the Corporation may purchase and sell Series C Preferred Stock from time to time to such extent, in such manner, and upon such terms as the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may determine; provided, however, that the Corporation shall not use any of its funds for any such purchase when there are reasonable grounds to believe that the Corporation is, or by such purchase would be, rendered insolvent.

Section 11. Unissued or Reacquired Shares. Shares of Series C Preferred Stock not issued or which have been issued, redeemed or otherwise purchased or acquired by the Corporation shall be restored to the status of authorized but unissued shares of preferred stock without designation as to series.

Section 12. No Sinking Fund. Shares of Series C Preferred Stock are not subject to the operation of a sinking fund.

CERTIFICATE OF ELIMINATION
OF THE
CERTIFICATE OF DESIGNATIONS
OF
SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

Pursuant to Section 151(g)
of the General Corporation Law
of the State of Delaware

TCF Financial Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

1. That the Board of Directors of the Corporation (the "Board"), pursuant to Section 151 of the DGCL and the authority granted in the Corporation's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), by resolution duly adopted, authorized the issuance of a series of Series A Non-Cumulative Perpetual Preferred Stock, par value $.01 per share (the "Series A Preferred Stock"), and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations and restrictions thereof, and, on June 18, 2012, filed a Certificate of Designations with respect to such Series A Preferred Stock in the office of the Secretary of State of the State of Delaware.

2. That the Board has adopted the following resolutions:

WHEREAS, the Board, believes that it is in the best interest of the Corporation and its stockholders to redeem all of the Corporation's outstanding shares of Series A Non-Cumulative Perpetual Preferred Stock (the "Series A Preferred Stock") and all of the outstanding depositary shares (the "Series A Depositary Shares"), each representing a 1/1,000th interest in a share of Series A Preferred Stock, at the redemption price (the "Series A Redemption Price") as determined pursuant to the Certificate of Designations of the Series A Preferred Stock of the Corporation (the "Series A Certificate of Designations"); and

WHEREAS, pursuant to Section 6 of the Series A Certificate of Designations, upon receipt of approval from the Appropriate Federal Banking Agency (as defined in the Series A Certificate of Designations), the Corporation may redeem in whole or in part the shares of Series A Preferred Stock and the Series A Depositary Shares at any time on or after June 25, 2017 by providing at least 30 days' prior written notice to the holders of the Series A Preferred Stock.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation redeem all of the Series A Preferred Stock, and all of the Series A Depositary Shares, at the then-applicable Series A Redemption Price (the "Series A Redemption");

RESOLVED FURTHER, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Accounting Officer, any Vice Chairman, Treasurer and Assistant Treasurer (each, an "Authorized Officer") be and they hereby are authorized to obtain the required approvals for the Series A Redemption from the Appropriate Federal Banking Agency; calculate the Redemption Price; notify the holders of the Series A Preferred Stock and Series A Depositary Shares of the Series A

Redemption; make the appropriate payments to the holders of the Series A Preferred Stock and Series A Depositary Shares to effectuate the Series A Redemption; and execute and deliver such documents (including, but not limited to, the creation, execution and delivery of a notice of redemption containing the information required by Section 6(b) of the Series A Certificate of Designations and any related certificates or similar documentation reasonably requested by Computershare Trust Company, N.A. and Computershare, Inc., jointly as the depositary, to effectuate the Series A Redemption) as the Authorized Officers may deem necessary and desirable to carry out the intent and purposes of these Resolutions;

RESOLVED FURTHER, that, after the completion of the Series A Redemption as contemplated hereby, no shares of Series A Preferred Stock and none of the Series A Depositary Shares shall remain outstanding and none of the authorized shares of the Series A Preferred Stock shall be reissued, and all rights, other than the right to receive the applicable Series A Redemption Price, of the holders of the Series A Preferred Stock shall cease and terminate on the redemption date of the Series A Preferred Stock;

RESOLVED FURTHER, that the Corporation be, and hereby is, authorized and directed, following the redemption date of the Series A Preferred Stock and the cessation and termination of all rights, other than the right to receive the applicable Series A Redemption Price, of the holders of the Series A Preferred Stock, to file with the Delaware Secretary of State a Certificate of Elimination of the Certificate of Designations of Series A Non-Cumulative Perpetual Preferred Stock of the Corporation (the "Certificate of Elimination"), containing these resolutions, with effect under the Delaware General Corporation Law of eliminating from the Corporation's Certificate of Incorporation all matters set forth in the Series A Certificate of Designations;

RESOLVED FURTHER, that the Authorized Officers are authorized and empowered, in the name and on behalf of the Corporation, pursuant to Section 151(g) of the Delaware General Corporation Law, to execute and file the Certificate of Elimination with the Delaware Secretary of State;

RESOLVED FURTHER, that the Corporation be, and hereby is, authorized and directed, following the filing of the Certificate of Elimination with the Delaware Secretary of State, to delist the Series A Depositary Shares from the NYSE and deregister the Series A Preferred Stock and Series A Depositary Shares with the SEC;

RESOLVED FURTHER, that the Authorized Officers are authorized, for and on behalf of the Corporation, to execute and file with the SEC and the NYSE all forms required or deemed necessary or advisable to effectuate the deregistration and delisting, as applicable, of the Series A Preferred Stock and Series A Depositary Shares;

RESOLVED FURTHER, that the Authorized Officers are authorized and directed to file with the SEC, in the name and on behalf of the Corporation, such documents as may be necessary or advisable, in their opinion or in the opinion of counsel for the Corporation, in connection with the Series A Redemption, and also to prepare, execute and deliver to or file with the SEC, the NYSE, state securities commissions, or any other agency or persons connected with the Series A Redemption, in the name and on behalf of the Corporation, from time to time, such other certificates, documents, letters, undertakings or other instruments as they or counsel for the Corporation may deem necessary or advisable in connection with the Series A Redemption.

3. That, accordingly, all references to the Series A Preferred Stock of the Corporation be, and hereby are, eliminated from the Corporation's Certificate of Incorporation and the shares of capital stock of the

Corporation formerly designated as Series A Preferred Stock shall resume the status of authorized but unissued shares of Preferred Stock.

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Elimination to be signed by its duly authorized officer on the 17th day of October, 2017.

TCF FINANCIAL CORPORATION

By: /s/ Joseph T. Green

Name: Joseph T. Green

Title: Secretary

CERTIFICATE OF ELIMINATION
OF THE
CERTIFICATE OF DESIGNATIONS
OF
SERIES B NON-CUMULATIVE PERPETUAL PREFERRED STOCK
OF
TCF FINANCIAL CORPORATION

Pursuant to Section 151(g)
of the General Corporation Law
of the State of Delaware

TCF Financial Corporation, a corporation organized and existing under the laws of the State of Delaware (the "Corporation"), in accordance with the provisions of Section 151(g) of the General Corporation Law of the State of Delaware (the "DGCL"), hereby certifies as follows:

1. That the Board of Directors of the Corporation (the "Board"), pursuant to Section 151 of the DGCL and the authority granted in the Corporation's Amended and Restated Certificate of Incorporation (the "Certificate of Incorporation"), by resolution duly adopted, authorized the issuance of a series of Series B Non-Cumulative Perpetual Preferred Stock, par value $.01 per share (the "Series B Preferred Stock"), and established the voting powers, designations, preferences and relative, participating and other rights, and the qualifications, limitations and restrictions thereof, and, on December 13, 2012, filed a Certificate of Designations with respect to such Series B Preferred Stock in the office of the Secretary of State of the State of Delaware.

2. That the Board has adopted the following resolutions:

WHEREAS, the Board, believes that it is in the best interest of the Corporation and its stockholders to redeem all of the Corporation's outstanding shares of Series B Preferred Stock at the redemption price (the "Series B Redemption Price") as determined pursuant to the Certificate of Designations of the Series B Preferred Stock of the Corporation (the "Series B Certificate of Designations"); and

WHEREAS, pursuant to Section 6 of the Series B Certificate of Designations, upon receipt of approval from the Appropriate Federal Banking Agency (as defined in the Series B Certificate of Designations), the Corporation may redeem in whole or in part the shares of Series B Preferred Stock at any time on or after December 19, 2017 by providing at least 30 days' prior written notice to the holders of the Series B Preferred Stock.

NOW, THEREFORE, BE IT RESOLVED, that the Corporation redeem all of the Series B Preferred Stock at the then-applicable Series B Redemption Price (the "Series B Redemption");

RESOLVED FURTHER, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Accounting Officer, any Vice Chairman, Treasurer and Assistant Treasurer (each, an "Authorized Officer") be and they hereby are authorized to obtain the required approvals for the Series B Redemption from the Appropriate Federal Banking Agency; calculate the Redemption Price; notify the holders of the Series B Preferred Stock; make the appropriate payments to the holders of the Series B Preferred Stock to effectuate the Series B Redemption; and execute and deliver such documents (including, but not limited to, the creation, execution and delivery of a notice of redemption containing the information required by Section 6(b) of the Series B Certificate of Designations and any related certificates or similar documentation reasonably requested by Computershare Trust Company, N.A. and Computershare, Inc., jointly as the transfer agent, registrar and paying agent, to effectuate the Series B Redemption) as the Authorized Officers may deem necessary and desirable to carry out the intent and purposes of these Resolutions;

RESOLVED FURTHER, that, after the completion of the Series B Redemption as contemplated hereby, no shares of Series B Preferred Stock shall remain outstanding and none of the authorized shares of the Series B Preferred Stock shall be reissued, and all rights, other than the right to receive the applicable Series B Redemption Price, of the holders of the Series B Preferred Stock shall cease and terminate on the redemption date of the Series B Preferred Stock;

RESOLVED FURTHER, that the Corporation be, and hereby is, authorized and directed, following the redemption date of the Series B Preferred Stock and the cessation and termination of all rights, other than the right to receive the applicable Series B Redemption Price, of the holders of the Series B Preferred Stock, to file with the Delaware Secretary of State a Certificate of Elimination of the Certificate of Designations of Series B Non-Cumulative Perpetual Preferred Stock of the Corporation (the "Certificate of Elimination"), containing these resolutions, with effect under the Delaware General Corporation Law of eliminating from the Corporation's Certificate of Incorporation all matters set forth in the Series B Certificate of Designations;

RESOLVED FURTHER, that the Authorized Officers are authorized and empowered, in the name and on behalf of the Corporation, pursuant to Section 151(g) of the Delaware General Corporation Law, to execute and file the Certificate of Elimination with the Delaware Secretary of State;

RESOLVED FURTHER, that the Corporation be, and hereby is, authorized and directed, following the filing of the Certificate of Elimination with the Delaware Secretary of State, to delist the Series B Preferred Stock from the NYSE and deregister the Series B Preferred Stock with the SEC;

RESOLVED FURTHER, that the Authorized Officers are authorized, for and on behalf of the Corporation, to execute and file with the SEC and the NYSE all forms required or deemed necessary or advisable to effectuate the deregistration and delisting of the Series B Preferred Stock; and

RESOLVED FURTHER, that the Authorized Officers are authorized and directed to file with the SEC, in the name and on behalf of the Corporation, such documents as may be necessary or advisable, in their opinion or in the opinion of counsel for the Corporation, in connection with the Series B Redemption, and also to prepare, execute and deliver to or file with the SEC, the NYSE, state securities commissions, or any other agency or persons connected with the Series B Redemption, in the name and on behalf of the Corporation, from time to time, such other certificates, documents, letters, undertakings or other instruments as they or counsel for the Corporation may deem necessary or advisable in connection with the Series B Redemption;

3. That, accordingly, all references to the Series B Preferred Stock of the Corporation be, and hereby are, eliminated from the Corporation's Certificate of Incorporation and the shares of capital stock of the Corporation formerly designated as Series B Preferred Stock shall resume the status of authorized but unissued shares of Preferred Stock (as defined in the Certificate of Incorporation).

IN WITNESS WHEREOF, the Corporation has caused this Certificate of Elimination to be signed by its duly authorized officer on the 2nd day of March, 2018.

TCF FINANCIAL CORPORATION

By: /s/ Joseph T. Green
Name: Joseph T. Green
Title: Secretary

(Back To Top)

Section 3: EX-31.1 (EXHIBIT 31.1)

Exhibit 31.1

CERTIFICATION

I, Craig R. Dahl, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TCF Financial Corporation for the quarter ended March 31, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2018

/s/ Craig R. Dahl

Craig R. Dahl
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

(Back To Top)

Section 4: EX-31.2 (EXHIBIT 31.2)

Exhibit 31.2

CERTIFICATION

I, Brian W. Maass, certify that:

1. I have reviewed this Quarterly Report on Form 10-Q of TCF Financial Corporation for the quarter ended March 31, 2018;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, 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;

   (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: May 3, 2018

/s/ Brian W. Maass

Brian W. Maass

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

(Back To Top)

Section 5: EX-32.1 (EXHIBIT 32.1)

Exhibit 32.1

TCF FINANCIAL CORPORATION
STATEMENT PURSUANT TO 18 U.S.C. §1350

I, Craig R. Dahl, Chairman, President and Chief Executive Officer of TCF Financial Corporation, a Delaware corporation (the “Company”), hereby certify as follows:

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2018 (the “Periodic Report”);

2. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: May 3, 2018

/s/ Craig R. Dahl

Craig R. Dahl

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

* A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to TCF Financial Corporation and will be retained by TCF Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

(Back To Top)

Section 6: EX-32.2 (EXHIBIT 32.2)

Exhibit 32.2

TCF FINANCIAL CORPORATION
STATEMENT PURSUANT TO 18 U.S.C. §1350

I, Brian W. Maass, Executive Vice President and Chief Financial Officer of TCF Financial Corporation, a Delaware corporation (the “Company”), hereby certify as follows:

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company’s Quarterly Report on Form 10-Q for the

quarter ended March 31, 2018 (the “Periodic Report”);

2. The Periodic Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: May 3, 2018

/s/ Brian W. Maass

Brian W. Maass

Executive Vice President and Chief Financial Officer

(Principal Financial Officer)

* A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to TCF Financial Corporation and will be retained by TCF Financial Corporation and furnished to the Securities and Exchange Commission or its staff upon request.

(Back To Top)