Section 1: 425 (FORM 8-K)

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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported):
January 28, 2019 (January 27, 2019)

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

200 Lake Street East, Mail Code EX0-03-A, Wayzata, Minnesota 55391-1693
(Address of principal executive offices, including Zip Code)

(952) 745-2760
(Registrant’s telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instructions A.2. below):

☒ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).
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. ☐
On January 28, 2019, TCF Financial Corporation ("TCF") and Chemical Financial Corporation ("Chemical") issued a joint press release announcing the execution of the Agreement and Plan of Merger, dated as of January 27, 2019, by and between TCF and Chemical pursuant to which, upon the terms and subject to the conditions set forth therein, TCF will merge with and into Chemical, with Chemical continuing as the surviving entity. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

In addition, TCF and Chemical provided supplemental information regarding the proposed transaction in connection with presentations to analysts and investors. A copy of the investor presentation is attached as Exhibit 99.2 to this Current Report on Form 8-K and is incorporated herein by reference.

Cautionary Note Regarding Forward-Looking Statements

Statements included in this report, and the documents incorporated by reference herein, which are not historical in nature are intended to be, and hereby are identified as, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not limited to, statements regarding the outlook and expectations of TCF and Chemical with respect to their planned merger, the strategic benefits and financial benefits of the merger, including the expected impact of the transaction on the combined company’s future financial performance (including anticipated accretion to earnings per share, the tangible book value earn-back period and other operating and return metrics), and the timing of the closing of the transaction. Words such as "may," "anticipate," "plan," "estimate," "expect," "project," "assume," "approximately," "continue," "should," "could," "will," "poised," and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence, which could cause actual results to differ materially from anticipated results. Such risks, uncertainties and assumptions, include, among others, the following:

- the failure to obtain necessary regulatory approvals when expected or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction);
- the failure of either TCF or Chemical to obtain shareholder approval, or to satisfy any of the other closing conditions to the transaction on a timely basis or at all.
- the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement;
- the possibility that the anticipated benefits of the transaction, including anticipated cost savings and strategic gains, are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy, competitive factors in the areas where TCF and Chemical do business, or as a result of other unexpected events or factors;
the impact of purchase accounting with respect to the transaction, or any change in the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value;
- diversion of management’s attention from ongoing business operations and opportunities;
- potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction;
- the ability of either company to effectuate share repurchases and the prices at which such repurchases may be effectuated;
- the outcome of any legal proceedings that may be instituted against TCF or Chemical;
- the integration of the businesses and operations of TCF and Chemical, which may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to TCF’s or Chemical’s existing businesses;
- business disruptions following the merger; and
- other factors that may affect future results of TCF and Chemical including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Additional factors that could cause results to differ materially from those described above can be found in the risk factors described in Item 1A of each of TCF’s and Chemical’s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2017. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. TCF and Chemical disclaim any obligation to update or revise any forward-looking statements contained in this report, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.

Important Additional Information and Where to Find It

This communication is being made in respect of the proposed merger transaction between TCF and Chemical. In connection with the proposed merger, Chemical will file with the SEC a Registration Statement on Form S-4 that will include the Joint Proxy Statement of TCF and Chemical and a Prospectus of Chemical, as well as other relevant documents regarding the proposed transaction. A definitive Joint Proxy Statement/Prospectus will also be sent to TCF and Chemical shareholders. INVESTORS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

A free copy of the Joint Proxy Statement/Prospectus once available, as well as other filings containing information about TCF and Chemical, may be obtained at the SEC’s Internet site (http://www.sec.gov). You will also be able to obtain these documents, free of charge, from TCF by accessing TCF’s website at http://www.tcfbank.com (which website is not incorporated herein by reference) or from Chemical by accessing Chemical’s website at http://www.chemicalbank.com (which website is not incorporated herein by reference). Copies of the Joint Proxy Statement/Prospectus once available can also be obtained, free of charge, by directing a request to TCF Investor Relations at Investor Relations, TCF Financial Corporation, 200 Lake Street East, EXO-02C, Wayzata, MN 55391, by calling (952) 745-2760 or by sending an e-mail to investor@tcfbank.com, or to Chemical Investor Relations at Investor Relations, Chemical Financial Corporation, 333 W. Fort Street, Suite 1800, Detroit, MI 48226, by calling (800) 867-9757 or by sending an e-mail to investorinformation@chemicalbank.com.
Participants in Solicitation

TCF and Chemical and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from TCF and Chemical shareholders in respect of the transaction described in the Joint Proxy Statement/Prospectus. Information regarding TCF’s directors and executive officers is contained in TCF’s Annual Report on Form 10-K for the year ended December 31, 2017, its Proxy Statement on Schedule 14A, dated March 14, 2018, and certain of its Current Reports on Form 8-K, which are filed with the SEC. Information regarding Chemical’s directors and executive officers is contained in Chemical’s Annual Report on Form 10-K for the year ended December 31, 2017, its Proxy Statement on Schedule 14A, dated March 16, 2018, and certain of its Current Reports on Form 8-K, which are filed with the SEC. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Joint Proxy Statement/Prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.
Chemical Financial Corporation and TCF Financial Corporation Announce Merger of Equals to Create a Premier Midwest Bank Headquartered in Detroit

- Creates a premier bank in the Midwest with $45 billion in assets
- Enhances competitive position by delivering the scale, profitability and predictable performance required to compete and win in an evolving market
- Merger combines two complementary platforms – strengthening each company’s standalone growth profile
- EPS accretion, relative to consensus estimates, of 17% to Chemical shareholders and 31% to TCF shareholders; 2.7-year tangible book value per share earn back
- Combined company retains shared values including deep community ties, customer-centric focus and commitment to performance
- Significant operation centers in Minneapolis, Midland and Chicago

DETROIT, MI & WAYZATA, MN – January 28, 2019 – Chemical Financial Corporation ("Chemical") (NASDAQ: CHFC) and TCF Financial Corporation ("TCF") (NYSE: TCF) today announced the signing of a definitive agreement under which the companies will combine in an all-stock merger of equals transaction. Under the terms of the agreement, which was unanimously approved by the boards of directors of both companies, TCF will merge into Chemical, and the combined holding company and bank will operate under the TCF name and brand following the closing of the transaction. The merger combines two complementary banking platforms to create a premier Midwest bank that will be uniquely positioned to capitalize on market opportunities and broaden the channels and customers it serves through increased scale and expanded product offerings. The combined company will have approximately $45 billion in assets, $34 billion in total deposits and more than 500 branches across nine states, including four of the top 10 Midwest markets. It will leverage the strengths of Chemical’s community banking and wealth management capabilities with TCF’s large deposit franchise and expertise in wholesale lending on a national basis.

"With a shared strategic vision and increased scale and capabilities, our two complementary banking platforms will be positioned to better serve our customers and communities," said Chemical’s Chairman Gary Torgow. “The combination of TCF and Chemical creates the largest midcap bank in the Midwest, poised to deliver double-digit EPS accretion for each set of shareholders, significant cost synergies, top-tier return metrics, a more diversified balance sheet and a lower risk profile. We also share a deep commitment to supporting and giving back to the communities we serve.”

TCF Chairman, CEO and President Craig Dahl said, “We are confident that this merger will enhance our ability to deliver stronger and more sustainable growth and greater value creation than either company could achieve alone. The new TCF will have attractive positions in both its product suite and market footprint as well as a more diversified loan portfolio and increased lending capabilities across asset classes, geographies and industry verticals. Through improved profitability and earnings predictability, we will be able to reinvest in the business to drive multiple growth engines, enhance our ability to compete in the next generation of banking and sustain consistent return on capital for shareholders. We believe the combined company will also create new opportunities for our employees and enable us to attract and retain top talent.”
Strategic Benefits of the Merger

Enhanced scale and capabilities: The combined organization will be strategically positioned to capitalize on market opportunities and better serve its customers throughout several of the largest, most attractive markets in the Midwest. Together, the companies will have the scale to better invest, compete and outperform by leveraging leading market positions and complementary products. Limited overlap of markets and product suites will benefit customers through a consistent go-to-market approach and minimal disruption.

Accelerates achievement of each company’s strategic priorities: Complementary operations with limited overlap will broaden the opportunities to drive sustainable growth and increase market share. TCF’s strength in national lending verticals complements Chemical’s core in-market commercial lending and wealth management offerings. The two banks’ shared strengths in infrastructure, digital platforms, and mortgage banking will enhance the combined organization’s position while improving efficiency.

More balanced deposit mix and loan portfolio: The combination creates a more diversified deposit mix between retail and commercial business lines and a more balanced loan portfolio across geographies, asset classes and commercial industries. On a combined basis, the company expects to have increased capacity for loan growth while maintaining its current risk thresholds.

Complementary values and community focus: Both organizations share a legacy of developing deep community ties, along with core values centered on customer service, accountability, and adaptability to market changes. The combined organization will have a stronger, deeper leadership team with complementary expertise to drive enhanced operational performance, strategic growth, and risk management. In addition, the combined bank will continue to provide philanthropic, civic, and economic development support to the communities in which it operates.

Financial Benefits of the Merger

The transaction is projected to deliver 17% EPS accretion to Chemical and 31% EPS accretion to TCF by 2020, with a tangible book value earn-back period of 2.7 years. Pro forma merged company financial metrics are based on each company’s stand-alone consensus median analyst estimates, estimated combined company cost synergies, anticipated purchase accounting adjustments, and the expected merger closing time-frame. On a pro forma basis, the business is expected to deliver top-tier operating and return metrics with cost savings on a fully-phased in basis, including:

- Return on Average Tangible Common Equity of approximately 19%
- Return on Average Assets of approximately 1.6%, and
- Efficiency ratio of approximately 53%.
In addition, the transaction is expected to generate approximately $180 million in annual run-rate cost synergies by 2020, with minimal reductions in branches.

**Transaction Details**

Under the terms of the agreement, TCF shareholders will receive 0.5081 shares of Chemical common stock for each share of TCF common stock based on a fixed exchange ratio, equivalent to $21.58 per TCF share based on the closing price as of January 25, 2019. Each outstanding share of 5.70% Series C Non-Cumulative Perpetual Preferred Stock of TCF will be converted into the right to receive one share of a newly created series of preferred stock of Chemical. Upon completion of the deal, TCF and Chemical shareholders will own 54% and 46% of the combined company, respectively, on a fully diluted basis.

**Governance and Leadership**

The combined company will be headquartered in Detroit and maintain a significant operating presence in Minneapolis as well as Midland and Chicago. The combined company will be led by:

- Gary Torgow, who will serve as executive chairman of the board of directors;
- Vance Opperman, who is the current lead independent director of TCF; Financial Corporation’s board of directors, will serve as lead independent director;
- Craig Dahl, who will serve as CEO and president;
- Dennis Klaeser, who will serve as CFO;
- Brian Maass, who will serve as deputy CFO and treasurer; and

David Provost will become chairman of the combined bank and Tom Shafer will become president and COO of the combined bank.

Additional leadership team members will be comprised of highly experienced and proven executives that reflect the strengths and capabilities of both banks and will share equally in the integration process.

The combined company’s board of directors will have sixteen directors, consisting of eight directors from TCF and eight directors from Chemical.

**Timing and Approvals**

The merger is expected to close in the late third or early fourth quarter of 2019, subject to satisfaction of customary closing conditions, including receipt of customary regulatory approvals and approval by the shareholders of each company.

**Advisors**

Keefe, Bruyette & Woods is acting as financial advisor to, and rendered a fairness opinion to the board of directors of, Chemical. Nelson Mullins Riley & Scarborough, LLP and Wachtell, Lipton, Rosen & Katz are serving as legal counsel to Chemical. J.P. Morgan Securities LLC is acting as lead financial advisor to, and rendered a fairness opinion to the board of directors of, TCF. Perkins Advisors, LLC is also acting as financial advisor to TCF, and Simpson Thacher & Bartlett LLP is serving as legal counsel.
Chemical and TCF will conduct a live conference call and webcast to discuss the transaction at 10 am Eastern Time today. To listen to the live call, please dial 888-378-4398 and enter 575396 for the conference ID. The webcast, along with related slides, will be available on both the Chemical website (www.chemicalbank.com) and the TCF website (ir.tcfbank.com), as well as through the joint transaction website, www.PremierMidwestBank.com. A replay of the conference call will be available via the websites listed above.

As a result of today’s merger announcement, both companies have cancelled their previously scheduled 2018 fourth quarter earnings conference calls.

About Chemical Financial Corporation

Chemical Financial Corporation is the largest banking company headquartered and operating branch offices in Michigan. Chemical operates through its subsidiary bank, Chemical Bank, with 212 banking offices located primarily in Michigan, northeast Ohio and northern Indiana. As of December 31, 2018, Chemical had total consolidated assets of $21.5 billion. Chemical Financial Corporation’s common stock trades on The NASDAQ Stock Market under the symbol CHFC and is one of the issuers comprising The NASDAQ Global Select Market and the S&P MidCap 400 Index. More information about Chemical Financial Corporation is available by visiting the “Investor Information” section of its website at www.chemicalbank.com.

About TCF Financial Corporation

TCF is a Wayzata, Minnesota-based national bank holding company. As of December 31, 2018, TCF had $23.7 billion in total assets and 314 bank branches in Illinois, Minnesota, Michigan, Colorado, Wisconsin, Arizona and South Dakota providing retail and commercial banking services. TCF, through its subsidiaries, also conducts commercial leasing and equipment finance business in all 50 states and commercial inventory finance business in all 50 states and Canada. For more information about TCF, please visit http://ir.tcfbank.com.

Cautionary Note Regarding Forward-Looking Statements

Statements included in this press release which are not historical in nature are intended to be, and hereby are identified as, forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Examples of forward-looking statements include, but are not limited to, statements regarding the outlook and expectations of Chemical and TCF with respect to their planned merger, the strategic benefits and financial benefits of the merger, including the expected impact of the transaction on the combined company’s future financial performance (including anticipated accretion to earnings per share, the tangible book value earn-back period and other operating and return metrics), and the timing of the closing of the transaction. Words such as “may,” “anticipate,” “plan,” “estimate,” “expect,” “project,” “assure,” “approximately,” “continue,” “should,” “could,” “will,” “poised,” and variations of such words and similar expressions are intended to identify such forward-looking statements. Forward-looking statements are subject to risks, uncertainties and assumptions that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence, which could cause actual results to differ materially from anticipated results. Such risks, uncertainties and assumptions, include, among others, the following:
• the failure to obtain necessary regulatory approvals when expected or at all (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the transaction);
• the failure of either Chemical or TCF to obtain shareholder approval, or to satisfy any of the other closing conditions to the transaction on a timely basis or at all;
• the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement;
• the possibility that the anticipated benefits of the transaction, including anticipated cost savings and strategic gains, are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or as a result of the strength of the economy, competitive factors in the areas where Chemical and TCF do business, or as a result of other unexpected factors or events;
• the impact of purchase accounting with respect to the transaction, or any change in the assumptions used regarding the assets purchased and liabilities assumed to determine their fair value;
• diversion of management’s attention from ongoing business operations and opportunities;
• potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction;
• the ability of either company to effectuate share repurchases and the prices at which such repurchases may be effectuated;
• the outcome of any legal proceedings that may be instituted against Chemical or TCF;
• the integration of the businesses and operations of Chemical and TCF, which may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to Chemical’s or TCF’s existing businesses;
• business disruptions following the merger; and
• other factors that may affect future results of Chemical and TCF including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

Additional factors that could cause results to differ materially from those described above can be found in the risk factors described in Item 1A of each of Chemical’s and TCF’s Annual Report on Form 10-K filed with the SEC for the year ended December 31, 2017. Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results. Chemical and TCF disclaim any obligation to update or revise any forward-looking statements contained in this press release, which speak only as of the date hereof, whether as a result of new information, future events or otherwise, except as required by law.
This communication is being made in respect of the proposed merger transaction between Chemical and TCF. In connection with the proposed merger, Chemical will file with the SEC a Registration Statement on Form S-4 that will include the Joint Proxy Statement of Chemical and TCF and a Prospectus of Chemical, as well as other relevant documents regarding the proposed transaction. A definitive Joint Proxy Statement/Prospectus will also be sent to Chemical and TCF shareholders. INVESTORS ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE MERGER WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION.

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A free copy of the Joint Proxy Statement/Prospectus, once available, as well as other filings containing information about Chemical and TCF, may be obtained at the SEC’s Internet site (http://www.sec.gov). You will also be able to obtain these documents, free of charge, from Chemical by accessing Chemical’s website at http://www.chemicalbank.com (which website is not incorporated herein by reference) or from TCF by accessing TCF’s website at http://www.tcbank.com (which website is not incorporated herein by reference). Copies of the Joint Proxy Statement/Prospectus once available can also be obtained, free of charge, by directing a request to Chemical Investor Relations at Investor Relations, Chemical Financial Corporation, 333 W. Fort Street, Suite 1800, Detroit, MI 48226, by calling (800) 867-9757 or by sending an e-mail to investorinformation@ChemicalBank.com, or to TCF Investor Relations at Investor Relations, TCF Financial Corporation, 200 Lake Street East, EOX-02C, Wayzata, MN 55391, by calling (952) 745-2760 or by sending an e-mail to investor@tcbank.com.

Participants in Solicitation

Chemical and TCF and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies from Chemical and TCF shareholders in respect of the transaction described in the Joint Proxy Statement/Prospectus. Information regarding Chemical’s directors and executive officers is contained in Chemical’s Annual Report on Form 10-K for the year ended December 31, 2017, its Proxy Statement on Schedule 14A, dated March 16, 2018, and certain of its Current Reports on Form 8-K, which are filed with the SEC. Information regarding TCF’s directors and executive officers is contained in TCF’s Annual Report on Form 10-K for the year ended December 31, 2017, its Proxy Statement on Schedule 14A, dated March 14, 2018, and certain of its Current Reports on Form 8-K, which are filed with the SEC. Additional information regarding the interests of those participants and other persons who may be deemed participants in the transaction may be obtained by reading the Joint Proxy Statement/Prospectus regarding the proposed merger when it becomes available. Free copies of this document may be obtained as described in the preceding paragraph.
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- the failure of either Chemical or TCF to obtain shareholder approval, or to satisfy any of the other closing conditions to the transaction on a timely basis or at all;
- the occurrence of any event, change or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement;
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- diversion of management’s attention from ongoing business operations and opportunities;
- potential adverse reactions or changes to business or employee relationships, including those resulting from the announcement or completion of the transaction;
- the ability of either company to effectuate share repurchases and the prices at which such repurchases may be effectuated;
- the outcome of any legal proceedings that may be instituted against Chemical or TCF;
- the integration of the businesses and operations of Chemical and TCF, which may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to Chemical’s or TCF’s existing businesses;
- business disruptions following the merger; and
- other factors that may affect future results of Chemical and TCF including changes in asset quality and credit risk; the inability to sustain revenue and earnings growth; changes in interest rates and capital markets; inflation; customer borrowing, repayment, investment and deposit practices; the impact, extent and timing of technological changes; capital management activities; and other actions of the Federal Reserve Board and legislative and regulatory actions and reforms.

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Non-GAAP Financial Measures

This presentation contains certain non-GAAP financial measures that are not in accordance with U.S. generally accepted accounting principles (GAAP). Chemical and TCF use certain non-GAAP financial measures to provide meaningful, supplemental information regarding their operational results and to enhance investors' overall understanding of Chemical’s and TCF’s financial performance. The limitations associated with non-GAAP financial measures include the risk that persons might disagree as to the appropriateness of items comprising these measures and that different companies might calculate these measures differently. These disclosures should not be considered an alternative to Chemical’s and TCF’s GAAP results.
Partnering to Create Significant Strategic and Financial Value

- **Enhanced Competitive Position**
  - Creates a premier bank in the Midwest\(^1\)
    - Top 10 regional player with $45 billion of assets\(^2\)
    - Scale, profitability and consistent performance required to compete and win in an evolving market

- **Complementary Partners**
  - Strengthens each company's standalone growth profile
    - Lower risk—limited overlap minimizes disruption of go-to-market strategies and customer relationships
    - Significant upside—more diversified balance sheet, broader product set, exportable expertise

- **Exceptional Financial Benefits**
  - Accelerates shareholder value creation
    - Material GAAP EPS accretion – 17% to Chemical\(^3\), 31% to TCF\(^3\) – with just 2.7-year TBVPS earnback\(^4\)
    - Approximately 19% pro forma ROATCE\(^5\) drives significant capital generation and compounds TBVPS

- **Shared Values**
  - Retains deep community ties, customer-centric focus and commitment to performance
    - Common legacy of providing philanthropic, civic and economic development support
    - Strong pro forma governance, clear leadership and status as a best-in-class employer

---

(1) Midwest defined as IL, IN, OH, MI, MN and WI
(2) Pro forma balance sheet metrics as of the period ended December 31, 2010, excludes purchase accounting adjustments
(3) See page 31 for detail regarding calculation of run-rate GAAP EPS accretion
(4) See page 32 for detail regarding calculation of tangible book value per share dilution and earnback
(5) Pro forma metric based on 2020 consensus estimates, assuming $1.00mm pre-tax cost savings are fully phased in
## Transaction Summary

### Structure and Exchange Ratio
- Merger of Equals
- TCF merges into Chemical
- 100% stock consideration
- Fixed exchange ratio: TCF shareholders will receive 0.5081 shares of Chemical for each TCF share (equivalent to $21.58 per share as of Chemical’s closing stock price on January 25, 2019)

### Executive Leadership
- Gary Torgow  Executive Chairman
- Craig R. Dahl  President & CEO
- David T. Provost  Chairman of the bank; board member of the holding company
- Dennis Klaeser  CFO
- Brian W. Maass  Deputy CFO and Treasurer

### Board of Directors
- 16 members: 8 Chemical / 8 TCF
- Vance Opperman, TCF’s Lead Independent Director, will continue as Lead Independent Director of the combined board

### Ownership
- 46.2% Chemical / 53.8% TCF

### Headquarters
- Detroit
- Significant operation centers in Minneapolis, Midland, and Chicago

### Brand
- Combined franchise will leverage the strong regional and national brand equity of TCF

### Other Items
- Chemical’s balance sheet will be subject to fair market value accounting
- Strong pro forma capitalization

### Timing and Approvals
- Anticipated closing in late Q3 / early Q4 2019
- Approval of Chemical and TCF shareholders
- Customary regulatory approvals
### Significant Upside

<table>
<thead>
<tr>
<th>EPS accretion to Chemical:</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>17%</strong> GAAP(^1)</td>
<td><strong>13%</strong> Cash(^1)</td>
<td></td>
</tr>
</tbody>
</table>

### Two Growth Franchises, Together Scaled for Success\(^2\)

<table>
<thead>
<tr>
<th>Combined assets</th>
<th>Gross loans &amp; leases</th>
<th>Total deposits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>$45B</strong></td>
<td><strong>$34B</strong></td>
<td><strong>$34B</strong></td>
</tr>
</tbody>
</table>

### Strong Profitability\(^4\)

<table>
<thead>
<tr>
<th>ROAA</th>
<th>ROATCE</th>
<th>Efficiency ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>~1.6%</td>
<td>~19%</td>
<td>~53%</td>
</tr>
</tbody>
</table>

### Balanced Loan & Lease Portfolio\(^3\)

<table>
<thead>
<tr>
<th>Commercial &amp; Business Banking</th>
<th>Residential &amp; Consumer Banking</th>
<th>Leasing, Equipment &amp; Inventory Finance</th>
</tr>
</thead>
<tbody>
<tr>
<td>39%</td>
<td>38%</td>
<td>23%</td>
</tr>
</tbody>
</table>

---

\(^1\) See page 31 for detail regarding calculation of run-rate GAAP and Cash EPS accretion. Cash EPS accretion excludes all purchase accounting amortization.

\(^2\) Capitalized value of cost synergies is calculated as $150 million pre-tax / $147 million after-tax cost synergies, multiplied by market cap weighted NTM P/E multiple of 10.6x, net of $225 million pre-tax / $270 million after-tax one-time restructuring charges. Capitalized value is not discounted to present value.

\(^3\) Pre form balance sheet metrics as of the periods ended December 31, 2018 (for combined balance) and periods ended December 31, 2018 (for 2013–2018 CAGR calculations). CAGR calculations exclude both companies’ auto finance portfolios.

\(^4\) Pre form profitability metrics are based on 2020E consensus estimates and assume $180mm pre-tax cost savings are fully phased in.
Accelerating the Achievement of Chemical and TCF’s Standalone Strategic Priorities

Chemical

- Build core business banking:
  - Treasury management
  - Hiring best-in-market talent
- Grow specialty commercial lines:
  - ABL
  - Leasing
  - Commercial finance
- Enhance digital platform
- Double southeast Michigan presence
- Expand in adjacent markets

Together

- Significantly enhance our operating performance, profitability, and returns
- Expand geographically, and deploy our respective strengths into each other’s markets
- Enable faster growth without building concentrations
- Achieve greater scale on our technology and marketing investments
- Attract and retain top talent

TCF

- Increase return on capital
- Leverage existing infrastructure, deliver operating leverage, lower efficiency ratio
- Re-mix balance sheet to increase capital efficiency and reduce risk
- Grow C&I and CRE lending and deposits
- Invest in technology to provide a differentiated customer experience
- Continue expanding national lending
- Expand mortgage product offering
Together, We Are Best in Class

Pro Forma Financial Performance Relative to $20–100B Asset Banks\(^1\)

<table>
<thead>
<tr>
<th>Measure</th>
<th>Pro forma</th>
<th>Top Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td>Top Quartile Revenue Generation</td>
<td>5.0%</td>
<td></td>
</tr>
<tr>
<td>(Operating revenue / total assets)(^2)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Solid Efficiency Ratio(^3)</td>
<td>53%</td>
<td></td>
</tr>
<tr>
<td>Top Quartile Return on Average Tangible Common Equity(^4)</td>
<td>19%</td>
<td></td>
</tr>
</tbody>
</table>

Merger Benefits Accrue to All Shareholders

- Consistently higher returns
- Double-digit EPS growth
- Strong capital, liquidity and credit quality
- Increased growth and revenue diversification
- Significant upside and value creation
- Expanded strategic flexibility

Source: S&P Global Market Intelligence

\(^1\) Includes publicly traded U.S. banks with $20–100 billion in assets as of most recent available financial data
\(^2\) Annualized performance from Q1 2018 to Q3 2018 is shown for peers; Q4 2018 data is shown for the pro forma company
\(^3\) Annualized performance from Q1 2018 to Q3 2018 is shown for peers; 2020 pro forma is shown for the pro forma company, based on standalone consensus EPS estimates plus $180 million of pre-tax cost savings (fully phased in)
Strategic Rationale
Creating a Premier Midwest Bank

9th Largest Bank in the Midwest

<table>
<thead>
<tr>
<th>Midwest Deposits ($B)</th>
<th>Market Share (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chase</td>
<td>$191</td>
</tr>
<tr>
<td>US Bank</td>
<td>174</td>
</tr>
<tr>
<td>Fifth Third</td>
<td>99</td>
</tr>
<tr>
<td>Wells Fargo</td>
<td>66</td>
</tr>
<tr>
<td>PNC</td>
<td>77</td>
</tr>
<tr>
<td>Bank of Montreal</td>
<td>77</td>
</tr>
<tr>
<td>Huntington</td>
<td>76</td>
</tr>
<tr>
<td>Bank of America</td>
<td>60</td>
</tr>
<tr>
<td>Pro forma</td>
<td>523</td>
</tr>
<tr>
<td>Comerica</td>
<td>30</td>
</tr>
<tr>
<td>Key</td>
<td>29</td>
</tr>
<tr>
<td>Northern Trust</td>
<td>26</td>
</tr>
<tr>
<td>Wintertree</td>
<td>25</td>
</tr>
<tr>
<td>Associated</td>
<td>25</td>
</tr>
<tr>
<td>CHBC</td>
<td>16</td>
</tr>
<tr>
<td>TCF</td>
<td>17</td>
</tr>
<tr>
<td>Citizens</td>
<td>16</td>
</tr>
<tr>
<td>Flagstar</td>
<td>16</td>
</tr>
<tr>
<td>C&amp;S</td>
<td>15</td>
</tr>
<tr>
<td>Chemical</td>
<td>14</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence

526 Branches Across Nine States

Source: S&P Global Market Intelligence; Note: Branch and deposit data as of June 30, 2018
(1) Deposit market share data represents deposits in the Midwest region (defined as IL, IN, OH, MI, MN and WI)
(2) Number of branches as of December 31, 2018
Better Positioned to Compete, Invest and Win—Today and in the Future

External landscape is rapidly changing across many industry sectors
Banking industry is faced with these same trends
Together, Chemical and TCF are well positioned to leverage joint resources and serve evolving customer needs

<table>
<thead>
<tr>
<th>Environmental Trends</th>
<th>Our Partnership Provides</th>
<th>Chemical and TCF Together</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer needs and expectations</td>
<td>Scale</td>
<td>Invest and innovate more efficiently</td>
</tr>
<tr>
<td>Digitization</td>
<td>• Better leverages enterprise-wide services and overhead to drive near-term value creation</td>
<td>Sustain our competitive advantages and ability to compete as experts in our chosen segments</td>
</tr>
<tr>
<td>Mobile capabilities</td>
<td>• Supports more efficient infrastructure</td>
<td>Enhance customer-facing digital service offerings and streamline internal systems and processes</td>
</tr>
<tr>
<td>Data analytics</td>
<td>• Provides greater profit pool to support future growth initiatives</td>
<td>Momentum from adding and expanding customer relationships</td>
</tr>
<tr>
<td>Non-bank and fin-tech competitors</td>
<td>Scope</td>
<td></td>
</tr>
<tr>
<td>AI / robotics / automation</td>
<td>• More customers</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Wider geographic reach</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• More complete product set</td>
<td></td>
</tr>
</tbody>
</table>
## Balanced Go-to-Market Business Model

### Local Business Banking
- In-Market, Relationship Commercial Banking
- Deposit expertise in Treasury Management and local government
- Focused in densely populated metros
- Expanded small business mobile platform
- Strong talent acquisition program

### Retail & Community Banking
- Full suite of deposit products and services, including wealth management and trust
- Strong digital experience
- 526 branches in nine states
- Branch-based mortgage originations
- Both companies have been running off / de-emphasizing auto lending portfolio

### National Lending
- Leasing and Equipment Finance
- Inventory Finance
- Diversified portfolio by asset class, geography, industry, loan size and collateral type
- Granular client base: 77,000 lending relationships
- Short duration and highly asset sensitive

<table>
<thead>
<tr>
<th>Local Business Banking</th>
<th>Retail &amp; Community Banking</th>
<th>National Lending</th>
</tr>
</thead>
<tbody>
<tr>
<td>$13B / 39% of total loans and leases</td>
<td>$13B / 38% of total loans and leases</td>
<td>$8B / 23% of total loans and leases</td>
</tr>
<tr>
<td>$12B / 38% of deposits</td>
<td>$22B / 64% of deposits</td>
<td></td>
</tr>
</tbody>
</table>

Note: Pro forma financial metrics as of the period ended December 31, 2018; excludes purchase accounting adjustments.

(f) Represents approximate contribution of total loans and leases.
Highly Diversified Loan and Lease Portfolio

- Upside growth potential from multiple loan origination engines—without building concentrations
  - TCF’s Leasing & Equipment Finance and Inventory Finance exposures are reduced from 41% of standalone total loans and leases to 23% of pro forma
  - Chemical’s Commercial Real Estate and Construction exposures are reduced from 297% of standalone risk based capital to 193% of pro forma
- High asset quality; lower-risk loans and leases
  - Both companies have less than 60 bps of NPAs / total assets¹
  - Consistent vision to de-emphasize the consumer auto business

$34B in Pro Forma Total Loans & Leases²

**Composition by product type**

**Composition by geography**

Note: Chemical and TCF financial data as of the period ended December 31, 2018
(1) NPAs exclude performing troubled debt restructurings (TDRs)
(2) Evaluated the impact of purchase accounting adjustments
(3) Other Midwest includes WI and IN
(4) Estimated pro forma risk-based capital at transaction closing incorporating purchase accounting adjustments
Strong Combined Deposit Base

- Core deposits are well balanced across both retail and commercial franchises
- Limited reliance on wholesale funding
- Access to diverse markets and funding sources enables low beta; Chemical and TCF's combined cumulative deposit beta has been just 23% cycle-to-date²
- 77% of all deposits are FDIC insured² versus 60% median of $20–100B asset banks

$34B in Pro Forma Deposits³

Composition by type

Composition by geography

Note: Chemical and TCF composition data by type of deposit as of the period ended December 31, 2018; Geography composition data as of June 30, 2018
(1) Calculated as change in combined cost of deposits (combined interest expense on deposits divided by average combined total deposits), relative to the change in the Fed Funds Target Rate, between Q3 2015 and Q4 2016
(2) FDIC Insurance data as of September 30, 2018
(3) Does not include the impact of purchase accounting adjustments
(4) Includes all other markets, including Denver, Youngstown and Cleveland
(5) Greater Michigan excludes Detroit, Midland, Grand Rapids and Ann Arbor
Robust and Complementary Fee Income Streams

~$600mm of Pro Forma Fee Income¹
Composition by type

- Combined fee income represents approximately 28% of total revenue—relative to 23% median of $20–100B asset banks¹
- Complementary mix of non-overlapping revenue
  - TCF brings Leasing & Equipment Finance and Inventory Finance
  - Chemical brings trust and wealth management
- Overlapping fee income sources are primarily recurring service charges and deposit-based fees
- Combined company is well positioned to leverage each partner’s unique businesses across its broader pro forma footprint

¹ Full year 2018 data shown for combined company metrics; excludes the impact of identified revenue enhancements. Performance from Q1 2018 to Q3 2019 is shown for peers
² Includes bank-owned life insurance
## Strong Governance and Proven Leadership

### Pro Forma Board of Directors

<table>
<thead>
<tr>
<th>Chemical’s eight directors will include:</th>
<th>TCF’s eight directors will include:</th>
</tr>
</thead>
</table>
| **Gary Torgow**  
Executive Chairman  
- Chairman of Chemical since 2016  
- Previously served as Chairman of Talmer Bancorp  | **Craig Dahl**  
President & CEO  
- Chairman of TCF since April 2017; CEO since January 2016  
- Joined TCF in 1999 to establish its equipment finance division  
- 41-year career in banking  |
| **David Provost**  
Director, Chairman of Bank  
- President & CEO of Chemical since mid-2017  
- Previously served as President & CEO of Talmer Bancorp  
- 42-year career in banking  | **Vance Opperman**  
Lead Independent Director  
- Serves as lead independent director of TCF and Thomson Reuters  
- Owner and CEO of MSP Communications  |

### TCF’s Performance With Craig Dahl as CEO

![Graph showing TCF performance]

- **Proven track record of organically building and growing businesses**
- **20.9% 2015–2016 EPS CAGR**(1)
- **Top quartile total shareholder return since January 2016**(2)
- **Reduced risk profile**
- **Improved balance sheet positioning and liquidity**

Source: S&P Global Market Intelligence; Market data as of January 30, 2019

(1) Based on adjusted diluted earnings per common share  
(2) Top quartile return relative to publicly traded U.S. banks with $200–100 billion in assets
Combination Benefits Key Stakeholders

**Customers**
- Broader product suite
- Improved speed to market
- Lower credit concentrations enabled increased lending capabilities
- Further investments in technology and digital banking supported by strong profitability and ability to leverage investments across broader customer base
- Maintain strong compliance culture

**Communities**
- Combined company will have several major centers of influence
  - Detroit
  - Twin Cities
  - Chicago
  - Midland
- Longstanding commitment to meeting needs of our communities
- Continued focus on supporting community development
- Commitment to continue to provide meaningful contributions to various charitable and community organizations

**Employees & Culture**
- Shared values and principles with a strong community orientation
- Highly complementary business models
- Strengthened ability to recruit and retain top-tier talent
- Ability to invest in talent, programs and infrastructure driven by strength of combined balance sheet
- Increased professional development and career opportunities within larger banking platform
Merger Structure
## Key Merger Assumptions

### Standalone Earnings Per Share
- Chemical: 2020 consensus estimate of $4.38 per share
- TCF: 2020 consensus estimate of $2.00 per share

### Estimated Cost Savings
- $180 million pre-tax (represents approximately 13% of combined 2019 expense base)
- Assumed phase-in schedule: $75 million in first 12 months after closing, full $180 million run-rate thereafter

### Revenue Enhancements
- Identified but not modeled

### Estimated Marks on Chemical’s Balance Sheet
- Gross credit mark: $189 million (equivalent to 1.16% of gross loans and 1.6x ALLL); approximately $25 million of Chemical non-acceptable credit discount will be reversed at closing and netted against the gross credit mark
- Rate, spread and other fair market value marks: $200 million discount, accreted based on estimated remaining lives of individual assets and liabilities
- Core deposit intangible: $168 million (equivalent to 1.50% of non-time deposits), amortized over 10 years utilizing sum-of-the-years-digits methodology

### Estimated Merger & Integration Costs
- $325 million pre-tax
- 80% tax deductible
- Fully reflected in computation of pro forma tangible book value per share at closing

### Other
- TCF repurchases $78 million of its stock prior to closing, representing the completion of its existing authorized share repurchase plan
## Exceptional Financial Returns Relative to Recent Bank Mergers and Acquisitions

<table>
<thead>
<tr>
<th>Premium</th>
<th>At-market merger of equals</th>
<th>Recent $1B+ bank M&amp;A¹</th>
</tr>
</thead>
<tbody>
<tr>
<td>Run-rate GAAP EPS accretion²</td>
<td>17% to Chemical 31% to TCF</td>
<td>15%</td>
</tr>
<tr>
<td>ROAA improvement³</td>
<td>+30 bps</td>
<td>8%</td>
</tr>
<tr>
<td>ROATCE improvement³</td>
<td>~300bps</td>
<td>+16 bps</td>
</tr>
<tr>
<td>TBVPS dilution⁴</td>
<td>7.9%</td>
<td>5.5%</td>
</tr>
<tr>
<td>TBVPS crossover earnback⁴</td>
<td>2.7 years</td>
<td>3.7 years</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence


² Relative to 2020 I/B/E/S consensus estimates; see page 31 for additional detail; assumes fully phased in cost savings

³ Relative to Chemical’s standalone 2020 ROAA and ROATCE implied by I/B/E/S consensus estimates

⁴ See TBVPS dilution and earnback details on page 32
Achievable Cost Synergies Drive Material Value Creation

$180 million pre-tax cost savings (13% of combined)

Composition by type

- Centralized overhead and shared services: 35%
- IT efficiencies: 35%
- Facilities, contracts and procurement: 15%
- Retail banking, including branches: 10%
- Other: 5%

Illustrative market value creation

- Standalone market capitalizations¹: $6.5B
- Capitalized value of net cost savings²: $3.0B
- Illustrative combined value: $7.8B

By reducing duplication, we gain material leverage on categories of costs (e.g. overhead, IT) that have been accelerating for the past decade

$1.3 billion capitalized value of net cost savings represents 19% value creation relative to each company’s standalone market capitalization

¹ Standalone market capitalizations as of January 25, 2019
² Capitalized value of cost synergies reflects $180 million pre-tax / $142 million after-tax cost synergies, multiplied by market-cap weighted NTM P/E multiple of 10.8x, as of closing share prices and consensus estimates on January 25, 2019, net of $320 million pre-tax / $270 million after-tax one-time restructuring charges. Capitalized value is not discounted to present value
## Positioned for Significant Upside

<table>
<thead>
<tr>
<th></th>
<th>Chemical</th>
<th>TCF</th>
<th>Median</th>
<th>Top Quartile</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Profitability</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ROA/TEC</td>
<td>~19%</td>
<td></td>
<td>14.7%</td>
<td>17.3%</td>
</tr>
<tr>
<td>ROA</td>
<td>~1.6%</td>
<td></td>
<td>1.23%</td>
<td>1.49%</td>
</tr>
<tr>
<td>Efficiency Ratio</td>
<td>~53%</td>
<td></td>
<td>56.0%</td>
<td>47.7%</td>
</tr>
<tr>
<td>Fee Income / Revenue</td>
<td>~28%</td>
<td></td>
<td>22.7%</td>
<td>26.5%</td>
</tr>
<tr>
<td>NIM</td>
<td>~4.0%</td>
<td></td>
<td>3.54%</td>
<td>3.71%</td>
</tr>
<tr>
<td><strong>Balance Sheet and Capital</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans / Deposits</td>
<td>~94%</td>
<td></td>
<td>93%</td>
<td>86%</td>
</tr>
<tr>
<td>CET1</td>
<td>~10.0%</td>
<td></td>
<td>11.2%</td>
<td>13.0%</td>
</tr>
<tr>
<td><strong>Market Information</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stock Price</td>
<td>$42.47</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pro forma core / run-rate 2020E EPS</td>
<td>$4.73^4 / $5.13^5</td>
<td></td>
<td>- / -</td>
<td></td>
</tr>
<tr>
<td>Price to core / run-rate 2020E EPS</td>
<td>9.0x / 8.3x</td>
<td></td>
<td>10.1x</td>
<td>11.4x</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence


(3) Chemical’s closing share price on January 25, 2019.

(4) Based on consensus 2020 estimates for Chemical and TCF, plus approximately $101 million of cost savings phased in during calendar year 2020 (assuming the transaction closes in Q3 2019, and cost savings are phased in on a schedule of $75 million annualized during the first four calendar quarters and $100 million annualized thereafter).

(5) Represents run rate EPS with fully phased in cost savings. See page 31 for detail regarding calculation of run-rate EPS accretion.
Partnering to Create Significant Strategic and Financial Value

Premier bank in the Midwest—scaled to compete and win

Complementary partners together positioned for superior growth, profitability and consistency

Exceptional financial benefits and value creation for shareholders of both companies

Shared values—strong community ties, customer-centric focus and commitment to performance
Appendix
Robust Due Diligence Process

Comprehensive Due Diligence Process

- Comprehensive mutual due diligence process over six-month period
- Significant engagement across all functional and business areas with day-to-day involvement of senior management
- Detailed credit review
- Detailed regulatory and compliance program review

Due Diligence Partnership Aligned with MOE Framework

- Process included cultural assimilation dialogues
- Work highlighted the shared culture and values related to both customer and employee relationships
- Alignment of shared risk appetite philosophies
- Leveraged Chemical’s expertise across multiple depository transactions and TCF’s experience with numerous platform and portfolio acquisitions

Diligence Scope

<table>
<thead>
<tr>
<th>Credit</th>
<th>Commercial Banking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Risk, BSA and Compliance</td>
<td>Specialty Finance</td>
</tr>
<tr>
<td>Information Technology</td>
<td>Retail Banking</td>
</tr>
<tr>
<td>Legal</td>
<td>Consumer Lending</td>
</tr>
<tr>
<td>Human Capital Management</td>
<td>Enterprise Operations</td>
</tr>
<tr>
<td>Finance &amp; Accounting</td>
<td>Internal Audit</td>
</tr>
</tbody>
</table>
Chemical and TCF Benefit From Each Other’s Strengths

- Export Chemical’s middle-market relationship banking model and talent acquisition programs into TCF’s markets
- Strategy is underpinned by influential local leaders supported by centralized credit management

- Deliver Wealth & Trust Services to all commercial and consumer channels

- Deploy TCF’s digital banking innovations across the combined franchise
- Offer Chemical’s digital small business banking product to TCF’s national commercial customers
- Leverage centralized elements platform (e.g., call centers, online, relationship banker)

- Robust combined enterprise risk management program
- Centralized credit underwriting and credit administration
- Leverage surviving core processing system

- Deploy mortgage banking originations across combined branch network
- Leverage centralized underwriting, processing, pricing and hedging

- Export TCF’s product set to Chemical’s markets and middle market customers
- Leverage existing depth and diversification of TCF lending verticals
## Balanced Contributions to Combined Entity

<table>
<thead>
<tr>
<th>($ in billions, unless otherwise noted)</th>
<th>Chemical</th>
<th>TCF</th>
<th>Combined</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total assets</td>
<td>$21.5</td>
<td>$23.7</td>
<td>$45.2</td>
</tr>
<tr>
<td>Gross loans HFI</td>
<td>$15.3</td>
<td>$19.1</td>
<td>$34.3</td>
</tr>
<tr>
<td>Total deposits</td>
<td>$15.6</td>
<td>$18.9</td>
<td>$34.5</td>
</tr>
<tr>
<td>Tangible common equity</td>
<td>$1.7</td>
<td>$2.2</td>
<td>$3.9</td>
</tr>
<tr>
<td>Market capitalization(^2)</td>
<td>$3.0</td>
<td>$3.5</td>
<td>$6.5</td>
</tr>
<tr>
<td>2019 consensus net income ($mm)(^3)</td>
<td>$297</td>
<td>$311</td>
<td>$608</td>
</tr>
<tr>
<td>2020 consensus net income ($mm)(^3)</td>
<td>$314</td>
<td>$314</td>
<td>$627</td>
</tr>
<tr>
<td>Branches</td>
<td>212</td>
<td>314</td>
<td>526</td>
</tr>
</tbody>
</table>

### 2019 Earnings
- 50% 48.9% **50% 51.1%**

### 2020 Earnings
- 50.0% **50.0%**

### Total Assets
- 47.6% **52.4%**

### Gross Loans HFI
- 44.5% **55.5%**

### Total Deposits
- 45.2% **54.8%**

### Tangible Comm. Equity
- 43.1% **56.9%**

### Ownership
- 46.2% **53.8%**

---

Source: FactSet Research Systems and S&P Global Market Intelligence. Financial data as of most recent quarter available; Numbers may not sum due to rounding.

1. Combined represents the sum of Chemical and TCF data and is not reflective of any purchase accounting marks or merger adjustments.
2. Based on closing prices as of January 25, 2019.
Pro Forma Loan and Deposit Composition

Loans and leases

Chemical
- Consumer Real Estate: 28%
- Construction: 4%
- CRE: 32%
- Other consumer: 10%
- C&I: 26%
- Loans and leases: $15B

TCF
- Leasing & Equipment Finance: 25%
- Inventory Finance: 16%
- Consumer Real Estate: 28%
- Construction: 10%
- Auto: 4%
- Other consumer: 14%
- C&I: 14%
- Loans and leases: $19B

Chemical and TCF
- Leasing & Equipment Finance: 25%
- Inventory Finance: 16%
- Consumer Real Estate: 28%
- Construction: 10%
- Auto: 4%
- C&I: 14%
- CRE: 22%
- Loans and leases: $34B

Deposits

Chemical
- Savings and MMDA: 26%
- Interest-bearing transaction: 28%
- Time: 25%
- Non-interest bearing transaction: 21%
- Deposits: $16B

TCF
- Savings and MMDA: 41%
- Interest-bearing transaction: 13%
- Time: 25%
- Non-interest bearing transaction: 21%
- Deposits: $19B

Chemical and TCF
- Savings and MMDA: 34%
- Interest-bearing transaction: 17%
- Time: 23%
- Non-interest bearing transaction: 23%
- Deposits: $34B

Note: Chemical and TCF financial data as of the period ended December 31, 2018, numbers may not add due to rounding.
Combined Company Has a Strong Presence in the Most Attractive Midwest Markets

Nearly 60% of the pro forma franchise located in 5 of the top 10 Midwest MSAs

<table>
<thead>
<tr>
<th>City</th>
<th>% of Pro forma franchise</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chicago</td>
<td>19.9%</td>
</tr>
<tr>
<td>Detroit</td>
<td>15.1%</td>
</tr>
<tr>
<td>MSP</td>
<td>20.0%</td>
</tr>
<tr>
<td>St. Louis</td>
<td>2.8%</td>
</tr>
<tr>
<td>Cincinnati</td>
<td>2.2%</td>
</tr>
<tr>
<td>Kansas City</td>
<td>2.2%</td>
</tr>
<tr>
<td>Columbus</td>
<td>2.1%</td>
</tr>
<tr>
<td>Indianapolis</td>
<td>2.1%</td>
</tr>
<tr>
<td>Cleveland</td>
<td>2.1%</td>
</tr>
<tr>
<td>Milwaukee</td>
<td>1.9%</td>
</tr>
</tbody>
</table>

Solid deposit market share in desirable mid-size urban markets

<table>
<thead>
<tr>
<th>Market</th>
<th>Pro forma deposit market share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ann Arbor</td>
<td>11.8%</td>
</tr>
<tr>
<td>Midland</td>
<td>82.3%</td>
</tr>
<tr>
<td>Grand Rapids</td>
<td>9.0%</td>
</tr>
<tr>
<td>Greater MI</td>
<td>12.0%</td>
</tr>
</tbody>
</table>

Source: S&P Global Market Intelligence

(1) Ranked in terms of total MSA population
(2) Percent of pro forma total deposits, does not include the impact of purchase accounting
(3) Deposit data as of 6/30/2019, when pro forma for pending and recently completed acquisitions
(4) Defined as the state of MI excluding the Detroit, Ann Arbor, Midland, and Grand Rapids MSAs
## Earnings Per Share Accretion

<table>
<thead>
<tr>
<th></th>
<th>GAAP</th>
<th>&quot;Cash&quot;</th>
<th>Millions of diluted shares</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$mm</td>
<td>$mm</td>
<td></td>
</tr>
<tr>
<td>Chemical 2020 EPS consensus median estimate</td>
<td>$314</td>
<td>$314</td>
<td>72</td>
</tr>
<tr>
<td>TCF 2020 consensus median estimate</td>
<td>314</td>
<td>314</td>
<td>157</td>
</tr>
<tr>
<td><strong>After-tax “cash” adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fully phased-in cost savings</td>
<td>$142</td>
<td>$142</td>
<td></td>
</tr>
<tr>
<td>Cost of financing</td>
<td>(7)</td>
<td>(7)</td>
<td></td>
</tr>
<tr>
<td>Reversal of Chemical standalone intangible amortization expense</td>
<td>4</td>
<td>4</td>
<td></td>
</tr>
<tr>
<td>Add-back of TCF standalone intangible amortization expense</td>
<td>(24)</td>
<td>(24)</td>
<td></td>
</tr>
<tr>
<td><strong>After-tax GAAP adjustments</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan interest rate mark accretion</td>
<td>40</td>
<td>40</td>
<td></td>
</tr>
<tr>
<td>Core deposit intangible amortization</td>
<td>(24)</td>
<td>(24)</td>
<td></td>
</tr>
<tr>
<td>Other purchase accounting adjustments</td>
<td>3</td>
<td>3</td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma 2020 Chemical net income</strong></td>
<td>$786</td>
<td>$769</td>
<td>153</td>
</tr>
<tr>
<td>Chemical 2020 standalone EPS</td>
<td>$4.38</td>
<td>$4.43</td>
<td></td>
</tr>
<tr>
<td>TCF 2020 standalone EPS</td>
<td>2.00</td>
<td>2.01</td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma 2020 EPS</strong></td>
<td>$5.13</td>
<td>$5.02</td>
<td></td>
</tr>
<tr>
<td>$ EPS accretion to Chemical</td>
<td>$0.75</td>
<td>$0.59</td>
<td></td>
</tr>
<tr>
<td>% EPS accretion to Chemical</td>
<td>17.1%</td>
<td>13.2%</td>
<td></td>
</tr>
<tr>
<td><strong>Pro forma 2020 EPS attributable to TCF</strong></td>
<td>$5.13</td>
<td>$5.02</td>
<td></td>
</tr>
<tr>
<td>(x) Fixed exchange ratio</td>
<td>0.5081x</td>
<td>0.5081x</td>
<td></td>
</tr>
<tr>
<td>Pro forma 2020 EPS attributable to TCF</td>
<td>$2.61</td>
<td>$2.55</td>
<td>153</td>
</tr>
<tr>
<td><strong>$ EPS accretion to TCF</strong></td>
<td>$0.61</td>
<td>$0.54</td>
<td></td>
</tr>
<tr>
<td>% EPS accretion to TCF</td>
<td>36.6%</td>
<td>27.0%</td>
<td></td>
</tr>
</tbody>
</table>

**Note:** Pro forma adjustments assume 21% marginal tax rate. Assumes TCF repurchases ~$75 million (~3.5 million shares) of its stock between announcement and closing which represents the remaining authorization of its current repurchase plan.

(1) $180 million pre-tax fully phased-in reduction in combined company's total non-interest expense base.
(2) Estimated in an interest rate mark of $20 million accreted back through earnings over 7 years, accelerated method.
(3) Core deposit intangible estimated at 1.5% ($158 million) on non-time deposits, amortized 10 years, accelerated method.
(4) The pro forma diluted shares outstanding include Chemical shares and shares issued to TCF based on 0.5081x exchange ratio.
### Tangible book value per share dilution and earnback

<table>
<thead>
<tr>
<th></th>
<th>Millions of basic shares</th>
<th>$ per share</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chemical standalone</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Chemical tangible book value as of December 31, 2018(^1)</td>
<td>$1,573</td>
<td>71</td>
</tr>
<tr>
<td>Three quarters of common earnings prior to close</td>
<td>221</td>
<td></td>
</tr>
<tr>
<td>Amortization of existing core deposit intangibles</td>
<td>74</td>
<td></td>
</tr>
<tr>
<td>Standalone Chemical tangible book value at close</td>
<td>$1,624</td>
<td>71</td>
</tr>
<tr>
<td><strong>Pro forma</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Standalone Chemical tangible book value at close</td>
<td>$1,624</td>
<td>71</td>
</tr>
<tr>
<td>Standalone TCF tangible book value at close</td>
<td>2,275</td>
<td></td>
</tr>
<tr>
<td>Reversal of Chemical equity capital and intangibles</td>
<td>(1,824)</td>
<td></td>
</tr>
<tr>
<td>Merger consideration for accounting purposes(^3)</td>
<td>3,044</td>
<td>82</td>
</tr>
<tr>
<td>Goodwill and other intangibles created(^4)</td>
<td>(1,451)</td>
<td></td>
</tr>
<tr>
<td>After-tax restructuring expenses</td>
<td>(270)</td>
<td></td>
</tr>
<tr>
<td>Pro forma Chemical tangible book value at close</td>
<td>$3,596</td>
<td>153</td>
</tr>
</tbody>
</table>

| Tangible book value per share earnback \(^5\) | 2.7 years |

**Tangible book value per share earnback**

- **Crossover (dynamic) earnback**
  - 2.7 years
- **Static earnback**
  - 2.7 years

---

### Calculation of intangibles created

<table>
<thead>
<tr>
<th></th>
<th>$ millions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Merger consideration for accounting purposes(^2)</td>
<td>$3,044</td>
</tr>
<tr>
<td>Standalone Chemical tangible book value at close(^1)</td>
<td>$1,573</td>
</tr>
<tr>
<td>(x) Net after-tax credit mark(^2)</td>
<td>(39)</td>
</tr>
<tr>
<td>(x) After-tax other fair value adjustments</td>
<td>(156)</td>
</tr>
<tr>
<td>Adjusted tangible book value</td>
<td>$1,624</td>
</tr>
<tr>
<td>Excess over adjusted tangible book value</td>
<td>$1,419</td>
</tr>
<tr>
<td>(x) Core deposit intangible created</td>
<td>(156)</td>
</tr>
<tr>
<td>(x) DTL on CDI</td>
<td>35</td>
</tr>
<tr>
<td>Goodwill created</td>
<td>$1,283</td>
</tr>
<tr>
<td>Goodwill and other intangibles created</td>
<td>$1,451</td>
</tr>
</tbody>
</table>

---

### TBVPS earnback illustration

![Graph showing TBVPS earnback with 'Crossover' and 'Static' labels]