



# **TCF Financial Corporation**

2014 First Quarter Investor Presentation

# Cautionary Statements for Purposes of the Safe Harbor Provisions of the Securities Litigation Reform Act



*Any statements contained in this investor presentation regarding the outlook for the Company's businesses and their respective markets, such as projections of future performance, 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, 2013, 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 continued high rates of or increases in unemployment in TCF's primary banking markets; adverse economic, business and competitive developments such as shrinking interest margins, reduced demand for financial services and loan and lease products, deposit outflows, 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 and 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 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.*

*Legislative and Regulatory Requirements. New consumer protection and supervisory requirements and regulations, including those resulting from action by the Consumer Financial Protection Bureau 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 lending, loan collection and other business activities as a result of the Dodd-Frank Act, or other legislative or regulatory developments such as mortgage foreclosure moratorium laws, use by municipalities of eminent domain on underwater mortgages, or imposition of underwriting or other limitations that impact the ability to use certain variable-rate products; changes affecting customer account charges and fee income, including changes to interchange rates; changes to bankruptcy laws which would result in the loss of all or part of TCF's security interest due to collateral value declines; deficiencies in TCF's compliance under the Bank Secrecy Act in past or future periods, which may result in regulatory enforcement action including monetary penalties; increased health care costs resulting from Federal health care reform legislation; 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 the Bank Secrecy Act and anti-money laundering compliance activity.*

(continued)

# Cautionary Statements for Purposes of the Safe Harbor Provisions of the Securities Litigation Reform Act (continued)



Earnings/Capital Risks and Constraints, Liquidity Risks. Limitations on TCF's ability to pay dividends or to 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 economic impact on banks of the Dodd-Frank Act and other regulatory reform legislation; the impact of financial regulatory reform, including additional capital, leverage, liquidity and risk management requirements or changes in the composition of qualifying regulatory capital (including those resulting from U.S. implementation of Basel III requirements); 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 and unfavorable conditions in the credit markets that restrict or limit various funding sources; costs associated with new regulatory requirements or interpretive guidance relating to liquidity; regulatory actions or changes in customer opt-in preferences with respect to overdrafts, which may have an adverse impact on TCF's fee revenue; 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.

Supermarket Branching Risk; Growth Risks. Adverse developments affecting TCF's supermarket banking relationships or any of the supermarket chains in which TCF maintains supermarket branches; costs related to closing underperforming branches; slower than anticipated growth in existing or acquired businesses; inability to successfully execute on TCF's growth strategy through acquisitions or cross-selling opportunities; failure to expand or diversify TCF's balance sheet through programs or new opportunities; failure to successfully attract and retain new customers, including the failure to attract and retain manufacturers and dealers to expand the inventory finance business; failure to effectuate, and risks of claims related to, sales and securitizations 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 (including the loss of account information by, or theft from, third parties such as merchants), cyber-attacks and other security breaches, counterparty failures and the possibility that deposit account losses (fraudulent checks, etc.) may increase; failure to keep pace with technological change.

Litigation Risks. Results of litigation, including class action litigation concerning TCF's lending or deposit activities including account servicing processes or fees or charges, or employment practices, the effect of interchange rate litigation against the Federal Reserve on debit card interchange fees and possible increases in indemnification obligations for certain litigation against Visa U.S.A. and potential reductions in card revenues resulting from such litigation or other litigation against Visa.

Accounting, Audit, Tax and Insurance Matters. Changes in accounting standards or interpretations of existing standards; federal or state monetary, fiscal or tax policies, including adoption of state legislation that would increase 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.

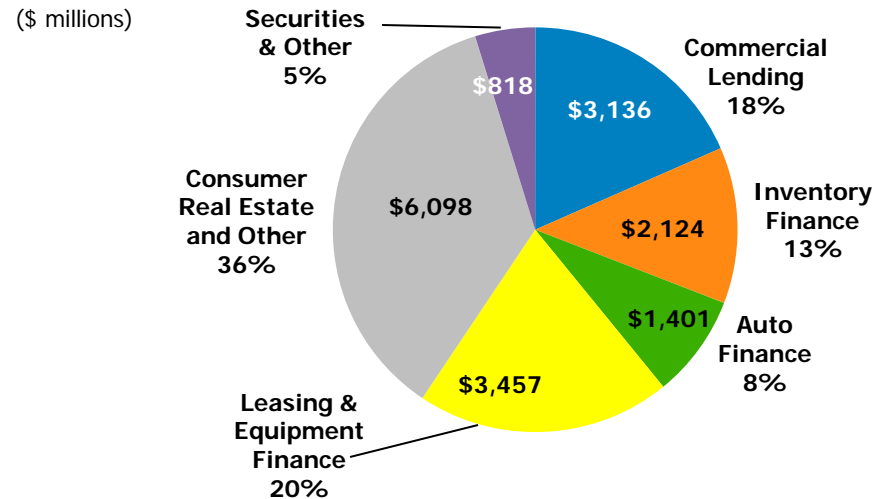
# A Diversified Asset Portfolio Funded by a Low-Cost Deposit Base



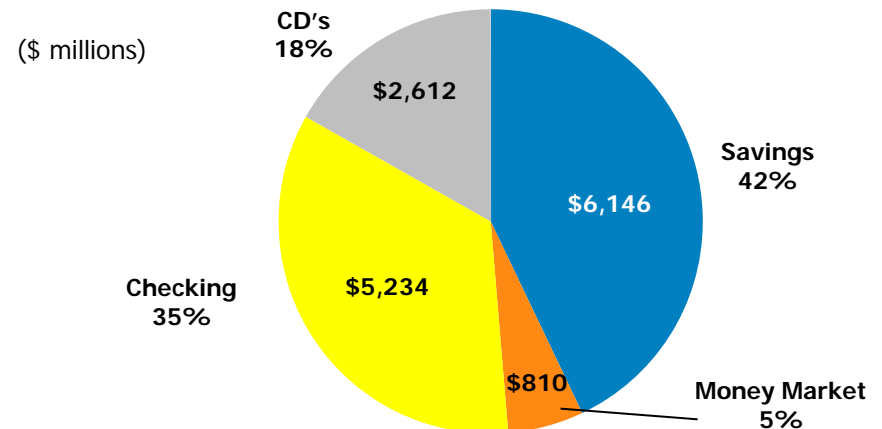
At March 31, 2014

- \$18.8 billion national bank holding company headquartered in Minnesota
  - 42<sup>nd</sup> largest publicly-traded U.S. based bank holding company by asset size
- 381 bank branches in eight states
- Over 147,500 small business banking relationships:
  - 79,200 checking accounts
  - 68,300 lending relationships
- 86% of total assets are loans & leases
- Tangible common equity to tangible assets of 8.13%<sup>1</sup>
- Tangible book value per common share of \$9.06<sup>1</sup>

## Well-Diversified Earning Asset Portfolio



## Low Cost Deposit Base



<sup>1</sup> See "Reconciliation of GAAP to Non-GAAP Financial Measures – Tangible Common Equity and Tangible Book Value Per Common Share" slide



# Progress in Achieving Long Range Business Model



	Percentage of Total Average Assets			
	Target	Actual 1Q14 <sup>1</sup>	Actual 4Q13 <sup>1,2</sup>	Actual 2013 <sup>2</sup>
Net interest income	4.50 %	4.33 %	4.41 %	4.39 %
Non-interest income	2.00	2.22	2.30	2.21
Total revenue	6.50	6.55	6.71	6.60
Non-interest expense	4.00	4.67	4.81	4.62
Pre-tax pre-provision profit <sup>3</sup>	2.50	1.88	1.90	1.98
Provision for credit losses	.50	.31	.50	.65
Income before taxes	2.00	1.57	1.40	1.33
Income tax expense	.75	.57	.50	.46
<b>ROAA</b>	<b>1.25 %</b>	<b>1.00 %</b>	<b>.90 %</b>	<b>.87 %</b>

## Revenues

- Some margin compression likely; however, we expect to maintain consistent performance as loan originations remain strong and checking account growth continues

## Non-interest Expense

- Leverage current infrastructure

## Provision

- Anticipate consistent improvement of credit performance

<sup>1</sup> Annualized

<sup>2</sup> Includes \$8.9 million pre-tax expense related to the branch realignment in 4Q13

<sup>3</sup> Pre-tax pre-provision profit is calculated as total revenues less non-interest expense

# Well-positioned in the Banking Industry



	TCF 1Q14 <sup>1</sup>	Peer Group <sup>2,3</sup> 2013 Average
As a % of average assets :		
Net interest income	4.33%	3.05%
Non-interest income	2.22%	1.13%
Revenue	6.55%	4.18%
Pre-tax pre-provision profit <sup>4</sup>	1.88%	1.54%
Net interest margin	4.66%	3.48%
Yield on loans and leases	5.11%	4.77%
Yield on securities	2.71%	2.45%
Rate on deposits	.22%	.37%
As a % of average assets :		
Loans and leases	86.5%	64.9%
Deposits	78.0%	76.0%
Borrowings	8.6%	11.4%
Equity	10.7%	11.4%

- TCF has a higher margin because it has more loans and higher yielding loan and securities portfolios than peers, along with lower rates on deposits

- TCF has more fee income due to a large and diversified base of revenue sources

<sup>1</sup> Annualized

<sup>2</sup> All U.S. publicly-traded banks and thrifts, excluding TCF, with total assets between \$10 and \$50 billion (source: SNL Financial LC; 12/31/2013)

<sup>3</sup> Excluding non-recurring items for non-interest income, revenue and pre-tax pre-provision profit, see "Reconciliation of GAAP to Non-GAAP Financial Measures – Revenue Ratios" slide

<sup>4</sup> Pre-tax pre-provision profit is calculated as total revenues less non-interest expense

## Lending

- Continued disciplined growth across the businesses
- Utilization of loan sales to manage concentration and generate fee income
- Maintain 2013 accelerated positive credit momentum – continue to reduce non-performing loans

## Funding

- Manage interest rate and liquidity risk
- Improve customer experience through product, service and branding enhancements
- Channel optimization initiatives in branch, ATM, online and mobile

## Corporate

- Corporate-wide expense management initiative
- Continued emphasis on enhancing TCF's Enterprise Risk Management functions
- Identify and cultivate strategic corporate development opportunities



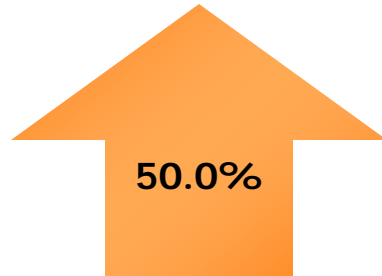
- 2014 Strategic Focus**
1. Decrease expenses as a percentage of total assets through balance sheet growth and expense management initiatives
  2. Work toward achieving ROAA target of 1.25%

# First Quarter 2014 Highlights vs. First Quarter 2013



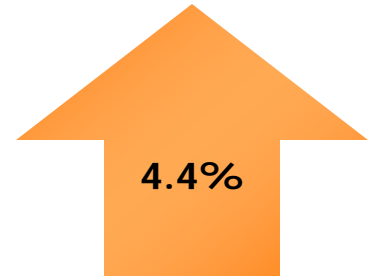
**Earnings per  
common share**

\$.24



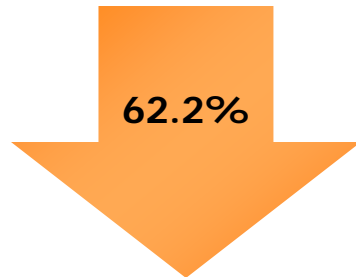
**Revenue**

\$304.7 million



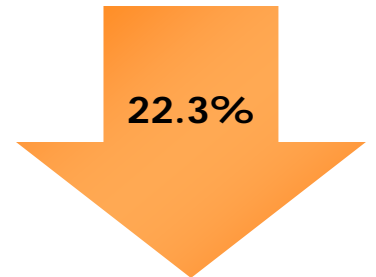
**Provision for  
Credit Losses**

\$14.5 million



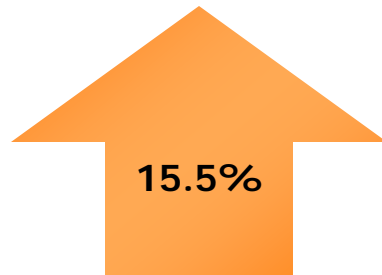
**Non-accrual  
Loans & Leases**

\$266.7 million



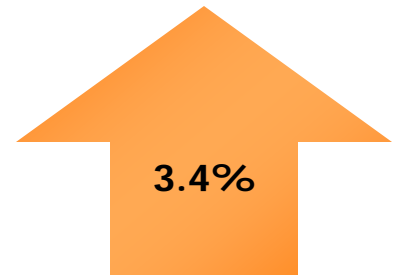
**Loan and Lease  
Originations**

\$3.1 billion



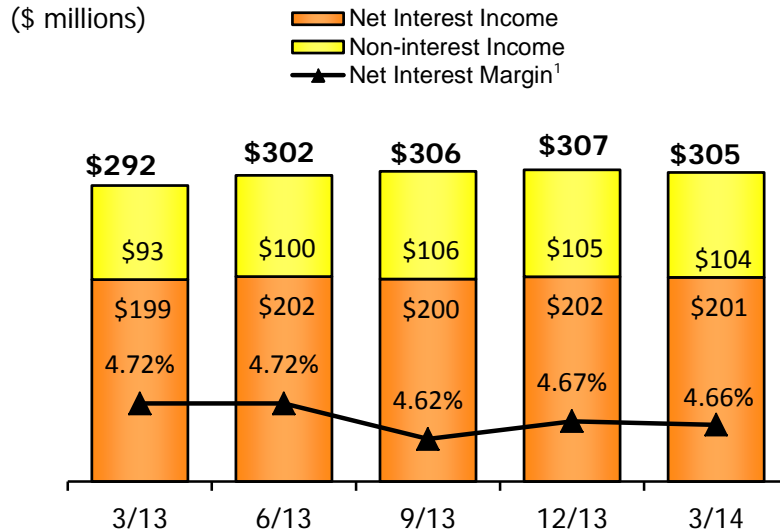
**Average  
Deposits**

\$14.5 billion

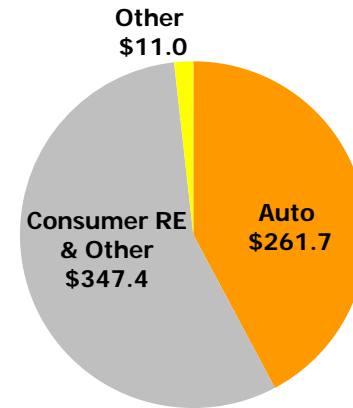




# Multiple Sources of Revenue with Strong Asset Yields and Loan Sale Capabilities



## 1Q14 Loan & Lease Sales



Sold \$620.1 million of loans for a \$20.3 million pre-tax gain

Loan & Lease Yields <sup>1</sup>	1Q13	4Q13	1Q14
Consumer Real Estate	5.58 %	5.46 %	5.41 %
Auto Finance	5.23	4.64	4.52
Commercial	4.86	4.65	4.63
Leasing & Equipment Finance	5.11	4.89	4.75
Inventory Finance	6.16	5.85	5.98
Total Loans and Leases	5.38	5.17	5.11
Peer Group <sup>2</sup> Average	4.83	4.66	N.A.

1Q14 revenue impacted by:

- Increased net interest income from prior year due to higher average loan and lease balances as well as decreased rates on various deposit products
- Increased sales of loans generating additional gains on sale offsetting seasonality of banking fees

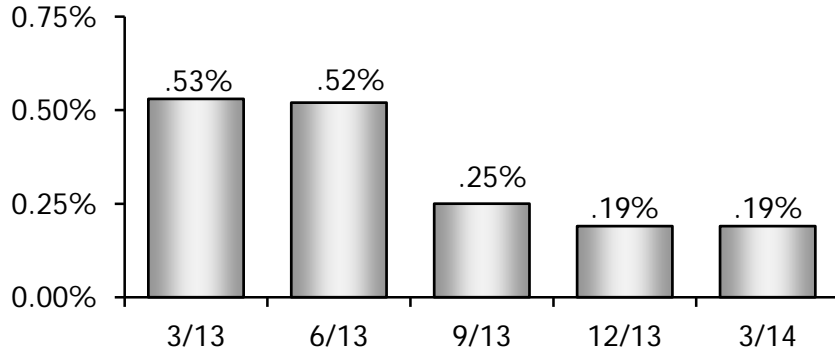
1Q14 net interest margin impacted by:

- Continued loan and lease yield compression due to the impact of a lower interest rate environment
- Offset by lower average liquidity balances and lower deposit costs

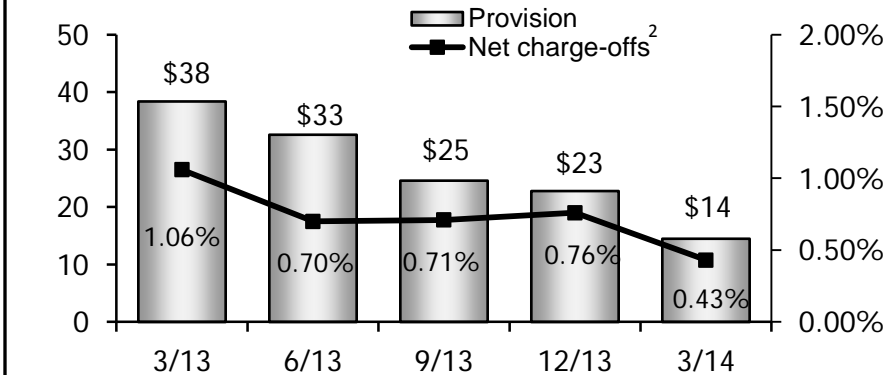
<sup>1</sup> Annualized

<sup>2</sup> All U.S. publicly-traded banks and thrifts, excluding TCF, with total assets between \$10 and \$50 billion (source: SNL Financial LC; 12/31/2013)  
N.A. Not available

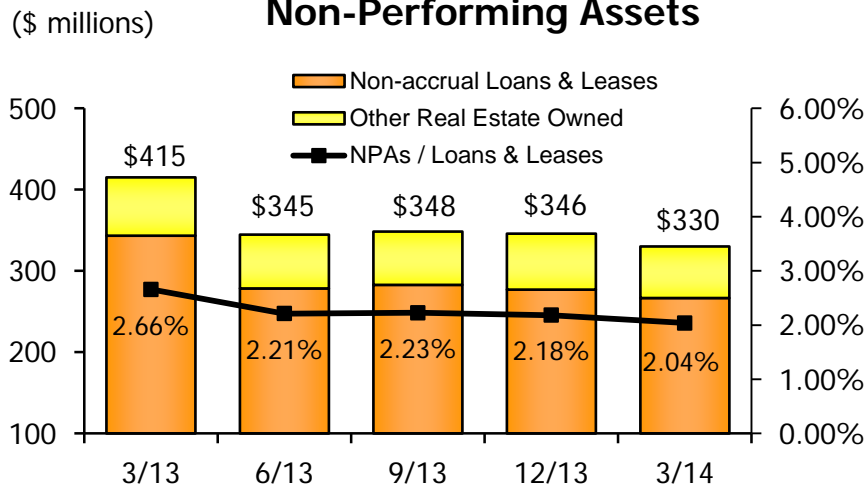
## 60+ Day Delinquencies<sup>1</sup>



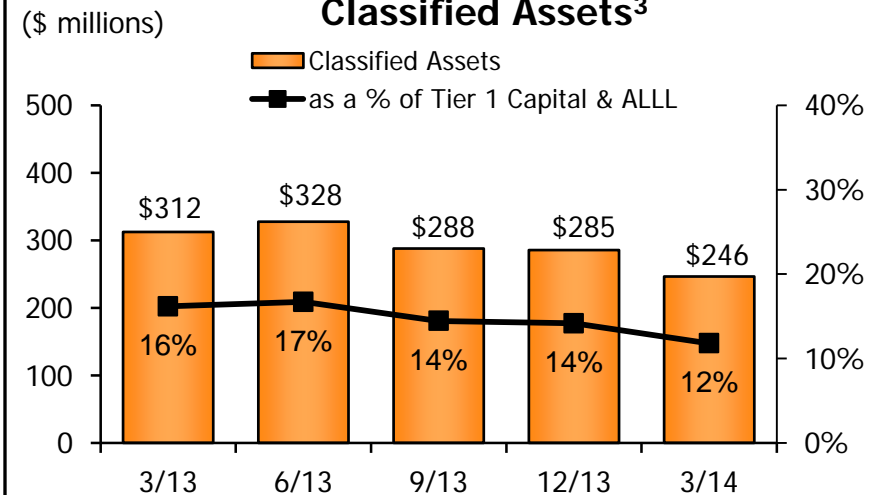
## Provision for Loan Losses



## Non-Performing Assets



## Classified Assets<sup>3</sup>

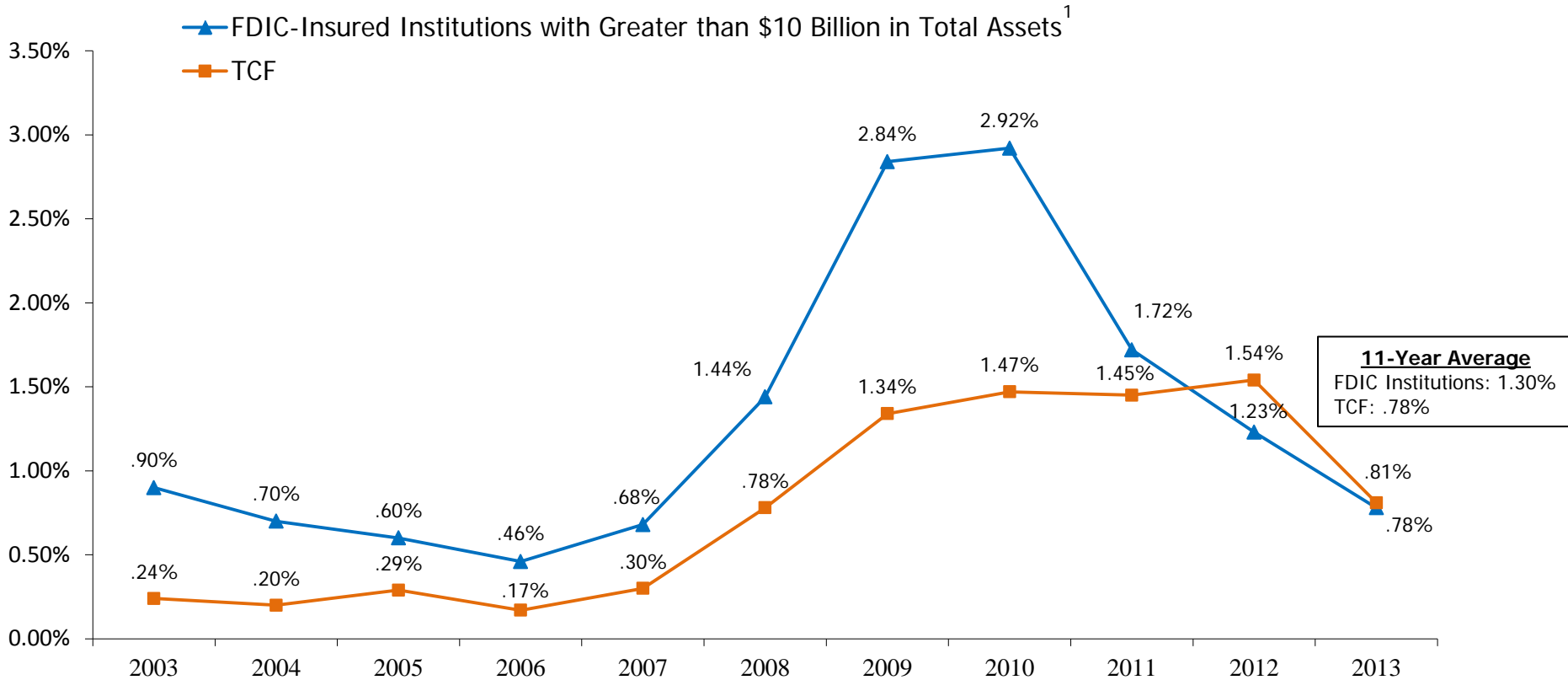


<sup>1</sup> Excludes acquired portfolios and non-accrual loans

<sup>2</sup> Annualized

<sup>3</sup> Loans and leases that management has concerns regarding the ability of the borrowers to meet existing loan or lease terms and conditions, but may never become non-performing or result in a loss

# Industry Net Charge-offs

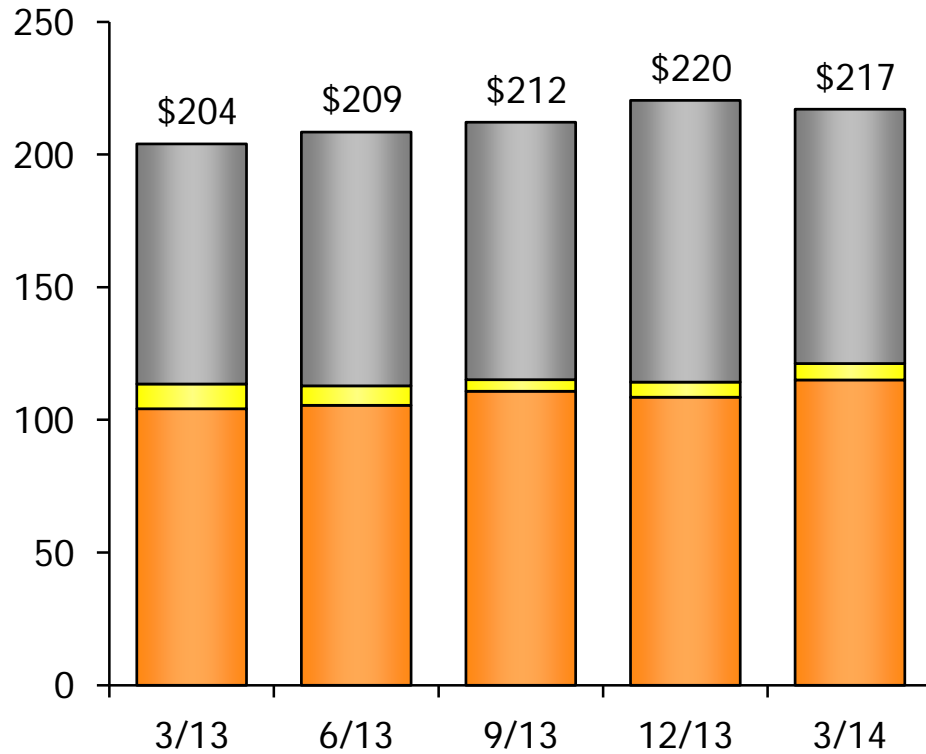


TCF's average net charge-offs over the past 11 years were 52 bps lower than FDIC-insured institutions with over \$10 billion in total assets

<sup>1</sup> Source: FDIC Quarterly Banking Profile; 2003-2013

(\$ millions)

- Other (including FDIC Insurance Premiums, Deposit Premiums & Marketing, and Occupancy & Equipment)
- Foreclosed Real Estate and Other Credit Costs
- Compensation & Benefits



% of Total Avg Assets<sup>1</sup>: 4.47%    4.55%    4.64%    4.82%    4.67%

<sup>1</sup> Annualized

- Continued expense optimization expected to be achieved by:
  - Asset growth in national lending businesses
  - Branch consolidation completed during the first quarter of 2014
  - Reduction in foreclosed real estate and other credit costs as property values continue to increase and overall credit improves

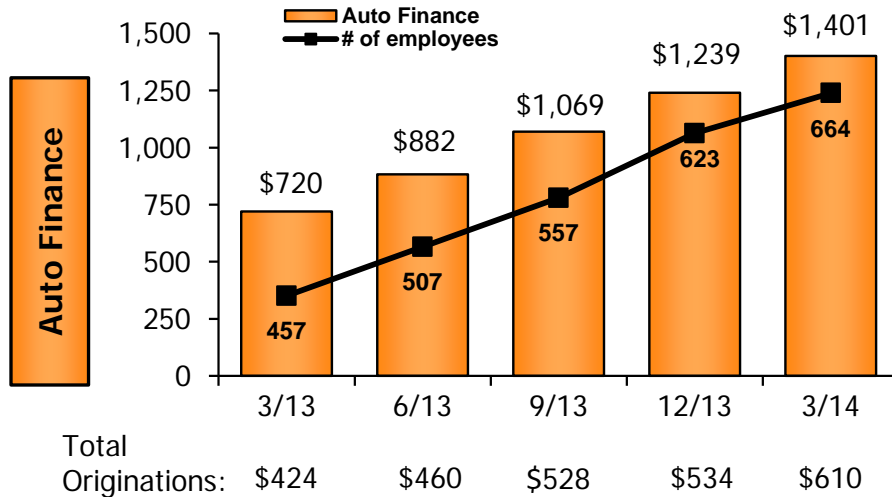
(\$ millions)	2012	2013	1Q14	Change from 2013
Cash and Investments	\$ 1,216	\$ 1,009	\$ 961	(4.8)%
Securities and Loans HFS	728	651	724	11.2%
Consumer real estate and Other	6,703	6,366	6,098	(4.2)%
Commercial	3,405	3,148	3,136	(0.4)%
Leasing and equipment finance	3,198	3,429	3,457	0.8%
Inventory finance	1,567	1,664	2,124	27.6%
Auto finance	553	1,240	1,401	13.0%
Total loans and leases	15,426	15,847	16,216	2.3%
All other assets	856	873	860	(1.5)%
Total assets	\$ 18,226	\$ 18,380	\$ 18,761	2.1%
Checking	\$ 4,835	\$ 4,981	\$ 5,234	5.1%
Savings	6,104	6,194	6,146	(0.8)%
Money market	821	832	810	(2.6)%
Certificates of deposit	2,291	2,426	2,612	7.7%
Total deposits	14,051	14,433	14,802	2.6%
Borrowings	1,934	1,488	1,450	(2.6)%
Other liabilities	365	494	487	(1.4)%
Equity	1,876	1,965	2,022	2.9%
Total liabilities and equity	\$ 18,226	\$ 18,380	\$ 18,761	2.1%

- Annualized loan growth of 9.3% during 1Q14 even with \$620 million in loan sales
- Multiple business segments give TCF options to strategically invest capital in light of competitive environments
- Average total deposits, TCF's primary funding source for asset growth, have increased for fourteen consecutive quarters
- Low-cost deposit base with an average rate of .22% for 1Q14
- Checking account attrition down 1.9% in 1Q14 compared to 1Q13

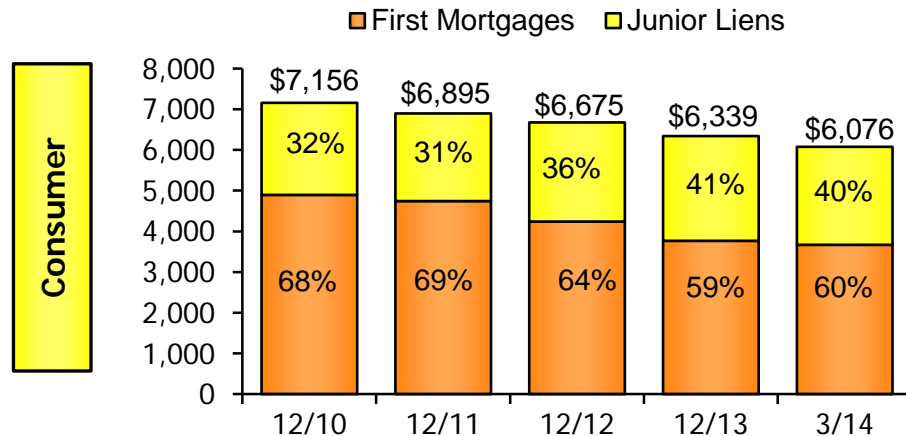


At March 31, 2014

(Balances in \$ millions)



- Indirect auto finance company headquartered in Anaheim, CA
- Originates and services used and new retail auto loans acquired from franchised and independent dealers across the country
- Experienced and seasoned management team
- Over 8,800 active dealer relationships
- Originating loans to consumers in 48 states
- Managed portfolio<sup>1</sup> of \$2.7 billion
- Loan sales of \$261.7 million in 1Q14 resulting in gains of \$8.8 million

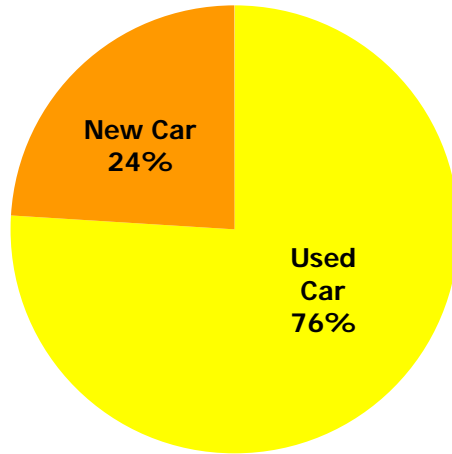


- 57% fixed-rate, 43% variable-rate
- Yields<sup>2</sup>: 5.62% fixed-rate, 5.13% variable-rate
- Average FICO score of the retail lending operation:
  - At origination – 731; updated 1Q14 – 728
- Loan sales of \$347.4 million in 1Q14 resulting in gains of \$11.7 million
- Total HELOC balance of \$2.1 billion with only 10% reaching maturity or draw period end prior to 2021

<sup>1</sup> Includes portfolio loans, loans held for sale and loans sold and serviced for others

<sup>2</sup> Annualized

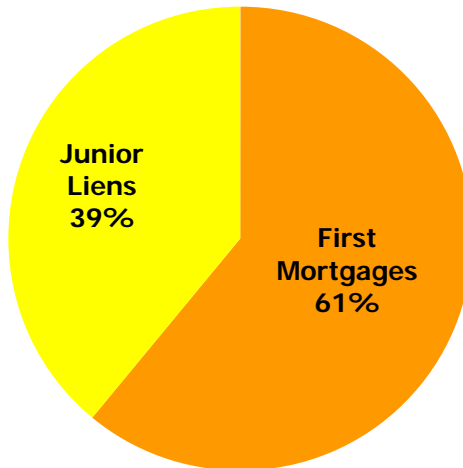
**Auto**  
\$1.4 Billion  
(9%)



- 4.52% quarterly average yield<sup>1</sup>
- Over 60-day delinquency rate of .11%<sup>2</sup>
- Net charge-offs:
 

	2012	2013	1Q14 <sup>1</sup>
	.38%	.52%	.69%
- Sell lower FICO score loans, but retain servicing of loans sold

**Consumer RE  
& Other**  
\$6.1 Billion  
(38%)



## Consumer Real Estate

- 5.41% quarterly average yield<sup>1</sup>
- Over 60-day delinquency rate of .41%<sup>2</sup>
- Net charge-offs:
 

	2012	2013	1Q14 <sup>1</sup>
	2.65%	1.38%	0.80%
- 42% of loan balances originated since January 1, 2009, with 1Q14 net charge-offs of .10%<sup>1</sup>

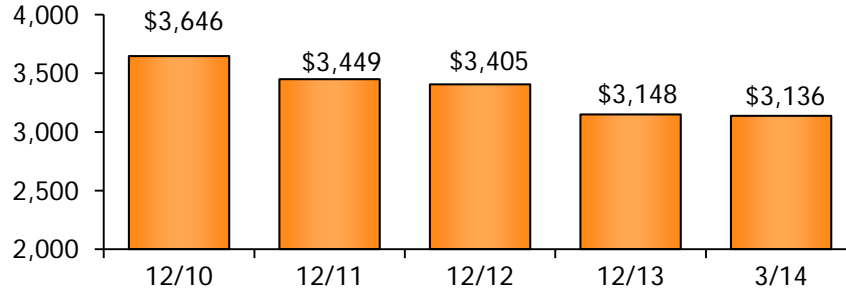
<sup>1</sup> Annualized

<sup>2</sup> Excludes non-accrual loans and acquired loans

At March 31, 2014

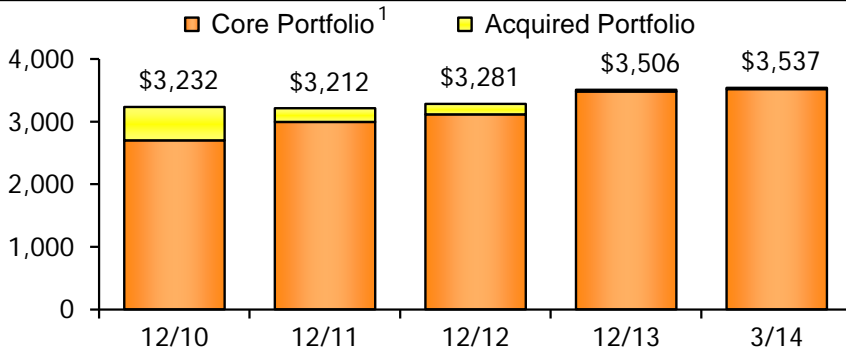
(Balances in \$ millions)

Commercial



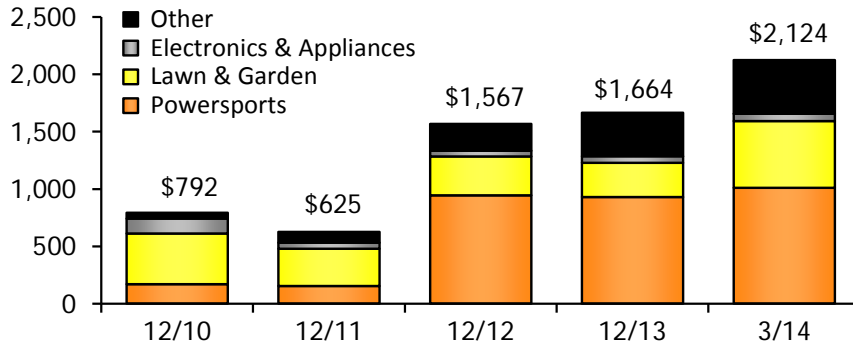
- 49% fixed-rate, 51% variable-rate
- CRE location mix: 90% located in TCF banking markets, 10% outside
- Continue to look for strategic expansion opportunities that fit TCF's profile

Leasing & Equipment Finance



- 15<sup>th</sup> largest bank-affiliated leasing company and 30<sup>th</sup> largest equipment finance/leasing company in the U.S.
- Experienced and seasoned management team
- 399 employees
- Uninstalled backlog of \$461 million

Inventory Finance

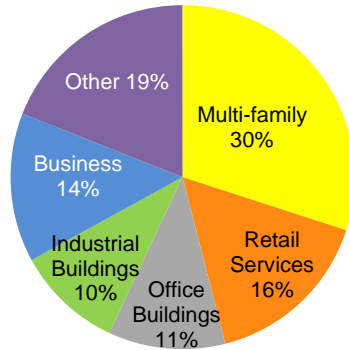


- Experienced and seasoned management
- Operates in the U.S. and Canada
- 239 employees
- 100% variable-rate receivables

<sup>1</sup> Includes operating leases of \$80.7 million at March 31, 2014

At March 31, 2014

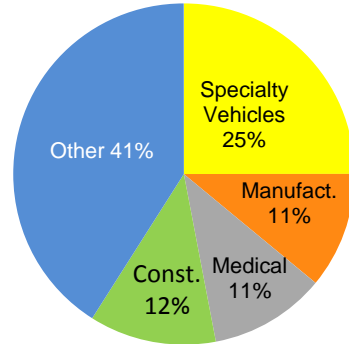
**Commercial  
Banking**  
\$3.1 Billion  
(19%)



- 4.63% quarterly average yield<sup>1</sup>
- Over 60-day delinquency rate of .06%<sup>2</sup>
- Net charge-offs:
 

	2012	2013	1Q14 <sup>1</sup>
	1.12%	.80%	.19%
- Working to maintain relationships with current customers, while selectively choosing loans based on price and risk

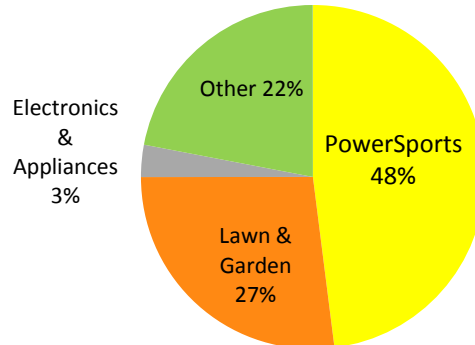
**Leasing &  
Equipment  
Finance**  
\$3.5 Billion  
(21%)



- 4.75% quarterly average yield<sup>1</sup>
- Over 60-day delinquency rate of .08%<sup>2</sup>
- Net charge-offs:
 

	2012	2013	1Q14 <sup>1</sup>
	.32%	.10%	.09%
- 1Q14 fee revenue of \$22.3 million, 21.6% of total fees and other revenue

**Inventory  
Finance**  
\$2.1 Billion  
(13%)



- 5.98% quarterly average yield<sup>1</sup>
- Over 60-day delinquency rate of .01<sup>2</sup>
- Net charge-offs/(recoveries):
 

	2012	2013	1Q14 <sup>1</sup>
	.10%	.04%	(.03)%
- Credit risk spread across more than 9,400 active dealers

<sup>1</sup> Annualized

<sup>2</sup> Excludes non-accrual loans and acquired loans

## Loan and lease origination opportunities continue

(\$ millions)	1Q13	1Q14	Change
Period Beginning Balance	\$15,436	\$15,927	\$491
New Volume	2,725	3,147	422
Less Run-off <sup>2</sup>	2,057	2,124	67
Subtotal	668	1,023	355
Annual Growth Rate <sup>3</sup>	17%	26%	
Less Loan & Lease Sales	470	620	150
Period Ending Balance	\$15,634	\$16,330	\$696

- Continued strong origination capabilities
- Diversity across asset classes reduces concentration risk
- Originate to sell capability a core competency
- Capacity for earning asset growth

<sup>1</sup> Includes portfolio loans and leases and loans and leases held for sale

<sup>2</sup> Includes activity from payments, pre-payments and charge-offs

<sup>3</sup> Excludes loan and lease sales

<sup>4</sup> Origination levels impacted by the high velocity of fundings and repayments with dealers

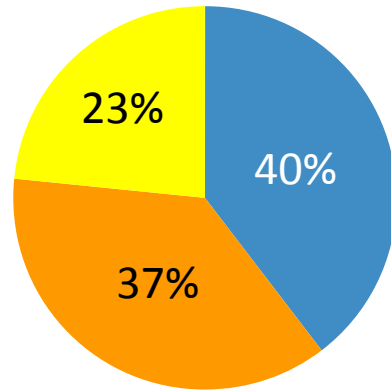
### Change in Volume & Sales

(\$ millions)	1Q14 vs. 1Q13	
	Volume	Sales
Consumer Real Estate	\$(16)	\$68
Auto Finance	186	82
Total Retail	170	150
Commercial	115	-
Leasing	33	-
Inventory Finance <sup>4</sup>	104	-
Total Wholesale	252	-
Total Lending	\$422	\$150



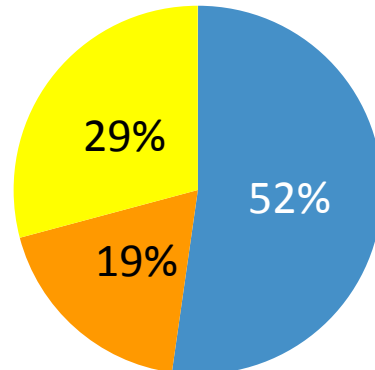
## Earning Assets-1Q14

- Variable & Adjustable Rate (Inventory Finance, Commercial, Consumer)
- Fixed Rate - Short/Medium Duration (Commercial, Leasing, Auto Finance)
- Fixed Rate - Long Duration (MBS Investments, Consumer Real Estate)



## Deposits-1Q14

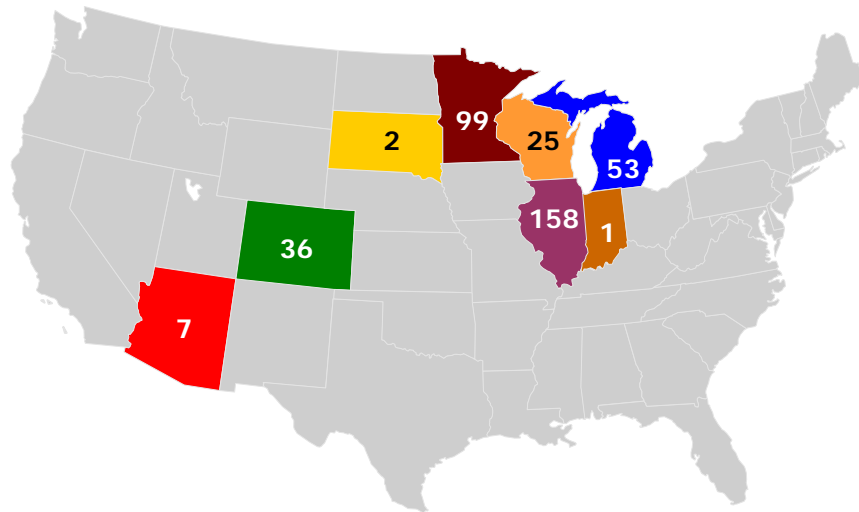
- Low Interest Cost
- No Interest Cost
- Other



- Diversification of the loan and lease portfolio among the five businesses positions TCF to benefit in a rising rate environment
- 77% of assets are variable/adjustable rate or short/medium duration fixed rate
  - Estimated weighted average life<sup>1</sup>:
    - Auto portfolio: 23 months
    - Auto Finance new originations: 27 months
    - Leasing and Equipment Finance portfolio: 19 months
    - Leasing and Equipment Finance new originations: 23 months
- 71% of deposits are low or no interest cost with an average balance of \$10.3 billion and an average cost of 5 bps for the first quarter of 2014

<sup>1</sup> As of March 31, 2014; weighted average life represents how many months it will take to collect half of the outstanding principal

Consolidated 46 branches in the first quarter of 2014



## Highlights of the Branch Consolidation

- Estimated payback period on the exit costs of \$8.9 million improved to 10 months
- Checking account attrition is 30% lower than planned
- Deposit run-off is 24% lower than planned
- A significant number of impacted employees transferred to another branch

	<u>MN</u>	<u>IL</u>	<u>MI</u>	<u>CO</u>	<u>WI</u>	<u>AZ</u>	<u>IN</u>	<u>SD</u>	<u>TCF</u>
Traditional	45	37	51	34	17	7	-	2	193
In-store	50	118	1	2	8	-	1	-	180
Campus	4	3	1	-	-	-	-	-	8
<b>Total</b>	<b>99</b>	<b>158</b>	<b>53</b>	<b>36</b>	<b>25</b>	<b>7</b>	<b>1</b>	<b>2</b>	<b>381</b>
ATMs	218	235	74	39	27	7	1	2	603

## Capital Ratios – TCF Financial Corporation

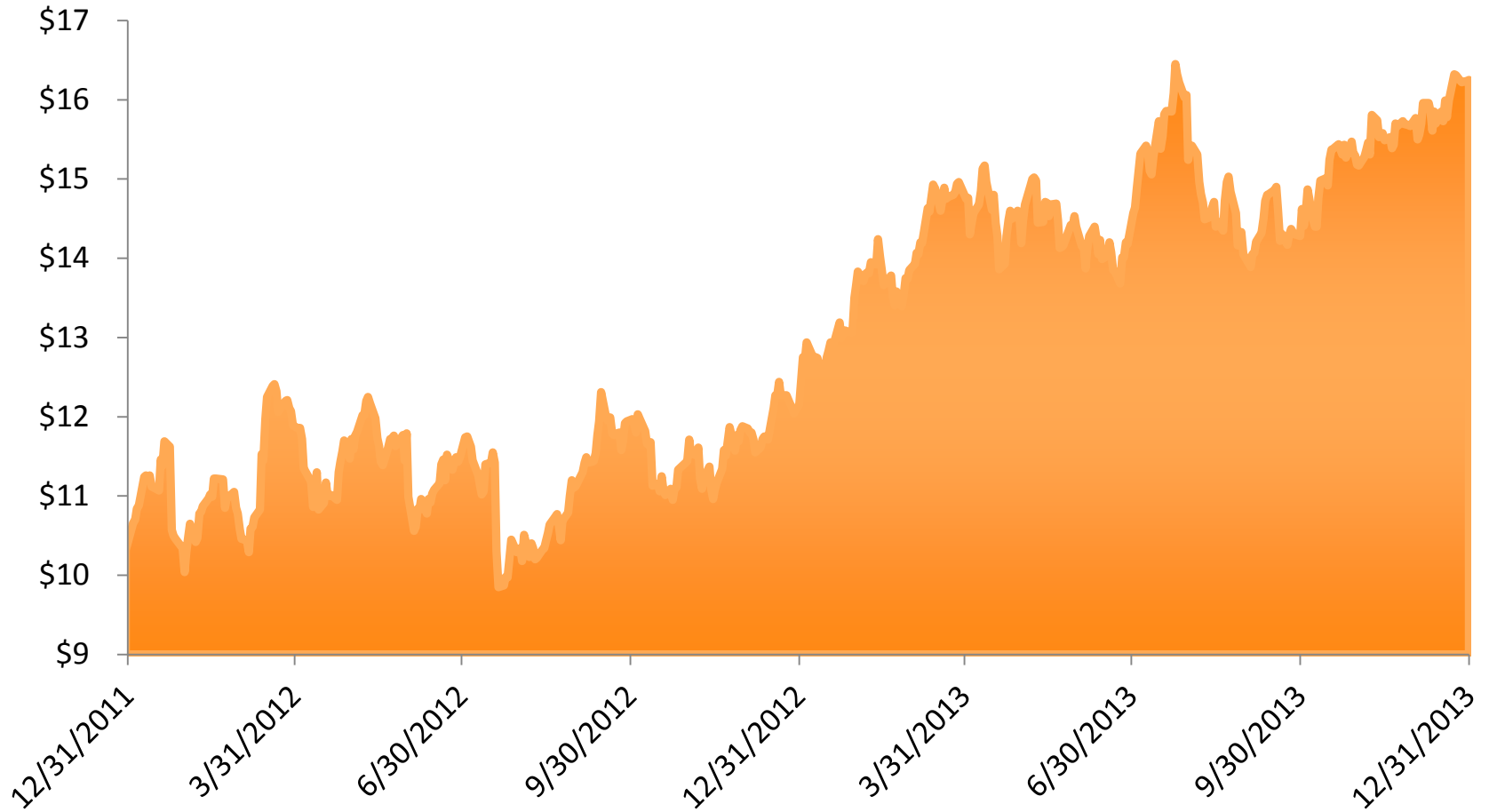
	<u>1Q13</u>	<u>4Q13</u>	<u>1Q14</u>
Tangible common equity <sup>1</sup>	7.57%	8.03%	8.13%
Tier 1 common capital <sup>2</sup>	9.24%	9.63%	9.59%
Tier 1 leverage capital	9.23%	9.71%	9.84%
Tier 1 risk-based capital <sup>2</sup>	11.14%	11.41%	11.37%
Total risk-based capital	13.49%	13.64%	13.41%

- Maintaining capital levels as earnings support strong balance sheet growth

<sup>1</sup> See "Reconciliation of GAAP to Non-GAAP Financial Measures – Tangible Common Equity and Tangible Book Value Per Common Share" slide

<sup>2</sup> See "Reconciliation of GAAP to Non-GAAP Financial Measures – Tier 1 Common Capital Ratio" slide

# Appendix





## TCF maintains a well-diversified loan and lease portfolio

Business Unit	Consumer	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance
<b>Type / Segment</b>	Consumer Real Estate	Multi-family housing Retail services Office buildings Warehouse / Industrial buildings	Specialty vehicles Manufacturing Medical Construction	PowerSports Lawn & Garden Electronics & Appliances	Primarily used autos
<b>Geography</b>	Local <sup>1</sup> National	Local <sup>1</sup>	National	National Canada	National
<b>Rate</b>	Fixed-rate Variable-rate	Fixed-rate Variable/adjustable-rate	Fixed-rate	Variable-rate	Fixed-rate
<b>Average Loan &amp; Lease Size</b>	First Mortgages: \$111,000 Junior Liens: \$41,000	\$1.8 million	\$70,000	\$224,000	\$18,000
<b>Estimated Weighted Average Life<sup>2</sup></b>	70 months	34 months	19 months	4 months	23 months
<b>Collateral</b>	Real estate	Real estate All assets	Equipment	Inventory	Vehicle

<sup>1</sup> TCF's branch footprint (MN, IL, MI, CO, WI, IN, AZ, SD)

<sup>2</sup> As of March 31, 2014; weighted average life represents how many months it will take to pay half of the outstanding principal

# Loan and Lease Geographic Diversification



At March 31, 2014

(\$ millions)

	Consumer Real Estate	Commercial Real Estate and Commercial Business	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Minnesota	\$ 2,175.3	\$ 842.1	\$ 99.6	\$ 65.5	\$ 28.3	\$ 10.1	\$ 3,220.9
Illinois	1,747.5	590.9	115.6	57.7	78.1	5.2	2,595.0
Michigan	617.9	512.5	142.4	67.9	25.3	2.1	1,368.1
California	379.9	38.0	492.3	69.5	270.3	--	1,250.0
Wisconsin	351.1	594.2	67.0	61.1	12.9	1.2	1,087.5
Colorado	446.8	157.0	56.8	23.8	29.3	3.9	717.6
Texas	--	15.5	301.3	161.8	85.4	--	564.0
Canada	--	--	1.6	496.4	--	--	498.0
Florida	1.2	48.0	146.2	85.4	70.2	--	351.0
New York	2.0	--	171.9	68.2	50.8	--	292.9
Ohio	5.0	47.0	135.1	66.2	26.0	--	279.3
Pennsylvania	17.9	--	144.7	68.3	46.5	--	277.4
North Carolina	0.2	8.0	128.0	54.5	52.7	--	243.4
Arizona	55.4	39.0	72.8	15.8	44.0	0.3	227.3
Other <sup>1</sup>	\$ 275.3	\$ 244.2	\$ 1,381.5	\$ 761.7	\$ 580.7	\$ (0.2)	\$ 3,243.2
<b>Total</b>	<b>\$6,075.5</b>	<b>\$3,136.4</b>	<b>\$ 3,456.8</b>	<b>\$ 2,123.8</b>	<b>\$ 1,400.5</b>	<b>\$ 22.6</b>	<b>\$ 16,215.6</b>

<sup>1</sup> Individual states with less than \$225 million in total

# Commercial Lending – Risk Rating Trends



Risk Rating		Dec 31, 2012		Dec 31, 2013		Mar 31, 2014	
		Balance (\$000)	Pct Total	Balance (\$000)	Pct Total	Balance (\$000)	Pct Total
<b>Non-classified</b>							
1	Pass	-	0.0%	-	0.0%	-	0.0%
2	Pass	136,550	4.0%	139,127	4.4%	139,374	4.4%
3	Pass	850,431	25.0%	850,620	27.0%	809,741	25.8%
4	Pass	1,611,759	47.4%	1,552,586	49.4%	1,559,927	49.8%
5	Pass	296,765	8.7%	354,594	11.3%	417,271	13.3%
6	Special Mention	153,623	4.5%	53,016	1.7%	58,973	1.9%
<b>Classified</b>							
7	Substandard	352,538	10.4%	196,403	6.2%	149,326	4.8%
8	Doubtful	735	0.0%	432	0.0%	450	0.0%
Total		3,402,401	100%	3,146,778	100%	3,135,062	100%
Wtd Avg Risk Rating			4.16	3.98	3.97		

85.1% (2012 Non-classified total)  
92.1% (2013 Non-classified total)  
93.3% (2014 Non-classified total)  
14.9% (2012 Classified total)  
7.9% (2013 Classified total)  
6.7% (2014 Classified total)

- The weighted average risk rating of the portfolio is improving as more loans are being upgraded, fewer loans are being downgraded and existing problem loans are being worked out.

### Upgrade Activity

Year	Pct of 4's Upgraded To 3+	Pct of 5's Upgraded To 4+	Pct of Non- Pass Upgraded To Pass
2012	3%	17%	9%
2013	6%	26%	15%
1Q14	4%	13%	52%

- The pace of upgrades has begun to increase.

### Downgrade Activity

Year	Pct of Pass Downgraded To 6+	Pct of 5's Downgraded To 6+	Pct of 6's Downgraded To 7 or 8
2012	4%	14%	11%
2013	1%	3%	14%
1Q14	3%	36%	39%

- The pace of downgrades into non-pass continues to decrease.

# Reconciliation of GAAP to Non-GAAP Financial Measures – Tangible Common Equity and Tangible Book Value Per Common Share<sup>1</sup>



(\$000s, except shares outstanding)

	Mar. 31, 2013	Dec. 31, 2013	Mar. 31, 2014
<u>Computation of tangible common equity to tangible assets</u>			
Total equity	\$ 1,900,159	\$ 1,964,759	\$ 2,021,825
Less: Non-controlling interest in subsidiaries	20,933	11,791	21,284
Total TCF stockholders' equity	1,879,226	1,952,968	2,000,541
Less:			
Preferred stock	263,240	263,240	263,240
Goodwill	225,640	225,640	225,640
Other intangibles	7,860	6,326	5,905
Tangible common equity	\$ 1,382,486	\$ 1,457,762	\$ 1,505,756
Total assets	\$ 18,504,026	\$ 18,379,840	\$ 18,760,527
Less:			
Goodwill	225,640	225,640	225,640
Other intangibles	7,860	6,326	5,905
Tangible assets	\$ 18,270,526	\$ 18,147,874	\$ 18,528,982
Tangible common equity to tangible assets	7.57%	8.03%	8.13%
Common stock shares outstanding	163,867,558	165,122,295	166,127,670
Tangible book value per common share	\$8.44	\$8.83	\$9.06

<sup>1</sup> When evaluating capital adequacy and utilization, management considers financial measures such as Tangible Common Equity to Tangible Assets and Tangible Book Value per Common Share. These measures are non-GAAP financial measures and are viewed by management as useful indicators 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.

# Reconciliation of GAAP to Non-GAAP Financial Measures – Revenue Ratios<sup>1</sup>



(\$000s)	Peer Group Total Assets 2013 Avg <sup>2</sup> % of Total Avg Assets	
<u>Computation of non-interest income:</u>		
Total Non-interest income	\$ 231,714	1.17%
Less:		
Non-recurring revenue	7,661	
Non-interest income excluding non-recurring items	\$ 224,053	1.13%
 <u>Computation of revenue:</u>		
Total Revenue	\$ 838,854	4.22%
Less:		
Non-recurring revenue	7,661	
Revenue excluding non-recurring items	\$ 831,193	4.18%
 <u>Computation of pre-tax pre-provision profit:</u>		
Revenue	\$ 838,854	
Less:		
Non-interest expense	524,894	
Non-recurring revenue	7,661	
Pre-tax pre-provision profit excluding non-recurring items	\$ 306,299	1.54%
 Total Average Assets	 \$ 19,882,841	

<sup>1</sup> When evaluating asset utilization, management considers measures related to revenue that adjust for certain operating items. These measures are non-GAAP financial measures and are viewed by management as useful indicators of TCF's ability to generate returns to cover potential credit losses.

<sup>2</sup> All U.S. publicly-traded banks and thrifts, excluding TCF, with total assets between \$10 and \$50 billion (source: SNL Financial LC; 12/31/2013)

# Reconciliation of GAAP to Non-GAAP Financial Measures – Tier 1 Common Capital Ratio<sup>1</sup>



(\$000s)

	<u>Dec. 31, 2013</u>	<u>Mar. 31, 2014</u>
<u>Tier 1 risk-based capital ratio:</u>		
Tier 1 capital	\$ 1,763,682	\$ 1,814,561
Total risk-weighted assets	\$ 15,455,706	\$ 15,959,457
Tier 1 risk-based capital ratio	11.41%	11.37%
 <u>Computation of Tier 1 common capital ratio:</u>		
Tier 1 capital	\$ 1,763,682	\$ 1,814,561
Less:		
Preferred stock	263,240	263,240
Qualifying non-controlling interest in subsidiaries	11,791	21,284
Tier 1 common capital	<u>1,488,651</u>	<u>1,530,037</u>
Tier 1 common capital ratio	<u>9.63%</u>	<u>9.59%</u>

<sup>1</sup> When evaluating capital adequacy and utilization, management considers financial measures such as the Tier 1 Common Capital Ratio. These measures are non-GAAP financial measures and are viewed by management as useful indicators 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.

**Slide: A Diversified Asset Portfolio Funded by a Low-Cost Deposit Base**

42<sup>nd</sup> largest publicly-traded U.S. based bank holding company – SNL Financial, LC; 12/31/2013

**Slide: Well-positioned in the Banking Industry**

Peer Group – SNL Financial LC; 12/31/2013

**Slide: Multiple Sources of Revenue with Strong Asset Yields and Loan Sale Capabilities**

Peer Group – SNL Financial LC; 12/31/2013

**Slide: Industry Net Charge-offs**

FDIC-Insured Institutions Greater than \$10 Billion in Total Assets – FDIC Quarterly Banking Profile; 2003-2013

**Slide: Wholesale Businesses**

15<sup>th</sup> largest bank-affiliated leasing company – The Monitor; 2013 Monitor Bank 40

30<sup>th</sup> largest equipment finance/leasing company – The Monitor; 2013 Monitor 100