
Section 1: 10-Q (10-Q)

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

FORM 10-Q

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

For the quarterly period ended
September 30, 2012

or

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

Commission File Number: 001-10253

TCF FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

41-1591444
(I.R.S. Employer Identification No.)

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

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

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

Yes

No

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

Yes

No

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

Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller reporting company

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

Yes

No

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

Class
Common Stock, \$.01 par value

Outstanding at
October 26, 2012
163,335,368 shares

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

INDEX

<u>Part I. Financial Information</u>	<u>Pages</u>
<u>Item 1. Financial Statements</u>	
<u>Consolidated Statements of Financial Condition at September 30, 2012 and December 31, 2011</u>	<u>1</u>
<u>Consolidated Statements of Comprehensive Income for the Three and Nine Months Ended September 30, 2012 and 2011</u>	<u>2</u>
<u>Consolidated Statements of Equity for the Nine Months Ended September 30, 2012 and 2011</u>	<u>3</u>
<u>Consolidated Statements of Cash Flows for the Nine Months Ended September 30, 2012 and 2011</u>	<u>4</u>
<u>Notes to Consolidated Financial Statements</u>	<u>5</u>
<u>Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>36</u>
<u>Item 3. Quantitative and Qualitative Disclosures About Market Risk</u>	<u>61</u>
<u>Item 4. Controls and Procedures</u>	<u>62</u>
<u>Supplementary Information</u>	<u>63</u>
<u>Part II. Other Information</u>	
<u>Items 1-6</u>	<u>64</u>
<u>Signatures</u>	<u>66</u>
<u>Index to Exhibits</u>	<u>67</u>

PART 1 - FINANCIAL INFORMATION
Item 1. Financial Statements
TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Consolidated Statements of Financial Condition

(Dollars in thousands, except per-share data)	At September 30, 2012	At December 31, 2011
	(Unaudited)	
Assets		
Cash and due from banks	\$ 922,127	\$ 1,389,704
Investments	126,487	157,780
Securities available for sale	559,671	2,324,038
Loans and leases held for sale	3,691	14,321
Loans and leases:		
Consumer real estate	6,648,036	6,895,291
Commercial	3,511,234	3,449,492
Leasing and equipment finance	3,157,977	3,142,259
Inventory finance	1,466,269	624,700
Auto finance	407,091	3,628

Other	27,610	34,885
Total loans and leases	15,218,217	14,150,255
Allowance for loan and lease losses	(264,841)	(255,672)
Net loans and leases	14,953,376	13,894,583
Premises and equipment, net	442,356	436,281
Goodwill	225,640	225,640
Other assets	645,045	537,041
Total assets	\$ 17,878,393	\$ 18,979,388

Liabilities and Equity

Deposits:		
Checking	\$ 4,707,179	\$ 4,629,749
Savings	6,127,889	5,855,263
Money market	812,442	651,377
Certificates of deposit	2,073,909	1,065,615
Total deposits	13,721,419	12,202,004
Short-term borrowings	115,529	6,416
Long-term borrowings	1,936,988	4,381,664
Total borrowings	2,052,517	4,388,080
Accrued expenses and other liabilities	339,788	510,677
Total liabilities	16,113,724	17,100,761
Equity:		
Preferred stock, par value \$.01 per share, 30,000,000 shares authorized; and 6,900 shares issued	166,721	-
Common stock, par value \$.01 per share, 280,000,000 shares authorized; 163,281,955 and 160,366,380 shares issued, respectively	1,633	1,604
Additional paid-in capital	746,543	715,247
Retained earnings, subject to certain restrictions	861,895	1,127,823
Accumulated other comprehensive income	18,067	56,826
Treasury stock at cost, 42,566 shares, and other	(43,395)	(33,367)
Total TCF Financial Corporation stockholders' equity	1,751,464	1,868,133
Non-controlling interest in subsidiaries	13,205	10,494
Total equity	1,764,669	1,878,627
Total liabilities and equity	\$ 17,878,393	\$ 18,979,388

See accompanying notes to consolidated financial statements.

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

	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
(In thousands, except per-share data)	2012	2011	2012	2011
Interest income:				
Loans and leases	\$ 210,140	\$ 210,885	\$ 624,890	\$ 639,381
Securities available for sale	5,607	22,561	30,535	62,629
Investments and other	4,105	1,997	10,171	5,634
Total interest income	219,852	235,443	665,596	707,644
Interest expense:				
Deposits	10,757	11,883	30,015	35,317
Borrowings	8,536	47,496	56,625	146,073
Total interest expense	19,293	59,379	86,640	181,390
Net interest income	200,559	176,064	578,956	526,254
Provision for credit losses	96,275	52,315	198,923	141,594
Net interest income after provision for credit losses	104,284	123,749	380,033	384,660
Non-interest income:				
Fees and service charges	43,745	58,452	133,691	168,361
Card revenue	12,927	27,701	39,664	82,504
ATM revenue	6,122	7,523	18,597	21,319
Subtotal	62,794	93,676	191,952	272,184
Leasing and equipment finance	20,498	21,646	66,572	70,675
Gains on sales of auto loans	7,486	-	15,232	-
Gain on sales of consumer loans	4,559	-	4,559	-
Other	3,688	786	9,211	1,864
Fees and other revenue	99,025	116,108	287,526	344,723
Gains on securities, net	13,033	1,648	102,760	1,421
Total non-interest income	112,058	117,756	390,286	346,144
Non-interest expense:				

Compensation and employee benefits	98,409	87,758	292,163	266,197
Occupancy and equipment	33,006	31,129	97,983	94,071
FDIC insurance	6,899	7,363	21,754	22,100
Advertising and marketing	4,248	1,145	12,269	7,784
Deposit account premiums	485	7,045	8,146	16,409
Operating lease depreciation	6,325	7,409	19,473	23,196
Other	36,173	34,708	110,425	106,341
Subtotal	185,545	176,557	562,213	536,098
Loss on termination of debt	-	-	550,735	-
Foreclosed real estate and repossessed assets, net	10,670	12,430	33,776	37,915
Other credit costs, net	593	(139)	1,781	2,905
Total non-interest expense	196,808	188,848	1,148,505	576,918
Income (loss) before income tax expense	19,534	52,657	(378,186)	153,886
Income tax expense (benefit)	6,304	19,159	(143,398)	57,017
Income (loss) after income tax expense	13,230	33,498	(234,788)	96,869
Income attributable to non-controlling interest	1,536	1,243	4,881	3,918
Preferred stock dividends	2,372	-	2,372	-
Net income (loss) available to common stockholders	9,322	32,255	(242,041)	92,951
Other comprehensive income (loss):				
Reclassification adjustment for securities gains included in net income	(12,912)	(1,915)	(89,879)	(1,915)
Unrealized holding gains arising during the period on securities available for sale	16,283	116,958	28,383	126,972
Foreign currency hedge	(630)	1,319	(766)	719
Foreign currency translation adjustment	640	(1,410)	701	(876)
Recognized postretirement prior service cost and transition obligation	(7)	1	(21)	3
Income tax (expense) benefit	(1,010)	(42,643)	22,823	(46,101)
Total other comprehensive income (loss)	2,364	72,310	(38,759)	78,802
Comprehensive income (loss) attributable to common stockholders	\$ 11,686	\$ 104,565	\$ (280,800)	\$ 171,753
Net income (loss) per common share:				
Basic	\$.06	\$.20	\$ (1.52)	\$.61
Diluted	.06	.20	(1.52)	.60
Dividends declared per common share	\$.05	\$.05	\$.15	\$.15

See accompanying notes to consolidated financial statements.

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

(Dollars in thousands)	TCF Financial Corporation									
	Number of Common Shares Issued	Preferred Stock	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock and Other	Total	Non- controlling Interests	Total Equity
Balance, December 31, 2010	142,965,012	\$ -	\$ 1,430	\$ 459,884	\$ 1,049,156	\$ (15,692)	\$ (23,115)	\$ 1,471,663	\$ 8,500	\$ 1,480,163
Comprehensive income:										
Income after income tax expense	-	-	-	-	92,951	-	-	92,951	3,918	96,869
Other comprehensive income	-	-	-	-	-	78,802	-	78,802	-	78,802
Comprehensive income	-	-	-	-	92,951	78,802	-	171,753	3,918	175,671
Public offering of common stock	15,081,968	-	151	219,515	-	-	-	219,666	-	219,666
Net investment by non-controlling interest	-	-	-	-	-	-	-	-	(145)	(145)
Dividends on common stock	-	-	-	-	(22,863)	-	-	(22,863)	-	(22,863)
Grants of restricted stock	-	-	-	(146)	-	-	146	-	-	-
Issuance of common shares	1,213,000	-	12	(12)	-	-	-	-	-	-
Common shares purchased by TCF employee benefit plans	1,044,128	-	10	14,282	-	-	-	14,292	-	14,292
Cancellation of shares of restricted stock	(93,536)	-	(1)	(397)	31	-	-	(367)	-	(367)
Cancellation of common shares for tax withholding	(203,155)	-	(2)	(3,052)	-	-	-	(3,054)	-	(3,054)
Amortization of stock compensation	-	-	-	8,304	-	-	-	8,304	-	8,304
Stock compensation tax benefits	-	-	-	377	-	-	-	377	-	377
Change in shares held in trust for deferred compensation plans, at cost	-	-	-	9,846	-	-	(9,846)	-	-	-
Balance, September 30, 2011	160,007,417	\$ -	\$ 1,600	\$ 708,601	\$ 1,119,275	\$ 63,110	\$ (32,815)	\$ 1,859,771	\$ 12,273	\$ 1,872,044
Balance, December 31, 2011	160,366,380	\$ -	\$ 1,604	\$ 715,247	\$ 1,127,823	\$ 56,826	\$ (33,367)	\$ 1,868,133	\$ 10,494	\$ 1,878,627
Comprehensive (loss) income:										
(Loss) income after income tax benefit	-	-	-	-	(239,669)	-	-	(239,669)	4,881	(234,788)
Other comprehensive loss	-	-	-	-	-	(38,759)	-	(38,759)	-	(38,759)

Comprehensive (loss) income	-	-	-	-	(239,669)	(38,759)	-	(278,428)	4,881	(273,547)			
Investment by non-controlling interest	-	-	-	-	-	-	-	-	(2,170)	(2,170)			
Dividends on preferred stock	-	-	-	-	(2,372)	-	-	(2,372)	-	(2,372)			
Dividends on common stock	-	-	-	-	(23,896)	-	-	(23,896)	-	(23,896)			
Issuance of preferred stock	-	166,721	-	-	-	-	-	166,721	-	166,721			
Grants of restricted stock	1,784,525	-	18	(18)	-	-	-	-	-	-			
Common shares purchased by TCF employee benefit plans	1,367,748	-	13	15,076	-	-	-	15,089	-	15,089			
Cancellation of shares of restricted stock	(61,912)	-	-	(201)	9	-	-	(192)	-	(192)			
Cancellation of common shares for tax withholding	(174,786)	-	(2)	(1,888)	-	-	-	(1,890)	-	(1,890)			
Amortization of stock compensation	-	-	-	8,871	-	-	-	8,871	-	8,871			
Stock option expirations	-	-	-	(161)	-	-	-	(161)	-	(161)			
Stock compensation tax expense	-	-	-	(411)	-	-	-	(411)	-	(411)			
Change in shares held in trust for deferred compensation plans, at cost	-	-	-	10,028	-	-	(10,028)	-	-	-			
Balance, September 30, 2012	163,281,955	\$166,721	\$	1,633	\$ 746,543	\$	861,895	\$	18,067	\$(43,395)\$1,751,464	\$	13,205	\$1,764,669

See accompanying notes to consolidated financial statements.

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

(In thousands)	Nine Months Ended	
	2012	2011
Cash flows from operating activities:		
Net (loss) income available to common stockholders	\$ (242,041)	\$ 92,951
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Provision for credit losses	198,923	141,594
Depreciation and amortization	78,964	55,232
Proceeds from sales of loans and leases held for sale	114,061	-
Originations of auto loans held for sale, net of repayments	(116,695)	-
Net (decrease) increase in other assets and accrued expenses and other liabilities	(83,981)	94,585
Gains on sales of assets, net	(126,980)	(3,761)
Loss on termination of debt	550,735	-
Net income attributable to non-controlling interest	4,881	3,918
Other, net	17,800	14,554
Total adjustments	637,708	306,122
Net cash provided by operating activities	395,667	399,073
Cash flows from investing activities:		
Loan originations and purchases, net of principal collected on loans and leases	(1,800,169)	564,355
Purchases of equipment for lease financing	(16,293)	(615,919)
Purchase of leasing and equipment finance portfolios	-	(9,735)
Purchase of inventory finance portfolios	(37,526)	(5,905)
Proceeds from sales of loans	475,230	150,319
Proceeds from sales of securities available for sale	1,901,460	49,593
Proceeds from sales of other securities	13,116	-
Purchases of securities available for sale	(455,336)	(1,039,058)
Proceeds from maturities of and principal collected on securities available for sale	168,540	446,745
Purchases of Federal Home Loan Bank stock	(146,405)	(5,551)
Redemption of Federal Home Loan Bank stock	181,562	23,363
Proceeds from sales of real estate owned	86,528	81,893
Purchases of premises and equipment	(34,505)	(22,155)
Other, net	24,156	25,729
Net cash provided by (used in) investing activities	360,358	(356,326)
Cash flows from financing activities:		
Net increase in deposits	1,504,419	735,387
Net decrease in short-term borrowings	(887)	(119,586)
Proceeds from long-term borrowings	1,278,233	1,513
Payments on long-term borrowings	(4,153,045)	(376,184)
Net proceeds from public offering of preferred stock	166,721	-
Net proceeds from public offering of common stock	-	219,666
Redemption of trust preferred securities	(115,010)	-
Proceeds from issuance of subordinated debt	109,888	-
Net investment by non-controlling interest	(2,170)	(145)

Dividends paid on preferred stock	(2,372)	-
Dividends paid on common stock	(23,896)	(22,863)
Stock compensation tax expense	(411)	-
Common shares sold to TCF employee benefit plans	14,928	14,292
Other, net	-	7,008
Net cash (used in) provided by financing activities	(1,223,602)	459,088
Cash and due from banks at beginning of period	1,389,704	663,901
Cash and due from banks at end of period	\$ 922,127	\$ 1,165,736

Supplemental disclosures of cash flow information:

Cash paid for:		
Interest on deposits and borrowings	\$ 91,133	\$ 176,902
Income taxes, net	14,227	(12,547)
Transfer of loans to other assets	\$ 104,649	\$ 132,069

See accompanying notes to consolidated financial statements.

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

(1) Basis of Presentation

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and, therefore, do not include all the information and notes necessary for complete financial statements in conformity with generally accepted accounting principles in the United States (“GAAP”). The information in this Quarterly Report on Form 10-Q is written with the presumption that the users of the interim financial statements have read or have access to the most recent Annual Report on Form 10-K of TCF Financial Corporation (“TCF” or the “Company”), which contains the latest audited financial statements and notes thereto, together with Management’s Discussion and Analysis of Financial Condition and Results of Operations as of December 31, 2011 and for the year then ended. All significant intercompany accounts and transactions have been eliminated in consolidation. Certain reclassifications have been made to prior period financial statements to conform to the current period presentation. For Consolidated Statements of Cash Flow purposes, cash and cash equivalents include cash and due from banks.

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

(2) Business Combinations

On November 30, 2011, TCF National Bank (“TCF Bank”), a wholly-owned subsidiary of TCF, acquired 100% of the outstanding common shares of Gateway One Lending & Finance, LLC (“Gateway One”), a privately-held lending company that indirectly originates loans on new and used autos to consumers through established dealer relationships. The acquisition of Gateway One further diversifies the Company’s lending business and provides growth opportunities within the U.S. auto lending marketplace. As a result of the acquisition, Gateway One became a wholly-owned subsidiary of TCF Bank and accordingly, TCF’s Consolidated Statements of Comprehensive Income for the three months ended September 30, 2012 included net interest income, non-interest income and net income of Gateway One totaling \$5.8 million, \$9.4 million, and \$1.3 million, respectively. TCF’s Consolidated Statements of Comprehensive Income for the nine months ended September 30, 2012 included net interest income, non-interest income and net loss of Gateway One totaling \$12.1 million, \$20.3 million, and \$175 thousand, respectively.

The following unaudited pro forma financial information presents the combined results of operations of TCF and Gateway One as if the acquisition had been effective January 1, 2011. These results include the impact of amortizing certain purchase accounting adjustments such as intangible assets, compensation expenses and the related impact of the acquisition on income tax expense. There were no material nonrecurring pro forma adjustments directly attributable to the acquisition included within the following pro forma financial information. The pro forma financial information does not necessarily reflect the results of operations that would have occurred had TCF and Gateway One constituted a single entity during such periods. Growth opportunities are expected to be achieved in various amounts at various times during the years subsequent to the acquisition and not ratably over, or at the beginning or end of such periods. No adjustments have been reflected in the following pro forma financial information for anticipated growth opportunities.

(In thousands, except per-share data)	Three Months Ended September 30, 2011		Nine Months Ended September 30, 2011	
Interest income	\$	236,917	\$	712,783
Net interest income		177,414		530,736
Non-interest income		122,243		358,257
Net income available to common stockholders		32,228		94,209
Basic net income per common share	\$.20	\$.61
Diluted net income per common share	\$.20	\$.60

The total purchase price was allocated to Gateway One's net tangible and identifiable intangible assets based on their estimated fair values as of November 30, 2011.

The following table summarizes the consideration paid for Gateway One and the amounts of the assets acquired and liabilities assumed as of the acquisition date.

(In thousands)	At November 30, 2011	
Cash consideration	\$	115,218
Recognized amounts of identifiable assets acquired and liabilities assumed:		
Cash and cash equivalents	\$	2,210
Restricted cash		18,685
Loans held for sale		13,711
Loans held for investment		3,879
Intangible assets		6,170
Interest-only strip		21,210
Deferred tax asset		11,286
Deferred stock compensation		2,600
Other assets		1,588
Accounts payable		(1,043)
Loan sale liability		(6,072)
Debt assumed		(9,988)
Servicing funds to be remitted		(17,901)
Other liabilities		(4,158)
Total identifiable net assets	\$	42,177
Goodwill		73,041
Total net assets acquired	\$	115,218

At the time of acquisition, all of Gateway One's loans held for investment totaling \$3.9 million, had evidence of deteriorated credit quality. At September 30, 2012, \$1.7 million remained. The goodwill of \$73 million arising from the acquisition consists largely of expected incremental balance sheet and fee growth and cross selling opportunities. The goodwill was assigned to TCF's Lending segment. None of the goodwill recognized is expected to be deductible for income tax purposes.

Pursuant to the terms of the acquisition agreement, three key members of Gateway One's management team were required to utilize a portion of the consideration paid to them by TCF to separately purchase TCF common stock in the aggregate amount of \$2.6 million. These shares of TCF common stock will be retained by a trustee for three years pursuant to the terms of custodial agreements entered into between the trustee, TCF and each individual. Ownership of these shares will be forfeited to TCF if during the three-year period the individual terminates his employment with TCF without cause, or

TCF terminates their employment for good reason, and has been accounted for separately from the acquisition. Due to the fact that this portion of the purchase consideration is tied to continuing employment, and at risk, the value of these shares has been recorded within other assets and will be recognized as compensation expense ratably throughout the duration of the three-year period. In

addition, TCF provided Gateway One \$10 million in interim funding prior to the acquisition to facilitate its closing in a timely manner. This loan was executed at prevailing market pricing and terms.

(3) Cash and Due from Banks

At September 30, 2012 and December 31, 2011, TCF was required by Federal Reserve Board regulations to maintain reserves of \$75.2 million and \$42.1 million, respectively, in cash on hand or at the Federal Reserve Bank.

TCF maintains cash balances that are restricted as to their use in accordance with certain contractual agreements related to the sale and servicing of auto loans. Cash proceeds from loans serviced for third parties are held in restricted accounts until remitted. TCF also retains restricted cash balances for potential loss recourse on certain sold auto loans. Restricted cash totaling \$22 million and \$17.5 million was included within cash and due from banks at September 30, 2012 and December 31, 2011, respectively.

(4) Investments

The carrying values of investments consist of the following.

(In thousands)	At September 30, 2012	At December 31, 2011
Federal Home Loan Bank stock, at cost	\$ 83,929	\$ 119,086
Federal Reserve Bank stock, at cost	36,178	31,711
Other	6,380	6,983
Total investments	\$ 126,487	\$ 157,780

The investments in Federal Home Loan Bank (“FHLB”) stock are required investments related to TCF’s current borrowings from the FHLB of Des Moines. FHLBs obtain their funding primarily through issuance of consolidated obligations of the FHLB system. The U.S. Government does not guarantee these obligations, and each of the 12 FHLBs are generally jointly and severally liable for repayment of each other’s debt. Therefore, TCF’s investments in these banks could be adversely impacted by the financial operations of the FHLBs and actions of their regulator, the Federal Housing Finance Agency. Other investments primarily consist of non-traded mortgage-backed securities and other bonds which qualify for investment credit under the Community Reinvestment Act of 1977, as amended.

During the first nine months of 2012, TCF recorded impairment charges of \$356 thousand on other investments, which had a carrying value of \$6.4 million at September 30, 2012. TCF did not record any impairment charges during the three months ended September 30, 2012. During the first nine months of 2011, TCF recorded impairment charges of \$16 thousand on other investments, which had a carrying value of \$7.1 million at September 30, 2011.

(5) Securities Available for Sale

Securities available for sale consist of the following.

(Dollars in thousands)	September 30, 2012				December 31, 2011			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities:								
U.S. Government sponsored enterprises and federal agencies	\$ 530,555	\$ 26,868	\$ -	\$ 557,423	\$ 2,233,307	\$ 89,029	\$ -	\$ 2,322,336
Other	134	-	-	134	152	-	-	152
Other securities	1,642	472	-	2,114	1,742	-	192	1,550
Total	\$ 532,331	\$ 27,340	\$ -	\$ 559,671	\$ 2,235,201	\$ 89,029	\$ 192	\$ 2,324,038
Weighted-average yield	3.01 %				3.79 %			

Gains on securities available for sale of \$90.2 million were recognized during the first nine months of 2012, resulting from sales of mortgage-backed securities. Impairment charges of \$269 thousand and \$480 thousand were recognized on other securities during the third quarter and first nine months of 2011, respectively. Impairment charges of \$206 thousand were recognized during both the third quarter and first nine months of 2012.

The following table shows the securities available for sale portfolio’s gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position at December 31, 2011. There

were no securities available for sale in a gross unrealized loss position at September 30, 2012. Unrealized losses on securities available for sale are due to lower values for equity securities or changes in interest rates and not due to credit quality issues. TCF has the ability and intent to hold these investments until a recovery of fair value occurs.

(In thousands)	Less than 12 months		12 months or more		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
At December 31, 2011						
Other securities	\$ 1,450	\$ 192	\$ -	\$ -	\$ 1,450	\$ 192
Total	\$ 1,450	\$ 192	\$ -	\$ -	\$ 1,450	\$ 192

The amortized cost and fair value of securities available for sale at September 30, 2012, by contractual maturity, are shown below. The remaining contractual principal maturities do not consider prepayments. Remaining expected maturities may differ from contractual maturities because borrowers may have the right to prepay.

(In thousands)	Amortized Cost	Fair Value
Due in one year or less	\$ -	\$ -
Due in 1-5 years	110	115
Due in 5-10 years	120	120
Due after 10 years	530,459	557,322
No stated maturity	1,642	2,114
Total	\$ 532,331	\$ 559,671

8

(6) Loans and Leases

The following table sets forth information about loans and leases.

(Dollars in thousands)	At September 30, 2012	At December 31, 2011	Percent Change
Consumer real estate:			
First mortgage lien	\$ 4,344,701	\$ 4,742,423	(8.4) %
Junior lien	2,303,335	2,152,868	7.0
Total consumer real estate	6,648,036	6,895,291	(3.6)
Commercial:			
Commercial real estate:			
Permanent	3,106,738	3,039,488	2.2
Construction and development	130,400	159,210	(18.1)
Total commercial real estate	3,237,138	3,198,698	1.2
Commercial business	274,096	250,794	9.3
Total commercial	3,511,234	3,449,492	1.8
Leasing and equipment finance: ⁽¹⁾			
Equipment finance loans	1,236,811	1,110,803	11.3
Lease financings:			
Direct financing leases	1,921,855	2,039,096	(5.7)
Sales-type leases	24,145	29,219	(17.4)
Lease residuals	124,148	129,100	(3.8)
Unearned income and deferred lease costs	(148,982)	(165,959)	10.2
Total lease financings	1,921,166	2,031,456	(5.4)
Total leasing and equipment finance	3,157,977	3,142,259	.5
Inventory finance	1,466,269	624,700	134.7
Auto finance	407,091	3,628	N.M.
Other	27,610	34,885	(20.9)
Total loans and leases	\$ 15,218,217	\$ 14,150,255	7.5 %

N.M. Not Meaningful.

(1) Operating leases of \$58 million and \$69.6 million at September 30, 2012 and December 31, 2011, respectively, are included in other assets in the Consolidated Statements of Financial Condition.

From time to time, TCF sells minimum lease payments to third-party financial institutions at fixed rates. For those transactions which

achieve sale treatment, the related lease cash flow stream is not recognized on TCF's Consolidated Statements of Financial Condition. During the three months ended September 30, 2012 and 2011, TCF sold \$16.8 million and \$36.3 million, respectively, of minimum lease payment receivables, received cash of \$18.4 million and \$36.4 million, respectively, and recognized a net gain of \$1.6 million and \$159 thousand, respectively. During the nine months ended September 30, 2012 and 2011, TCF sold \$73.5 million and \$81.1 million, respectively, of minimum lease payment receivables, received cash of \$75.6 million and \$87.4 million, respectively, and recognized a net gain of \$2.1 million and \$6.3 million, respectively. At September 30, 2012 and December 31, 2011, TCF's lease residuals reported within the table above include \$12.8 million and \$9.1 million, respectively, related to all historical sales of minimum lease payment receivables.

During the three months ended September 30, 2012, TCF sold \$161.1 million of consumer auto loans with servicing retained and received cash of \$157.6 million, resulting in gains of \$7.5 million. Related to these sales, TCF retained an interest-only strip of \$12.6 million. During the nine months ended September 30, 2012, TCF sold \$377.1 million of consumer auto loans with servicing retained and received cash of \$368.9 million, resulting in gains of \$15.2 million. Related to these sales, TCF retained an interest-only strip of \$27.3 million. At September 30, 2012, interest-only strips and contractual recourse liabilities totaled \$39.3 million and \$4.1 million, respectively. At December 31, 2011, interest-only strips and contractual recourse liabilities totaled \$22.4 million and \$6 million, respectively. No servicing assets or liabilities related to consumer auto loans were recorded within TCF's Consolidated Statements of Financial Condition, as the contractual servicing fees are adequate to compensate TCF for its servicing responsibilities. Gateway's managed portfolio, which includes portfolio loans, loans held for sale, and loans sold and services for others, totaled \$1 billion and \$399.7 million at September 30, 2012 and December 31, 2011, respectively. Excluding loans in bankruptcy and loans in

the process of repossession, .1% of the auto loans serviced for third parties were 60 or more days past due at September 30, 2012.

During the third quarter of 2012, TCF sold \$136.7 million of consumer real estate loans without recourse and recognized a \$4.6 million gain.

(7) Allowance for Loan and Lease Losses and Credit Quality Information

Allowance for Loan and Lease Losses The following tables provide information regarding the allowance for loan and lease losses.

(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
At or For the Three Months Ended September 30, 2012							
Balance, at beginning of quarter	\$ 188,087	\$ 50,699	\$ 25,450	\$ 7,072	\$ 1,951	\$ 902	\$ 274,161
Charge-offs	(76,131)	(20,813)	(8,368)	(602)	(280)	(2,520)	(108,714)
Recoveries	1,460	266	847	158	-	1,529	4,260
Net charge-offs	(74,671)	(20,547)	(7,521)	(444)	(280)	(991)	(104,454)
Provision for credit losses	66,231	23,604	3,402	313	1,887	838	96,275
Transfers and other	(705)	-	-	62	(499)	1	(1,141)
Balance, at end of quarter	\$ 178,942	\$ 53,756	\$ 21,331	\$ 7,003	\$ 3,059	\$ 750	\$ 264,841

At or For the Three Months Ended September 30, 2011							
Balance, at beginning of quarter	\$ 175,716	\$ 50,783	\$ 24,611	\$ 2,941	\$ -	\$ 1,421	\$ 255,472
Charge-offs	(44,930)	(5,290)	(3,636)	(284)	-	(3,621)	(57,761)
Recoveries	1,093	250	853	22	-	2,141	4,359
Net charge-offs	(43,837)	(5,040)	(2,783)	(262)	-	(1,480)	(53,402)
Provision for credit losses	45,551	3,756	1,472	258	-	1,278	52,315
Transfers and other	-	-	-	(60)	-	-	(60)
Balance, at end of quarter	\$ 177,430	\$ 49,499	\$ 23,300	\$ 2,877	\$ -	\$ 1,219	\$ 254,325

(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
At or For the Nine Months Ended September 30, 2012							
Balance, at beginning of year	\$ 183,435	\$ 46,954	\$ 21,173	\$ 2,996	\$ -	\$ 1,114	\$ 255,672
Charge-offs	(149,273)	(31,156)	(12,811)	(1,555)	(364)	(8,064)	(203,223)

Recoveries	4,057	630	3,966	243	1	6,079	14,976
Net charge-offs	(145,216)	(30,526)	(8,845)	(1,312)	(363)	(1,985)	(188,247)
Provision for credit losses	141,428	37,328	9,003	5,281	4,262	1,621	198,923
Transfers and other	(705)	-	-	38	(840)	-	(1,507)
Balance, at end of period	\$ 178,942	\$ 53,756	\$ 21,331	\$ 7,003	\$ 3,059	\$ 750	\$ 264,841

At or For the Nine Months Ended September 30, 2011

Balance, at beginning of year	\$ 172,850	\$ 62,478	\$ 26,301	\$ 2,537	\$ -	\$ 1,653	\$ 265,819
Charge-offs	(118,462)	(26,232)	(12,441)	(855)	-	(9,333)	(167,323)
Recoveries	2,650	730	3,391	57	-	7,435	14,263
Net charge-offs	(115,812)	(25,502)	(9,050)	(798)	-	(1,898)	(153,060)
Provision for credit losses	120,392	12,523	6,049	1,166	-	1,464	141,594
Other	-	-	-	(28)	-	-	(28)
Balance, at end of period	\$ 177,430	\$ 49,499	\$ 23,300	\$ 2,877	\$ -	\$ 1,219	\$ 254,325

10

The following tables provide other information regarding the allowance for loan and lease losses and balances by type of allowance methodology.

(In thousands)	At September 30, 2012						
	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for loss potential	\$ 177,967	\$ 40,416	\$ 20,218	\$ 6,935	\$ 3,040	\$ 750	\$ 249,326
Individually evaluated for loss potential	975	13,340	1,113	68	19	-	15,515
Total	\$ 178,942	\$ 53,756	\$ 21,331	\$ 7,003	\$ 3,059	\$ 750	\$ 264,841
Loans and leases outstanding:							
Collectively evaluated for loss potential	\$ 6,642,576	\$ 3,221,663	\$ 3,145,715	\$ 1,465,149	\$ 405,388	\$ 27,610	\$ 14,908,101
Individually evaluated for loss potential	5,460	289,571	8,469	1,120	40	-	304,660
Loans acquired with deteriorated credit quality	-	-	3,793	-	1,663	-	5,456
Total	\$ 6,648,036	\$ 3,511,234	\$ 3,157,977	\$ 1,466,269	\$ 407,091	\$ 27,610	\$ 15,218,217

(In thousands)	At December 31, 2011						
	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for loss potential	\$ 182,315	\$ 24,842	\$ 17,339	\$ 2,583	\$ -	\$ 1,114	\$ 228,193
Individually evaluated for loss potential	1,120	22,112	3,834	413	-	-	27,479
Total	\$ 183,435	\$ 46,954	\$ 21,173	\$ 2,996	\$ -	\$ 1,114	\$ 255,672
Loans and leases outstanding:							
Collectively evaluated for loss potential	\$ 6,887,627	\$ 2,811,046	\$ 3,112,864	\$ 616,496	\$ -	\$ 34,885	\$ 13,462,918
Individually evaluated for loss potential	7,664	638,446	22,200	8,204	-	-	676,514
Loans acquired with deteriorated credit quality	-	-	7,195	-	3,628	-	10,823
Total	\$ 6,895,291	\$ 3,449,492	\$ 3,142,259	\$ 624,700	\$ 3,628	\$ 34,885	\$ 14,150,255

11

Performing and Non-accrual Loans and Leases The following tables set forth information regarding TCF's performing and non-accrual loans and leases. Performing loans and leases are considered to have a lower risk of loss and are on accruing status and less than 60 days delinquent. Non-accrual loans and leases and loans and leases that are 60 days or more delinquent are those which management believes have a higher risk of loss than performing loans and leases. Delinquent balances are determined based on the contractual terms of the loan or lease. TCF's key credit quality indicator is the receivable's status as accruing or non-accruing.

(In thousands)	Performing	At September 30, 2012			Total Accruing	Non-Accrual	Total
		60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total 60+ Days Delinquent and Accruing			
Consumer real estate:							
First mortgage lien	\$ 4,066,898	\$ 31,677	\$ 48,476	\$ 80,153	\$ 4,147,051	\$ 197,650	\$ 4,344,701

Junior lien	2,254,012	6,370	7,018	13,388	2,267,400	35,935	2,303,335
Total consumer real estate	6,320,910	38,047	55,494	93,541	6,414,451	233,585	6,648,036
Commercial real estate	3,075,396	2,652	-	2,652	3,078,048	159,090	3,237,138
Commercial business	263,847	-	-	-	263,847	10,249	274,096
Total commercial	3,339,243	2,652	-	2,652	3,341,895	169,339	3,511,234
Leasing and equipment finance:							
Middle market	1,680,325	483	-	483	1,680,808	10,495	1,691,303
Small ticket	783,218	892	553	1,445	784,663	4,939	789,602
Winthrop	399,352	-	-	-	399,352	116	399,468
Other	243,710	194	-	194	243,904	262	244,166
Total leasing and equipment finance	3,106,605	1,569	553	2,122	3,108,727	15,812	3,124,539
Inventory finance	1,465,069	76	4	80	1,465,149	1,120	1,466,269
Auto finance	405,123	258	47	305	405,428	-	405,428
Other	25,631	17	5	22	25,653	1,957	27,610
Subtotal	14,662,581	42,619	56,103	98,722	14,761,303	421,813	15,183,116
Portfolios acquired with deteriorated credit quality	34,600	192	309	501	35,101	-	35,101
Total	\$ 14,697,181	\$ 42,811	\$ 56,412	\$ 99,223	\$ 14,796,404	\$ 421,813	\$ 15,218,217

(In thousands)	At December 31, 2011						
	Performing	60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total 60+ Days Delinquent and Accruing	Total Accruing	Non-Accrual	Total
Consumer real estate:							
First mortgage lien	\$ 4,525,951	\$ 32,571	\$ 54,787	\$ 87,358	\$ 4,613,309	\$ 129,114	\$ 4,742,423
Junior lien	2,110,334	7,813	14,464	22,277	2,132,611	20,257	2,152,868
Total consumer real estate	6,636,285	40,384	69,251	109,635	6,745,920	149,371	6,895,291
Commercial real estate	3,092,855	98	1,001	1,099	3,093,954	104,744	3,198,698
Commercial business	227,970	49	-	49	228,019	22,775	250,794
Total commercial	3,320,825	147	1,001	1,148	3,321,973	127,519	3,449,492
Leasing and equipment finance:							
Middle market	1,627,369	1,260	84	1,344	1,628,713	13,185	1,641,898
Small ticket	792,566	2,368	613	2,981	795,547	5,535	801,082
Winthrop	447,334	235	-	235	447,569	1,253	448,822
Other	185,563	198	-	198	185,761	610	186,371
Total leasing and equipment finance	3,052,832	4,061	697	4,758	3,057,590	20,583	3,078,173
Inventory finance	623,717	153	7	160	623,877	823	624,700
Auto finance	-	-	-	-	-	-	-
Other	34,829	20	21	41	34,870	15	34,885
Subtotal	13,668,488	44,765	70,977	115,742	13,784,230	298,311	14,082,541
Portfolios acquired with deteriorated credit quality	65,820	766	1,128	1,894	67,714	-	67,714
Total	\$ 13,734,308	\$ 45,531	\$ 72,105	\$ 117,636	\$ 13,851,944	\$ 298,311	\$ 14,150,255

12

The following table provides interest income recognized on loans and leases in non-accrual status and contractual interest that would have been recorded had the loans and leases performed in accordance with their original contractual terms.

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Contractual interest due on non-accrual loans and leases	\$ 12,790	\$ 9,474	\$ 30,424	\$ 28,833
Interest income recognized on loans and leases in non-accrual status	4,156	1,652	7,644	5,688
Unrecognized interest income	\$ 8,634	\$ 7,822	\$ 22,780	\$ 23,145

The following tables provide information regarding consumer real estate loans to customers currently involved in bankruptcy proceedings and have not yet been discharged or completed by the courts:

(In thousands)	At September 30,	At December 31,
	2012	2011
Consumer real estate loans to customers in bankruptcy:		
0-59 days delinquent and accruing	\$ 71,485	\$ 74,347
60+ days delinquent and accruing	293	1,112
Non-accrual	20,670	17,531

Loan Modifications for Borrowers with Financial Difficulties Included within the loans and leases in previous tables are certain loans that have been modified in order to maximize collection of loan balances. If, for economic or legal reasons related to the customer's financial difficulties, TCF grants a concession, the modified loan is classified as a troubled debt restructuring ("TDR").

TCF held consumer real estate TDRs of \$625.5 million and \$479.8 million at September 30, 2012 and December 31, 2011, respectively, of which \$456.8 million and \$433.1 million were accruing at September 30, 2012 and December 31, 2011, respectively. TCF also held \$ 225.3 million and \$181.6 million of commercial loan TDRs at September 30 2012 and December 31, 2011, respectively, of which \$120.3 million and \$98.4 million were accruing at September 30 2012 and December 31, 2011, respectively. The amount of additional funds committed to borrowers in TDR status was \$9.4 million and \$8.5 million at September 30, 2012 and December 31, 2011, respectively.

When a loan is modified as a TDR, there is not a direct, material impact on the loans within the Consolidated Statements of Financial Condition, as principal balances are generally not forgiven. Loan modifications are not reported as TDRs in calendar years after modification if the loans were modified at an interest rate equal to the yields of new loan originations with comparable risk and the loans are performing based on the terms of the restructuring agreements. All loans classified as TDRs are considered to be impaired.

The financial effects of TDRs are presented in the following tables and represent the difference between interest income recognized on accruing TDRs and the contractual interest that would have been recorded under the original contractual terms.

(In thousands)	Three Months Ended September 30,					
	2012			2011		
	Contractual Interest Due on TDRs	Interest Income Recognized on TDRs	Unrecognized Interest Income, Net	Contractual Interest Due on TDRs	Interest Income Recognized on TDRs	Unrecognized Interest Income, Net
Consumer real estate:						
First mortgage lien	\$ 7,545	\$ 4,178	\$ 3,367	\$ 6,041	\$ 3,031	\$ 3,010
Junior lien	637	421	216	433	241	192
Total consumer real estate	8,182	4,599	3,583	6,474	3,272	3,202
Commercial:						
Commercial real estate	1,377	1,373	4	875	857	18
Commercial business	82	73	9	110	110	-
Total commercial	1,459	1,446	13	985	967	18
Leasing and equipment finance:						
Middle market	13	16	(3)	18	19	(1)
Total leasing and equipment finance	13	16	(3)	18	19	(1)
Total	\$ 9,654	\$ 6,061	\$ 3,593	\$ 7,477	\$ 4,258	\$ 3,219

(In thousands)	Nine Months Ended September 30,					
	2012			2011		
	Contractual Interest Due on TDRs	Interest Income Recognized on TDRs	Unrecognized Interest Income, Net	Contractual Interest Due on TDRs	Interest Income Recognized on TDRs	Unrecognized Interest Income, Net
Consumer real estate:						
First mortgage lien	\$ 21,835	\$ 11,713	\$ 10,122	\$ 17,402	\$ 8,995	\$ 8,407
Junior lien	1,784	1,131	653	1,247	696	551
Total consumer real estate	23,619	12,844	10,775	18,649	9,691	8,958
Commercial:						
Commercial real estate	3,993	4,018	(25)	1,744	1,709	35
Commercial business	297	279	18	192	192	-
Total commercial	4,290	4,297	(7)	1,936	1,901	35
Leasing and equipment finance:						
Middle market	42	48	(6)	62	63	(1)
Total leasing and equipment finance	42	48	(6)	62	63	(1)
Total	\$ 27,951	\$ 17,189	\$ 10,762	\$ 20,647	\$ 11,655	\$ 8,992

The table below summarizes accruing TDRs that defaulted during the three and nine months ended September 30, 2012 and 2011, and which were modified within 12 months of the beginning of the respective reporting period. TCF considers a loan to have defaulted when it becomes 90 or more days delinquent under the modified terms, has been transferred to non-accrual status subsequent to the modification or has been transferred to other real estate owned.

	Three Months Ended September 30,				Nine Months Ended September 30,			
	2012		2011		2012		2011	
(Dollars in thousands)	Number of Loans	Loan Balance	Number of Loans	Loan Balance	Number of Loans	Loan Balance	Number of Loans	Loan Balance
Consumer real estate:								
First mortgage lien	109	\$ 18,784	27	\$ 4,811	173	\$ 32,157	72	\$ 13,744
Junior lien	51	2,889	4	155	57	3,213	8	831
Total consumer real estate	160	21,673	31	4,966	230	35,370	80	14,575
Commercial real estate	5	9,416	1	360	18	38,325	4	6,317
Total commercial	5	9,416	1	360	18	38,325	4	6,317
Total defaulted modified loans	165	\$ 31,089	32	\$ 5,326	248	\$ 73,695	84	\$ 20,892
Loans modified in the applicable period	1,795	\$ 428,757	1,100	\$ 329,475	2,121	\$ 523,546	1,470	\$ 393,387
Defaulted modified loans as a percent of loans modified in the applicable period	9.2 %	7.3 %	2.9 %	1.6 %	11.7 %	14.1 %	5.7 %	5.3 %

Consumer real estate TDRs are evaluated separately in TCF's allowance methodology. Impairment is generally based upon the present value of the expected future cash flows or the fair value of the collateral less selling expenses for fully collateral-dependent loans. The allowance on accruing consumer real estate loan TDRs was \$75.1 million, or 16.4% of the outstanding balance at September 30, 2012, and \$58.3 million, or 13.5% of the outstanding balance at December 31, 2011. For consumer real estate TDRs, TCF utilized average re-default rates ranging from 11% to 25%, depending on modification type, in determining impairment, which is consistent with actual experience. Consumer real estate loans remain on accruing status upon modification if they are less than 150 days past due, or six payments owing, and payment in full under the modified loan terms is expected. Otherwise, the loans are placed on non-accrual status and reported as non-accrual until there is sustained repayment performance for six consecutive payments. All eligible loans are re-aged to current delinquency status upon modification.

Commercial TDRs are individually evaluated for loss potential. Impairment is generally based upon the present value of the expected future cash flows or the fair value of the collateral less selling expenses for fully collateral-dependent loans. The allowance on accruing commercial loan TDRs was \$1.8 million, or 1.5% of the outstanding balance at September 30, 2012, and \$1.4 million, or 1.4% of the outstanding balance at December 31, 2011.

Impaired Loans TCF considers impaired loans to include non-accrual commercial loans, non-accrual equipment finance loans and non-accrual inventory finance loans, as well as all TDR loans. Impaired loans are included in the previous tables within the amounts disclosed as non-accrual and accruing loans. Accruing TDRs that are less than 60 days delinquent have been disclosed as performing within the previous tables of performing and non-accrual loans and leases. In the following table, the loan balance of impaired loans represents the amount recorded within loans and leases on the Consolidated Statements of Financial Condition whereas the unpaid contractual balance represents the balances legally owed by the borrowers, excluding write-downs.

The following tables summarize impaired loans.

	At September 30, 2012		
	Unpaid Contractual Balance	Loan Balance	Related Allowance Recorded
(In thousands)			
Impaired loans with an allowance recorded:			
Consumer real estate:			
First mortgage lien	\$ 431,482	\$ 425,707	\$ 68,646
Junior lien	38,845	37,578	7,615
Total consumer real estate	470,327	463,285	76,261
Commercial real estate	317,594	271,986	13,340
Commercial business	23,538	17,607	4

Total commercial	341,132	289,593	13,344
Leasing and equipment finance:			
Middle market	7,685	7,685	956
Small ticket	454	454	207
Other	262	262	103
Total leasing and equipment finance	8,401	8,401	1,266
Inventory finance	1,120	1,120	68
Other	52	52	19
Total impaired loans with an allowance recorded	821,032	762,451	90,958
Impaired loans without an allowance recorded:			
Consumer real estate:			
First mortgage lien	171,884	136,313	-
Junior lien	57,150	25,879	-
Total impaired loans without an allowance recorded	229,034	162,192	-
Total impaired loans	\$ 1,050,066	\$ 924,643	\$ 90,958

(In thousands)	At December 31, 2011		
	Unpaid Contractual Balance	Loan Balance	Related Allowance Recorded
Impaired loans with an allowance recorded:			
Consumer real estate:			
First mortgage lien	\$ 396,754	\$ 395,513	\$ 55,642
Junior lien	33,796	33,404	5,397
Total consumer real estate	430,550	428,917	61,039
Commercial real estate	224,682	196,784	13,819
Commercial business	36,043	29,183	4,019
Total commercial	260,725	225,967	17,838
Leasing and equipment finance:			
Middle market	9,501	9,501	1,130
Small ticket	532	532	114
Other	610	610	127
Total leasing and equipment finance	10,643	10,643	1,371
Inventory finance	823	823	44
Total impaired loans with an allowance recorded	702,741	666,350	80,292
Impaired loans without an allowance recorded:			
Consumer real estate:			
First mortgage lien	67,954	49,099	-
Junior lien	3,810	1,790	-
Total impaired loans without an allowance recorded	71,764	50,889	-
Total impaired loans	\$ 774,505	\$ 717,239	\$ 80,292

The increase in the loan balance of impaired loans from December 31, 2011 was primarily due to a \$91.7 million increase in non-accruing consumer real estate loan TDRs as a result of the implementation of clarifying regulatory guidance, in the third quarter of 2012, requiring loans subject to a borrower's discharge from personal liability following Chapter 7 bankruptcy, without reaffirmation of the loan, to be reported as TDRs. This increase is also due to a \$21.8 million increase in accruing and a \$21.9 million increase in non-accruing commercial TDRs. Included in impaired loans were \$431.6 million and \$413.7 million of accruing consumer real estate loan TDRs less than 90 days past due as of September 30, 2012 and December 31, 2011, respectively.

The average loan balance of impaired loans and interest income recognized on impaired loans during the three and nine months ended September 30, 2012 and 2011 are included within the following tables.

(In thousands)	Three Months Ended			
	September 30, 2012		September 30, 2011	
	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
Impaired loans with an allowance recorded:				
Consumer real estate:				
First mortgage lien	\$ 424,378	\$ 3,895	\$ 345,719	\$ 2,976

Junior lien	37,083	358	24,892	224
Total consumer real estate	461,461	4,253	370,611	3,200
Commercial real estate	251,796	1,374	165,637	857
Commercial business	19,636	88	40,433	110
Total commercial	271,432	1,462	206,070	967
Leasing and equipment finance:				
Middle market	7,906	8	13,240	34
Small ticket	565	-	652	-
Other	426	1	224	-
Total leasing and equipment finance	8,897	9	14,116	34
Inventory finance	1,510	48	856	24
Auto Finance	20	-	-	-
Other	11	-	-	-
Total impaired loans with an allowance recorded	743,331	5,772	591,653	4,225
Impaired loans without an allowance recorded:				
Consumer real estate:				
First mortgage lien	96,519	2,013	43,615	341
Junior lien	14,789	830	1,506	16
Total impaired loans without an allowance recorded	111,308	2,843	45,121	357
Total impaired loans	\$ 854,639	\$ 8,615	\$ 636,774	\$ 4,582

17

	Nine Months Ended			
	September 30, 2012		September 30, 2011	
(In thousands)	Average Balance	Interest Income Recognized	Average Balance	Interest Income Recognized
Impaired loans with an allowance recorded:				
Consumer real estate:				
First mortgage lien	\$ 410,610	\$ 10,996	\$ 332,434	\$ 8,964
Junior lien	35,491	1,039	23,809	681
Total consumer real estate	446,101	12,035	356,243	9,645
Commercial real estate	234,385	4,020	167,431	1,721
Commercial business	23,395	294	38,547	193
Total commercial	257,780	4,314	205,978	1,914
Leasing and equipment finance:				
Middle market	8,593	17	12,738	91
Small ticket	493	-	598	9
Other	436	2	149	-
Total leasing and equipment finance	9,522	19	13,485	100
Inventory finance	972	81	1,066	66
Auto finance	20	-	-	-
Other	6	-	-	-
Total impaired loans with an allowance recorded	714,401	16,449	576,772	11,725
Impaired loans without an allowance recorded:				
Consumer real estate:				
First mortgage lien	92,706	2,724	38,105	777
Junior lien	13,835	916	1,512	56
Total impaired loans without an allowance recorded	106,541	3,640	39,617	833
Total impaired loans	\$ 820,942	\$ 20,089	\$ 616,389	\$ 12,558

(8) Deposits

Deposits are summarized as follows.

(Dollars in thousands)	At September 30, 2012			At December 31, 2011		
	Rate at Quarter-end	Amount	% of Total	Rate at Year-end	Amount	% of Total
Checking:						
Non-interest bearing	- %	\$ 2,448,209	17.8 %	- %	\$ 2,442,522	20.0 %
Interest bearing	.12	2,258,970	16.5	.16	2,187,227	18.0
Total checking	.06	4,707,179	34.3	.07	4,629,749	38.0
Savings	.30	6,127,889	44.7	.37	5,855,263	48.0
Money market	.37	812,442	5.9	.36	651,377	5.3
Total checking, savings and money market	.21	11,647,510	84.9	.25	11,136,389	91.3

Certificates of deposit	1.05	2,073,909	15.1	.75	1,065,615	8.7
Total deposits	.33 %	\$ 13,721,419	100.0 %	.29 %	\$ 12,202,004	100.0 %

Certificates of deposit had the following remaining maturities at September 30, 2012 and December 31, 2011.

(In thousands)	At September 30, 2012			At December 31, 2011				
	\$	100,000+	Other	Total	\$	100,000+	Other	Total
0-3 months	\$	203,928	\$ 208,890	\$ 412,818	\$	213,611	\$ 146,035	\$ 359,646
4-6 months		242,469	225,979	468,448		67,993	155,394	223,387
7-12 months		205,686	277,174	482,860		89,169	246,880	336,049
13-24 months		296,159	249,954	546,113		35,175	93,481	128,656
Over 24 months		107,452	56,218	163,670		3,225	14,652	17,877
Total	\$	1,055,694	\$ 1,018,215	\$ 2,073,909	\$	409,173	\$ 656,442	\$ 1,065,615

On June 1, 2012, TCF Bank assumed approximately \$778 million of deposits from Prudential Bank & Trust, FSB (“PB&T”). The deposits consist primarily of Individual Retirement Accounts (“IRA”) with certificates of deposit or checking accounts and IRA related brokerage sweep accounts gathered by PB&T through their relationship with Prudential Retirement. Deposit base intangibles of \$3 million were recorded during the second quarter 2012 in connection with this assumption of deposits. For the nine months ended September 30, 2012, amortization related to these intangibles was \$138 thousand.

(9) Goodwill and Other Intangible Assets

Goodwill and other intangible assets are summarized as follows.

(Dollars in thousands)	At September 30, 2012				At December 31, 2011			
	Weighted-Average Amortization Period (In Years)	Gross Amount	Accumulated Amortization	Net Amount	Weighted-Average Amortization Period (In Years)	Gross Amount	Accumulated Amortization	Net Amount
Amortizable intangible assets:								
Deposit base intangibles	10	\$ 3,049	\$ 138	\$ 2,911	-	\$ -	\$ -	\$ -
Customer base intangibles	11	2,730	507	2,223	11	2,730	360	2,370
Non-compete agreement	5	4,590	806	3,784	5	4,590	113	4,477
Tradename	2	300	126	174	2	300	13	287
Total	8	\$ 10,669	\$ 1,577	\$ 9,092	7	\$ 7,620	\$ 486	\$ 7,134
Unamortizable intangible assets:								
Goodwill		\$ 225,640		\$ 225,640		\$ 225,640		\$ 225,640

TCF’s goodwill balance is related to its Lending segment. Total amortization expense related to intangible assets was \$424 thousand and \$1.1 million for the three and nine months ended September 30, 2012, respectively. Total amortization expense related to intangible assets was \$43 thousand and \$129 thousand for the three and nine months ended September 30, 2011, respectively.

(10) Long-term Borrowings

The following table sets forth information about long-term borrowings.

(Dollars in thousands)	Stated Maturity	At September 30, 2012		At December 31, 2011	
		Amount	Weighted-Average Rate	Amount	Weighted-Average Rate
Federal Home Loan Bank advances and securities sold under repurchase agreements					
	2013	\$ 680,000	.73 %	\$ 400,000	.97%
	2014	448,000	.43	-	-
	2015	125,000	.45	900,000	4.18
	2016	297,000	1.12	1,100,000	4.49
	2017	-	-	1,250,000	4.60
	2018	-	-	300,000	3.51
Subtotal		1,550,000	.70	3,950,000	4.02
Subordinated bank notes	2014	71,020	2.05	71,020	2.21

	2015	50,000	1.98	50,000	2.14
	2016	74,796	5.59	74,661	5.63
	2022	109,017	6.37	-	-
Subtotal		304,833	4.45	195,681	3.49
Junior subordinated notes (trust preferred)	2068	-	-	114,236	12.83
Discounted lease rentals	2012	10,102	5.23	57,622	5.32
	2013	28,539	5.21	36,009	5.28
	2014	13,449	5.11	16,641	5.12
	2015	5,429	5.04	5,662	5.04
	2016	4,026	4.98	4,026	4.98
	2017	1,787	4.98	1,787	4.98
Subtotal		63,332	5.16	121,747	5.25
Other long-term	2012	93	6.60	-	-
	2013	3,062	2.46	-	-
	2014	3,170	2.54	-	-
	2015	3,282	2.63	-	-
	2016	3,406	2.72	-	-
	2017	3,540	2.81	-	-
	2018	1,082	6.60	-	-
	2019	1,188	6.60	-	-
Subtotal		18,823	3.14	-	-
Total long-term borrowings		\$ 1,936,988	1.46 %	\$ 4,381,664	4.26%

During June 2012, TCF Bank issued \$110 million of subordinated notes, at a price to investors of 99.086% of par, which will be due on June 8, 2022. The subordinated notes bear interest at a fixed rate of 6.25% until maturity. The notes qualify as Tier 2, or supplementary capital for regulatory purposes, subject to certain limitations. TCF Bank used the proceeds to pay down short term borrowings.

In 2008, TCF Capital I, a statutory trust formed under the laws of the state of Delaware and wholly-owned finance subsidiary of TCF, issued 10.75% trust preferred junior subordinated notes (the “Trust Preferred Securities”). During June 2012, TCF announced that it had submitted a redemption notice to the property trustee for full redemption of the \$115 million of Trust Preferred Securities. The determination to redeem the Trust Preferred Securities followed a notice of proposed rulemaking, approved for publication in the Federal Register by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) on June 7, 2012, which would phase out the Tier 1 capital treatment of the Trust Preferred Securities. TCF has determined that the Federal Reserve’s approval for publication of the notice of proposed rulemaking constituted a “capital treatment event” (as defined in the indenture governing the Trust Preferred Securities), which allowed TCF to redeem the Trust Preferred Securities. The Trust Preferred Securities were redeemed on July 30, 2012, at the redemption price of \$25 per Trust Preferred Security plus accumulated and unpaid distributions, totaling \$115 million.

(11) Equity

Treasury stock and other consist of the following:

(In thousands)	At September 30, 2012	At December 31, 2011
Treasury stock, at cost	\$ 1,102	\$ 1,102
Shares held in trust for deferred compensation plans, at cost	42,293	32,265
Total	\$ 43,395	\$ 33,367

On June 25, 2012, TCF completed the public offering of depositary shares, each representing a 1/1,000th interest in a share of Series A Non-Cumulative Perpetual Preferred Stock (the “Series A Preferred Stock”), par value \$.01 per share. In connection with the offering, TCF issued 6,900,000 depositary shares, including 900,000 depositary shares issued pursuant to the full exercise of the underwriters’ over-allotment option, at a public offering price of \$25 per depositary share. Dividends are payable on the Series A Preferred Stock when, as and if declared by TCF’s Board of Directors on a non-cumulative basis on March 1, June 1, September 1, and December 1 of each year at a per annum rate of 7.5%. Net proceeds of the offering to TCF, after deducting underwriting discounts and commissions and estimated offering expenses of \$5.8 million, were \$166.7 million. On September 4, 2012, TCF paid \$2.4 million in cash dividends to Series A Preferred stockholders.

At September 30, 2012, TCF had 3,199,988 outstanding warrants to purchase common stock with a strike price of \$16.93 per share. Upon completion of the U.S. Treasury’s secondary public offering of the warrants issued under the Capital Purchase Program (“CPP”) in December 2009, the warrants became publicly traded on the New York Stock Exchange under the symbol “TCBWS.” As a result, TCF has no further obligations to the Federal Government in connection with the CPP.

TCF has a joint venture with The Toro Company (“Toro”) called Red Iron Acceptance, LLC (“Red Iron”). Red Iron provides U.S. distributors and dealers and select Canadian distributors of the Toro® and Exmark® branded products with reliable, cost-effective sources of financing. TCF and Toro maintain ownership interests of 55% and 45%, respectively, in Red Iron. As TCF has a controlling financial interest in Red Iron, its financial results are consolidated in TCF’s financial statements. Toro’s interest is reported as a non-controlling interest within equity and qualifies as Tier 1 regulatory capital.

The following table sets forth TCF’s and TCF Bank’s regulatory Tier 1 leverage, Tier 1 risk-based and total risk-based capital levels, and applicable percentages of adjusted assets, together with the stated minimum and well-capitalized capital ratio requirements. Decreases since December 31, 2011 in TCF’s Tier 1 and total risk-based capital are primarily the result of the balance sheet repositioning completed during March 2012.

(Dollars in thousands)	Actual		Minimum Capital Requirement ⁽¹⁾		Well-Capitalized Capital Requirement ⁽¹⁾	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of September 30, 2012						
Tier 1 leverage capital: ⁽²⁾						
TCF	\$ 1,515,050	8.66 %	\$ 699,823	4.00 %	N.A.	N.A.
TCF Bank	1,450,318	8.29	699,613	4.00	\$ 874,516	5.00 %
Tier 1 risk-based capital:						
TCF	1,515,050	10.40	582,511	4.00	873,767	6.00
TCF Bank	1,450,318	9.96	582,297	4.00	873,446	6.00
Total risk-based capital:						
TCF	1,887,488	12.96	1,165,022	8.00	1,456,278	10.00
TCF Bank	1,822,555	12.52	1,164,595	8.00	1,455,743	10.00
As of December 31, 2011						
Tier 1 leverage capital: ⁽²⁾						
TCF	\$ 1,706,926	9.15 %	\$ 745,887	4.00 %	N.A.	N.A.
TCF Bank	1,553,381	8.33	745,940	4.00	\$ 932,426	5.00 %
Tier 1 risk-based capital:						
TCF	1,706,926	12.67	539,013	4.00	808,520	6.00
TCF Bank	1,553,381	11.53	538,829	4.00	808,243	6.00
Total risk-based capital:						
TCF	1,994,875	14.80	1,078,026	8.00	1,347,533	10.00
TCF Bank	1,841,273	13.67	1,077,658	8.00	1,347,072	10.00

N.A. Not Applicable.

(1) The minimum and well-capitalized requirements are determined by the Federal Reserve for TCF and by the Office of the Comptroller of the Currency for TCF Bank pursuant to the FDIC Improvement Act of 1991.

(2) The minimum Tier 1 leverage ratio for bank holding companies and banks is 3.0 or 4.0 percent, depending on factors specified in regulations issued by federal banking agencies.

(12) Derivative Instruments

All derivative instruments are recognized within other assets or other liabilities at fair value within the Consolidated Statements of Financial Condition. These contracts typically settle within 30 days with the exception of contracts associated with cash flow hedges, which have maturities as long as seven months, and a swap agreement, with no determinable maturity date.

Forward foreign exchange contracts are used to manage the foreign exchange risk associated with certain assets, liabilities and forecasted transactions. Forward foreign exchange contracts represent agreements to exchange a foreign currency for U.S. dollars at an agreed-upon price and settlement date. During the second quarter of 2012, TCF sold its Visa® Class B stock, resulting in a net \$13.1 million pretax gain recorded in non-interest income. In conjunction with the sale, TCF and the purchaser entered into a derivative transaction whereby TCF will make, or receive, cash payments whenever the conversion ratio of the Visa Class B stock into Visa Class A stock is adjusted. The fair value of this derivative has been determined using estimated future cash flows using probability weighted scenarios for multiple estimates of Visa’s aggregate exposure to covered litigation matters, which include consideration of amounts funded by Visa into its escrow account for the covered litigation matters.

The value of derivative instruments will vary over their contractual term as the related underlying rates fluctuate. The accounting for

changes in the fair value of a derivative instrument depends on whether or not the contract has been designated and qualifies as a hedge. To qualify as a hedge, a contract must be highly effective at reducing the risk associated with the exposure being hedged. In addition, for a contract to be designated as a hedge, the risk management objective and strategy must be documented at inception. Hedge documentation must also identify the hedging instrument, the asset or liability and type of risk to be hedged and how the effectiveness of the contract is assessed prospectively and retrospectively. To assess effectiveness, TCF uses statistical methods such as regression analysis. The extent to which a contract has been, and is expected to continue to be, effective at offsetting changes in cash flows or the net investment must be assessed and documented at least quarterly. If it is determined that a contract is not highly effective at hedging the

22

designated exposure, hedge accounting is discontinued.

Upon origination of a derivative instrument, the contract is designated either as a hedge of a forecasted transaction or the variability of cash flows to be paid related to a recognized asset or liability (“cash flow hedge”), or a hedge of the volatility of an investment in foreign operations driven by changes in foreign currency exchange rates (“net investment hedge”). To the extent that a hedge is effective, changes in fair value are recorded within accumulated other comprehensive income (loss), with any ineffectiveness recorded in non-interest expense. Amounts recorded within other comprehensive income (loss) are subsequently reclassified to non-interest expense upon completion of the related transaction. Changes in net investment hedges recorded within other comprehensive income (loss) are subsequently reclassified to non-interest expense during the period in which the foreign investment is substantially liquidated or when other elements of the currency translation adjustment are reclassified to income. If a hedged forecasted transaction is no longer probable, hedge accounting is ceased and any gain or loss included in other comprehensive income (loss) is reported in earnings immediately. Changes in the values of forward foreign exchange contracts that are not designated as hedges are reflected in non-interest expense. Changes in the value of swap agreements that are not designated as hedges are reflected in non-interest income.

Cash Flow Hedges Foreign exchange contracts, which include forward contracts, were used to manage the foreign exchange risk associated with certain minimum lease payment streams. At September 30, 2012 and December 31, 2011 TCF had \$4 thousand and less than \$1 thousand, respectively, of unrealized gains on derivatives classified as cash flow hedges recorded in other comprehensive income (loss). The estimated amount to be reclassified from other comprehensive income (loss) into earnings during the next 12 months is a loss of \$4 thousand.

Net Investment Hedges Foreign exchange contracts, which include forward contracts and currency options, are used to manage the foreign exchange risk associated with the Company’s net investment in TCF Commercial Finance Canada, Inc., a wholly-owned Canadian subsidiary of TCF Bank, along with certain assets, liabilities and forecasted transactions of that subsidiary. The gross amount of related gains or losses included in the cumulative translation adjustment within other comprehensive income (loss) for the three and nine months ended September 30, 2012, were losses of \$634 thousand and \$766 thousand, respectively. The gross amount of related gains or losses included in the cumulative translation adjustment within other comprehensive income (loss) for the three and nine months ended September 30, 2011, were gains of \$1.3 million and \$716 thousand, respectively.

23

The following tables summarize the derivative instruments as of September 30, 2012 and December 31, 2011. See Note 13, Fair Value Measurement for additional information.

(In thousands)	At September 30, 2012							
	Receivables				Payables			
	Notional Amount	Designated as Hedges	Not Designated as Hedges	Total	Designated as Hedges	Not Designated as Hedges	Total	
Forward foreign exchange contracts	\$ 450,772	\$ 210	\$ 2,565	\$ 2,775	\$ -	\$ 173	\$ 173	
Swap agreement	14,358	-	-	-	-	1,309	1,309	
Netting adjustments ⁽¹⁾				(1,112)			(1,482)	
Net receivable / payable				\$ 1,663			\$ -	

(In thousands)	At December 31, 2011							
	Receivables				Payables			
	Notional Amount	Designated as Hedges	Not Designated as Hedges	Total	Designated as Hedges	Not Designated as Hedges	Total	
Forward foreign exchange contracts	\$ 450,772	\$ 210	\$ 2,565	\$ 2,775	\$ -	\$ 173	\$ 173	
Swap agreement	14,358	-	-	-	-	1,309	1,309	
Netting adjustments ⁽¹⁾				(1,112)			(1,482)	
Net receivable / payable				\$ 1,663			\$ -	

(In thousands)	Notional Amount	Designated as Hedges	Not Designated as Hedges	Total	Designated as Hedges	Not Designated as Hedges	Total
Forward foreign exchange contracts	\$ 176,979	\$ -	\$ 396	\$ 396	\$ 3	\$ 662	\$ 665
Netting adjustments ⁽¹⁾				(396)			(381)
Net receivable / payable				\$ -			\$ 284

(1) Derivative receivables and payables, and the related cash collateral received and paid, are netted when a legally enforceable master netting agreement exists between TCF and a counterparty.

The following table summarizes the pre-tax impact of foreign exchange activity on other non-interest expense within the Consolidated Statements of Income and Consolidated Statements of Financial Condition, by accounting designation.

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Consolidated Statements of Comprehensive Income:				
Foreign exchange gains (losses)	\$ 11,835	\$ (14,709)	\$ 8,285	\$ (9,541)
Forward foreign exchange contract gains (losses):				
Cash flow hedge	(5)	278	(6)	265
Not designated as hedges	(12,470)	13,970	(10,182)	8,280
Total forward foreign exchange contract (losses) gain	(12,475)	14,248	(10,188)	8,545
Net realized loss	\$ (640)	\$ (461)	\$ (1,903)	\$ (996)
Consolidated Statements of Financial Condition:				
Accumulated other comprehensive (loss) income:				
Foreign currency translation adjustment	\$ 640	\$ (1,410)	\$ 701	\$ (876)
Net investment hedge	(634)	1,293	(766)	716
Cash flow hedge	4	26	-	3
Net unrealized gain (loss)	\$ 10	\$ (91)	\$ (65)	\$ (157)

TCF executes all of its foreign exchange contracts in the over-the-counter market with large, international financial institutions pursuant to International Swaps and Derivatives Association, Inc. ("ISDA") master agreements. These agreements include credit risk-related features that enhance the creditworthiness of these instruments as compared with other obligations of the respective counterparty with whom TCF has transacted by requiring that additional collateral be posted under certain circumstances. No such collateral was posted at September 30, 2012. The amount of collateral required depends on the contract and is determined daily based on market and currency exchange rate conditions. At September 30, 2012, TCF had received \$ 1.2 million and posted \$1.3 million of cash collateral related to its forward foreign exchange contracts and posted \$1.4 million of cash collateral related to its swap agreement, of which \$21

thousand was not utilized to offset derivative liability positions because the liability position was over-collateralized. At December 31, 2011, TCF had received \$150 thousand of cash collateral and had posted \$135 thousand of cash collateral.

(13) Fair Value Measurement

Fair values represent the estimated price at which an orderly transaction to sell an asset or to transfer a liability would take place between market participants at the measurement date under current market conditions.

The following tables present the balances of assets and liabilities measured at fair value on a recurring and non-recurring basis.

(In thousands)	Fair Value Measurements at September 30, 2012			
	Readily Available Market Prices ⁽¹⁾	Observable Market Prices ⁽²⁾	Company Determined Market Prices ⁽³⁾	Total at Fair Value
Recurring Fair Value Measurements:				
Securities available for sale:				
Mortgage-backed securities:				
U.S. Government sponsored enterprises and federal agencies	\$ -	\$ 557,423	\$ -	\$ 557,423
Other	-	-	134	134

Other securities	2,114	-	-	2,114
Forward foreign exchange contracts	-	2,775	-	2,775
Assets held in trust for deferred compensation plans ⁽⁴⁾	11,567	-	-	11,567
Total assets	\$ 13,681	\$ 560,198	\$ 134	\$ 574,013
Forward foreign exchange contracts	\$ -	\$ 173	\$ -	\$ 173
Swap agreement	-	-	1,309	1,309
Total liabilities	\$ -	\$ 173	\$ 1,309	\$ 1,482

Nonrecurring Fair Value Measurements:

Loans: ⁽⁵⁾				
Commercial	\$ -	\$ -	\$ 125,815	\$ 125,815
Real estate owned: ⁽⁶⁾				
Consumer	-	-	63,773	63,773
Commercial	-	-	29,840	29,840
Repossessed and returned assets ⁽⁶⁾	-	2,153	876	3,029
Investments ⁽⁷⁾	-	-	3,281	3,281
Total non-recurring fair value measurements	\$ -	\$ 2,153	\$ 223,585	\$ 225,738

(1) Considered Level 1 under Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurements and Disclosures ("ASC 820").

(2) Considered Level 2 under ASC 820.

(3) Considered Level 3 under ASC 820 and are based on valuation models that use significant assumptions that are not observable in an active market.

(4) A corresponding liability is recorded in other liabilities for TCF's obligation to the participants in these plans.

(5) Represents the carrying value of loans for which impairment reserves are determined based on the appraisal value of the collateral.

(6) Amounts do not include assets held at cost at September 30, 2012.

(7) Represents the carrying value of other investments which were recorded at fair value determined by using quoted prices, when available, and incorporating results of internal pricing techniques and observable market information.

(In thousands)	Fair Value Measurements at December 31, 2011			
	Readily Available Market Prices ⁽¹⁾	Observable Market Prices ⁽²⁾	Company Determined Market Prices ⁽³⁾	Total at Fair Value
Recurring Fair Value Measurements:				
Securities available for sale:				
Mortgage-backed securities:				
U.S. Government sponsored enterprises and federal agencies	\$ -	\$ 2,322,336	\$ -	\$ 2,322,336
Other	-	-	152	152
Other securities	252	-	1,298	1,550
Forward foreign exchange contracts	-	396	-	396
Assets held in trust for deferred compensation plans ⁽⁴⁾	9,833	-	-	9,833
Total assets	\$ 10,085	\$ 2,322,732	\$ 1,450	\$ 2,334,267
Forward foreign exchange contracts	\$ -	\$ 665	\$ -	\$ 665
Total liabilities	\$ -	\$ 665	\$ -	\$ 665
Nonrecurring Fair Value Measurements:				
Loans:				
Commercial ⁽⁵⁾	\$ -	\$ -	\$ 29,003	\$ 29,003
Real estate owned: ⁽⁶⁾				
Consumer	-	-	77,126	77,126
Commercial	-	-	45,137	45,137
Repossessed and returned assets ⁽⁶⁾	-	3,889	270	4,159
Investments ⁽⁷⁾	-	-	4,244	4,244
Total non-recurring fair value measurements	\$ -	\$ 3,889	\$ 155,780	\$ 159,669

(1) Considered Level 1 under ASC 820.

(2) Considered Level 2 under ASC 820.

(3) Considered Level 3 under ASC 820 and are based on valuation models that use significant assumptions that are not observable in an active market.

(4) A corresponding liability is recorded in other liabilities for TCF's obligation to the participants in these plans.

(5) Represents the carrying value of loans for which impairment reserves are determined based on the appraisal value of the collateral.

(6) Amounts do not include assets held at cost at December 31, 2011.

(7) Represents the carrying value of other investments which were recorded at fair value determined by using quoted prices, when available, and incorporating results of internal pricing techniques and observable market information.

The change in total assets carried at fair value using Company Determined Market Prices, from \$1.5 million at December 31, 2011 to \$134 thousand at September 30, 2012, was the result of decreases in fair value of \$100 thousand recorded within other comprehensive income (loss), reductions due to principal paydowns of \$119 thousand, and transfers to securities measured at fair value using Readily

Available Market Prices from securities measured using Company Determined Market Prices of \$1.1 million. The transfer was recognized as of the date of TCF's adoption of Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2011-04, *Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS*. The change in total liabilities measured at fair value using Company Determined Market Prices from December 31, 2011 to \$1.3 million at September 30, 2012, was due to the fair value measurement of a swap agreement entered into during the second quarter of 2012.

The following is a description of valuation methodologies used for assets and liabilities recorded at fair value on a recurring basis.

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

Other securities, for which there is little or no market activity, are categorized as Level 3 assets. Other securities classified as Level 3 assets include foreign debt securities and previously included equity investments in other thinly traded financial institutions. The fair value of these assets is determined by using quoted prices, when available, and incorporating results of internal pricing techniques and observable market information, which is adjusted for security

specific information, such as financial statement strength, earnings history, disclosed fair value measurements, recorded impairments and key financial ratios, to determine fair value. Other securities, for which there are active markets and routine trading volume, are categorized as Level 1 assets.

Forward Foreign Exchange Contracts TCF's forward foreign exchange contracts are executed in over-the-counter markets and are valued using a cash flow model that includes key inputs such as foreign exchange rates and, in accordance with GAAP, an assessment of the risk of counterparty non-performance. The risk of counterparty non-performance is based on external assessments of credit risk. The majority of these contracts are based on observable transactions, but not quoted markets, and are classified as Level 2 assets and liabilities. As permitted under GAAP, TCF has elected to net derivative receivables and derivative payables and the related cash collateral received and paid, when a legally enforceable master netting agreement exists. For purposes of the previous tables, the derivative receivable and payable balances are presented gross of this netting adjustment.

Swap Agreement TCF's swap agreement relates to the sale of TCF's Visa Class B stock, and is classified as a Level 3 liability. The value of the swap agreement is based upon TCF's estimated exposure related to the Visa covered litigation through a probability analysis of the funding and estimated settlement amounts. As permitted under GAAP, TCF has elected to net derivative receivables and derivative payables and the related cash collateral received and paid, when a legally enforceable master netting agreement exists. For purposes of the previous tables, any derivative receivable and payable balances are presented gross of this netting adjustment.

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

The following is a description of valuation methodologies used for assets measured on a non-recurring basis.

Loans Impaired loans for which repayment of the loan is expected to be provided solely by the value of the underlying collateral are considered collateral dependent and are valued based on the fair value of such collateral, less estimated selling costs. Selling costs are generally calculated as 5% to 10% of the fair value of the underlying collateral.

Real Estate Owned and Repossessed and Returned Assets The fair value of real estate owned is based on independent full appraisals, real estate broker's price opinions, or automated valuation methods, less estimated selling costs. Selling costs are generally calculated as 5% to 10% of the fair value of the underlying collateral. Certain properties require assumptions that are not observable in an active market in the determination of fair value. The fair value of repossessed and returned assets is based on available pricing guides, auction results or price opinions, less estimated selling costs. Assets acquired through foreclosure, repossession or returned to TCF are initially recorded at the lower of the loan or lease carrying amount or fair value less estimated selling costs at the time of transfer to real estate owned or repossessed and returned assets. Real estate owned and repossessed and returned assets were written down \$7.2 million and included in foreclosed real estate and repossessed assets, net expense, for the three months ended September 30, 2012.

(14) Fair Value of Financial Instruments

TCF is required to disclose the estimated fair value of financial instruments, both assets and liabilities on and off the balance sheet, for which it is practicable to estimate fair value. These fair value estimates were made at September 30, 2012 and December 31, 2011, based on relevant market information and information about the financial instruments. Fair value estimates are intended to represent the price at which an orderly transaction to sell an asset or transfer liability would take place between market participants at the measurement date under current market conditions. However, given there is no active market or observable market transactions for many of TCF's financial instruments, the Company has made estimates of fair values which are subjective in nature, involve uncertainties and matters of significant judgment and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimated values.

The carrying amounts and estimated fair values of the Company's financial instruments are set forth in the following table. This information represents only a portion of TCF's balance sheet, and not the estimated value of the Company as a whole. Non-financial instruments such as the value of TCF's branches and core deposits, leasing operations and the

future revenues from TCF's customers are not reflected in this disclosure. Therefore, this information is of limited use in assessing the value of TCF.

(In thousands)	Level in Fair Value Measurement Hierarchy	At September 30, 2012		At December 31, 2011	
		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial instrument assets:					
Cash and due from banks	Level 1	\$ 922,127	\$ 922,127	\$ 1,389,704	\$ 1,389,704
Investments	Level 2	120,107	120,107	150,797	150,797
Investments	Level 3	6,380	6,380	6,983	6,983
Securities available for sale	Level 1	2,114	2,114	252	252
Securities available for sale	Level 2	557,423	557,423	2,322,336	2,322,336
Securities available for sale	Level 3	134	134	1,450	1,450
Forward foreign exchange contracts	Level 2	1,663	2,775	-	-
Loans and leases held for sale	Level 3	3,691	3,889	14,321	14,524
Interest-only strips (2)	Level 3	39,275	39,275	22,436	22,436
Loans:					
Consumer real estate	Level 3	6,648,036	6,390,319	6,895,291	6,549,277
Commercial real estate	Level 3	3,237,138	3,154,893	3,198,698	3,154,724
Commercial business	Level 3	274,096	272,817	250,794	242,331
Equipment finance loans	Level 3	1,236,811	1,248,301	1,110,803	1,118,271
Inventory finance loans	Level 3	1,466,269	1,455,690	624,700	623,651
Auto finance	Level 3	407,091	427,697	3,628	3,628
Other	Level 3	27,610	22,792	34,885	30,665
Total financial instrument assets		\$ 14,949,965	\$ 14,626,733	\$ 16,027,078	\$ 15,631,029
Financial instrument liabilities:					
Checking, savings and money market deposits	Level 1	\$ 11,647,510	\$ 11,647,510	\$ 11,136,389	\$ 11,136,389
Certificates of deposit	Level 2	2,073,909	2,090,131	1,065,615	1,068,793
Short-term borrowings	Level 1	115,529	115,529	6,416	6,416
Long-term borrowings	Level 2	1,936,988	1,961,424	4,381,664	4,913,637
Forward foreign exchange contracts	Level 2	-	173	284	284
Swap agreement	Level 3	-	1,309	-	-
Total financial instrument liabilities		\$ 15,773,936	\$ 15,816,076	\$ 16,590,368	\$ 17,125,519
Financial instruments with off-balance sheet risk: ⁽¹⁾					
Commitments to extend credit ⁽²⁾	Level 2	\$ 30,159	\$ 30,159	\$ 31,210	\$ 31,210
Standby letters of credit ⁽³⁾	Level 2	(71)	(71)	(71)	(71)
Total financial instruments with off-balance sheet risk		\$ 30,088	\$ 30,088	\$ 31,139	\$ 31,139

(1) Positive amounts represent assets, negative amounts represent liabilities.

(2) Carrying amounts are included in other assets.

(3) Carrying amounts are included in accrued expenses and other liabilities.

The carrying amounts of cash and due from banks and accrued interest payable and receivable approximate their fair values due to the short period of time until their expected realization. Securities available for sale, forward foreign exchange contracts and assets held in trust for deferred compensation plans are carried at fair value, see Note 13, Fair Value Measurement. Certain financial instruments, including lease financings, discounted lease rentals and all non-financial instruments are excluded from fair value of

financial instrument disclosure requirements. The following methods and assumptions are used by TCF in estimating fair value for its remaining financial instruments, all of which are issued or held for purposes other than trading.

Investments The carrying value of investments in FHLB stock and Federal Reserve stock approximates fair value. The fair value of other investments is estimated based on discounted cash flows using current market rates and consideration of credit exposure.

Loans and Leases Held for Sale Auto loans and equipment finance leases held for sale are carried at the lower of cost or fair value. The cost of auto loans held for sale includes the unpaid principal balance, net of deferred loan fees and costs

28

and dealer participation premiums. Estimated fair values are based upon recent loan sale transactions and any available price quotes on loans with similar coupons, maturities and credit quality.

Interest-Only Strips The fair value of the interest-only strips represents the present value of future cash flows to be generated by the loans, in excess of the interest paid to investors and servicing revenue received on the loans, and is included in other assets in the Consolidated Statements of Financial Condition. This excess interest represents future proceeds and is calculated as the contractual loan rate less the fixed rate that will be paid to the investor as specified in the loan sale agreements. TCF uses available market data, along with its own empirical data and discounted cash flow models, to arrive at the estimated fair value of its interest-only strips. The present value of the estimated expected future cash flows to be received is determined by using discount, loss and prepayment rates that the Company believes are commensurate with the risks associated with the cash flows. These assumptions are inherently subject to volatility and uncertainty. As a result, the estimated fair value of the interest-only strips may fluctuate from period to period, and such fluctuations could be significant.

Loans The fair value of loans is estimated based on discounted expected cash flows or the underlying value of the collateral. Expected discounted cash flows include assumptions for prepayment estimates over the loans' remaining life, consideration of the current interest rate environment compared to the weighted average rate of each portfolio, a credit risk component based on the historical and expected performance of each portfolio and a liquidity adjustment related to the current market environment.

Forward Foreign Exchange Contracts Forward foreign exchange contract assets and liabilities are carried at fair value, which is net of the related cash collateral received and paid when a legally enforceable master netting agreement exists between TCF and the counterparty.

Swap Agreement Swap agreement assets and liabilities are carried at fair value, which is net of the related cash collateral received and paid when a legally enforceable master netting agreement exists between TCF and the counterparty.

Deposits The fair value of checking, savings and money market deposits is deemed equal to the amount payable on demand. The fair value of certificates of deposit is estimated based on discounted cash flows using currently offered market rates. The intangible value of long-term relationships with depositors is not taken into account in the fair values disclosed.

Borrowings The carrying amounts of short-term borrowings approximate their fair values. The fair values of TCF's long-term borrowings are estimated based on observable market prices and discounted cash flows using interest rates for borrowings of similar remaining maturities and characteristics.

Financial Instruments with Off-Balance Sheet Risk The fair values of TCF's commitments to extend credit and standby letters of credit are estimated using fees currently charged to enter into similar agreements as commitments and standby letters of credit similar to TCF's are not actively traded. Substantially all commitments to extend credit and standby letters of credit have floating rates and do not expose TCF to interest rate risk; therefore fair value is approximately equal to carrying value.

29

(15) Stock Compensation

The following table reflects TCF's restricted stock and stock option transactions under the TCF Financial Incentive Stock Program during the nine months ended September 30, 2012.

Restricted Stock		Stock Options		
Shares	Weighted-Average Grant Date Fair Value	Shares	Price Range	Weighted-Average Exercise Price

Outstanding at December 31, 2011	2,284,114	\$ 12.95	2,198,744	\$ 12.85 - \$ 15.75	\$ 14.43
Granted	1,732,200	9.23	-	-	-
Forfeited	(61,912)	13.61	(121,640)	- \$ 15.75	15.75
Vested	(503,839)	13.13	-	-	-
Outstanding at September 30, 2012	3,450,563	\$ 11.04	2,077,104	\$ 12.85 - \$ 15.75	\$ 14.35
Exercisable at September 30, 2012	N.A.	N.A.	2,077,104		\$ 14.35

N.A. Not applicable

Unrecognized stock compensation for restricted stock was \$22.8 million with a weighted-average remaining amortization period of 2.3 years at September 30, 2012. As of September 30, 2012, the weighted average remaining contractual life of stock options outstanding was 5.13 years.

At September 30, 2012, there were 1,357,751 shares of performance-based restricted stock that will vest only if certain return on assets goals, return on equity goals, and service conditions are achieved. Failure to achieve the goals and service conditions will result in all or a portion of the shares being forfeited.

(16) Employee Benefit Plans

The following tables set forth the net periodic benefit cost (income) included in compensation and employee benefits expense for TCF's Pension Plan and Postretirement Plan for the three and nine months ended September 30, 2012 and 2011.

(In thousands)	Pension Plan			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest cost	\$ 441	\$ 556	\$ 1,322	\$ 1,666
Return on plan assets	(206)	(678)	(618)	(2,033)
Net periodic benefit cost (income)	\$ 235	\$ (122)	\$ 704	\$ (367)

(In thousands)	Postretirement Plan			
	Three Months Ended September 30,		Nine Months Ended September 30,	
	2012	2011	2012	2011
Interest cost	\$ 73	\$ 108	\$ 220	\$ 324
Service cost	-	-	-	1
Amortization of transition obligation	-	1	-	3
Amortization of prior service cost	(7)	-	(21)	-
Net periodic benefit cost	\$ 66	\$ 109	\$ 199	\$ 328

TCF made no cash contributions to the Pension Plan in either of the nine months ended September 30, 2012 or 2011. During the third quarter and first nine months of 2012, TCF paid \$108 thousand and \$384 thousand, respectively, for

30

benefits of the Postretirement Plan, compared with \$123 thousand and \$390 thousand, respectively, for the same periods in 2011.

During the fourth quarter of 2011, TCF retrospectively changed its method of accounting for pension and other postretirement benefits. TCF's policy for actuarial gains and losses is now to immediately recognize them in its operating results in the year in which the gains and losses occur. Additionally, for purposes of calculating the expected return on plan assets, TCF no longer uses an averaging technique for the market-related value of plan assets, but instead uses the actual fair value of plan assets adjusted annually as of December 31. As such, actual results could differ from estimates recorded by TCF during interim periods.

(17) Business Segments

Lending, Funding and Support Services and Other have been identified as reportable operating segments. Lending includes retail lending, commercial banking, leasing and equipment finance, inventory finance and auto finance. Funding includes branch banking and treasury services. Support Services and Other includes holding company and corporate functions that provide data processing, bank operations and other professional services to the operating segments. In 2012, TCF changed the management structure and therefore its segments. Prior periods have been restated to reflect the current structure.

TCF evaluates performance and allocates resources based on each segment's net income. The business segments follow generally accepted accounting principles as described in the Summary of Significant Accounting Policies in the most recent Annual Report on

The following tables set forth certain information of each of TCF's reportable segments, including a reconciliation of TCF's consolidated totals.

(In thousands)	Lending	Funding	Support Services	Eliminations and Other ⁽¹⁾	Consolidated
For the Three Months Ended September 30, 2012					
Revenues from external customers:					
Interest income	\$ 212,719	\$ 7,133	\$ -	\$ -	\$ 219,852
Non-interest income	37,734	74,620	(296)	-	112,058
Total	\$ 250,453	\$ 81,753	\$ (296)	\$ -	\$ 331,910
Net interest income	\$ 133,001	\$ 68,208	\$ 23	\$ (673)	\$ 200,559
Provision for credit losses	95,311	964	-	-	96,275
Non-interest income	37,734	74,632	36,431	(36,739)	112,058
Non-interest expense	91,166	92,741	49,640	(36,739)	196,808
Income tax expense (benefit)	(5,628)	18,020	(5,415)	(673)	6,304
Income (loss) after income tax expense	(10,114)	31,115	(7,771)	-	13,230
Income attributable to non-controlling interest	1,536	-	-	-	1,536
Preferred stock dividends	-	-	2,372	-	2,372
Net income (loss) attributable to common stockholders	\$ (11,650)	\$ 31,115	\$ (10,143)	\$ -	\$ 9,322
Total assets	\$15,464,714	\$ 6,790,741	\$ 149,949	\$ (4,527,011)	\$ 17,878,393

For the Three Months Ended September 30, 2011

Revenues from external customers:

Interest income	\$ 210,990	\$ 24,453	\$ -	\$ -	\$ 235,443
Non-interest income	24,403	93,582	(229)	-	117,756
Total	\$ 235,393	\$ 118,035	\$ (229)	\$ -	\$ 353,199
Net interest income	\$ 118,592	\$ 58,068	\$ (30)	\$ (566)	\$ 176,064
Provision for credit losses	51,187	1,128	-	-	52,315
Non-interest income	24,403	97,593	33,860	(38,100)	117,756
Non-interest expense	79,592	112,332	35,865	(38,941)	188,848
Income tax expense (benefit)	4,338	15,940	(856)	(263)	19,159
Income (loss) after income tax expense	7,878	26,261	(1,179)	538	33,498
Income attributable to non-controlling interest	1,243	-	-	-	1,243
Net income (loss) attributable to common stockholders	\$ 6,635	\$ 26,261	\$ (1,179)	\$ 538	\$ 32,255
Total assets	\$14,522,448	\$ 7,756,208	\$ 74,923	\$ (3,261,552)	\$ 19,092,027

(1) Includes the portion of pension and other postretirement benefits (expense) attributable to the determination of actuarial gains and losses.

(In thousands)	Lending	Funding	Support Services	Eliminations and Other ⁽¹⁾	Consolidated
For the Nine Months Ended September 30, 2012					
Revenues from external customers:					
Interest income	\$ 629,809	\$ 35,787	\$ -	\$ -	\$ 665,596
Non-interest income	100,151	277,111	13,024	-	390,286
Total	\$ 729,960	\$ 312,898	\$ 13,024	\$ -	\$ 1,055,882
Net interest income	\$ 384,788	\$ 196,080	\$ 28	\$ (1,940)	\$ 578,956
Provision for credit losses	197,998	925	-	-	198,923
Non-interest income	100,151	277,145	124,238	(111,248)	390,286
Non-interest expense	268,897	865,130	125,726	(111,248)	1,148,505
Income tax expense (benefit)	6,312	(143,248)	(4,522)	(1,940)	(143,398)
Income (loss) after income tax expense	11,732	(249,582)	3,062	-	(234,788)
Income attributable to non-controlling interest	4,881	-	-	-	4,881
Preferred stock dividends	-	-	2,372	-	2,372
Net income (loss) attributable to common stockholders	\$ 6,851	\$ (249,582)	\$ 690	\$ -	\$ (242,041)
Total assets	\$15,464,714	\$ 6,790,741	\$ 149,949	\$ (4,527,011)	\$ 17,878,393

For the Nine Months Ended September 30, 2011

Revenues from external customers:

Interest income	\$ 639,668	\$ 67,976	\$ -	\$ -	\$ 707,644
-----------------	------------	-----------	------	------	------------

Non-interest income	77,654	268,824	(334)	-	346,144
Total	\$ 717,322	\$ 336,800	\$ (334)	\$ -	\$ 1,053,788
Net interest income	\$ 353,130	\$ 174,678	\$ -	\$ (1,554)	\$ 526,254
Provision for credit losses	140,353	1,241	-	-	141,594
Non-interest income	77,654	281,627	102,081	(115,218)	346,144
Non-interest expense	238,579	349,219	107,010	(117,890)	576,918
Income tax expense (benefit)	18,293	41,128	(1,811)	(593)	57,017
Income (loss) after income tax expense	33,559	64,717	(3,118)	1,711	96,869
Income attributable to non-controlling interest	3,918	-	-	-	3,918
Net income (loss) attributable to common stockholders	\$ 29,641	\$ 64,717	\$ (3,118)	\$ 1,711	\$ 92,951
Total assets	\$14,522,448	\$ 7,756,208	\$ 74,923	\$ (3,261,552)	\$ 19,092,027

(1) Includes the portion of pension and other postretirement benefits (expense) attributable to the determination of actuarial gains and losses.

33

(18) Earnings Per Common Share

The computation of basic and diluted earnings (loss) per common share is presented in the following table.

(Dollars in thousands, except per-share data)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Basic Earnings (Loss) Per Common Share				
Net income (loss) available to common stockholders	\$ 9,322	\$ 32,255	\$ (242,041)	\$ 92,951
Earnings allocated to participating securities	12	74	43	272
Earnings (loss) allocated to common stock	\$ 9,310	\$ 32,181	\$ (242,084)	\$ 92,679
Weighted-average shares outstanding	162,731,686	159,302,141	162,044,079	154,659,623
Restricted stock	(3,199,042)	(1,883,420)	(2,991,746)	(1,652,640)
Weighted-average common shares outstanding for basic earnings per common share	159,532,644	157,418,721	159,052,333	153,006,983
Basic earnings (loss) per share	\$.06	\$.20	\$ (1.52)	\$.61
Diluted Earnings (Loss) Per Common Share				
Earnings (loss) allocated to common stock	\$ 9,310	\$ 32,181	\$ (242,084)	\$ 92,680
Weighted-average common shares outstanding used in basic earnings per common share calculation	159,532,644	157,418,721	159,052,333	153,006,983
Net dilutive effect of:				
Non-participating restricted stock	474,137	195,593	-	169,483
Stock options	9,634	6,632	-	125,329
Weighted-average common shares outstanding for diluted earnings per common share	160,016,415	157,620,946	159,052,333	153,301,795
Diluted earnings (loss) per share	\$.06	\$.20	\$ (1.52)	\$.60

All shares of restricted stock are deducted from weighted-average shares outstanding for the computation of basic earnings per common share. Shares of performance-based restricted stock are included in the calculation of diluted earnings per common share, using the treasury stock method, at the beginning of the quarter in which the performance goals have been achieved. All other shares of restricted stock, which vest over specified time periods, stock options, and warrants are included in the calculation of diluted earnings per common share, using the treasury stock method.

For the three and nine months ended September 30, 2012, 1.9 million shares related to non-participating restricted stock and stock options and 3.2 million warrants were outstanding and not included in the computation of diluted earnings per common share because these shares were anti-dilutive. For the three and nine months ended September 30, 2011, 2.3 million shares related to non-participating restricted stock and 3.2 million warrants were outstanding and not included in the computation of diluted earnings per common share because these shares were anti-dilutive.

34

(19) Other Expense

Other expense consists of the following.

(In thousands)	Three Months Ended		Nine Months Ended	
	September 30,		September 30,	
	2012	2011	2012	2011
Card processing and issuance cost	\$ 3,883	\$ 4,654	\$ 11,657	\$ 13,752
Outside processing	3,311	2,904	9,533	8,926
Professional fees	3,221	3,337	9,014	10,056
Telecommunications	2,688	3,201	8,871	9,210
Postage and courier	2,369	2,689	7,773	7,771
Deposit account losses	2,368	2,072	6,553	6,226
Office supplies	1,391	1,604	5,032	4,958
ATM processing	1,132	1,270	3,366	3,732
Other	15,810	12,977	48,626	41,710
Total other expense	\$ 36,173	\$ 34,708	\$ 110,425	\$ 106,341

(20) Litigation Contingencies

From time to time, TCF is a party to legal proceedings arising out of its lending, leasing and deposit operations. TCF is and expects to become engaged in a number of foreclosure proceedings and other collection actions as part of its lending and leasing collections activities. TCF may also be subject to enforcement action by federal regulators, including the Securities and Exchange Commission, the Federal Reserve, the Office of the Comptroller of the Currency (the "OCC") and the Consumer Financial Protection Bureau. From time to time, borrowers and other customers, or employees or former employees, have also brought actions against TCF, in some cases claiming substantial damages. Financial services companies are subject to the risk of class action litigation, and TCF is subject to such actions brought against it from time to time. Litigation is often unpredictable and the actual results of litigation cannot be determined and therefore the ultimate resolution of a matter and the possible range of loss associated with certain potential outcomes cannot be established. Based on our current understanding of these pending legal proceedings, management does not believe that judgments or settlements arising from pending or threatened legal matters, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, operating results or cash flows of TCF. TCF is also subject to regulatory examinations and TCF's regulatory authorities may impose sanctions on TCF for a failure to maintain regulatory compliance. TCF is currently subject to a Consent Order with the OCC relating to its Bank Secrecy Act compliance. The Consent Order does not call for the payment of a civil money penalty; however, the OCC has issued a written notice to TCF related to TCF's Bank Secrecy Act compliance deficiencies. After the OCC's review of TCF's response to the notice, the OCC may impose a monetary penalty related to these findings. TCF is currently not able to estimate a reasonable range of costs relating to that possibility.

In the third quarter of 2012, TCF charged off a lease to a customer which had filed bankruptcy. Although TCF wrote off its total on-balance sheet exposure to the customer, TCF had previously sold interests in the lease it had originated to other entities. Following the customer bankruptcy, certain of those purchasers have made claims on TCF related to their purchases. TCF's investigation of those claims and defenses to them is ongoing, and TCF is seeking to resolve certain of the claims, but the merit or possible outcome of the claims is not known at this time.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

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

OVERVIEW

TCF Financial Corporation ("TCF" or the "Company"), a Delaware corporation, is a bank holding company based in Wayzata, Minnesota. Its principal subsidiary, TCF National Bank ("TCF Bank"), is headquartered in South Dakota. TCF had 429 banking offices in Minnesota, Illinois, Michigan, Colorado, Wisconsin, Indiana, Arizona and South Dakota (TCF's primary banking markets) at September 30, 2012.

TCF provides convenient financial services through multiple channels in its primary banking markets. TCF has developed products and services designed to meet the needs of all consumers. The Company focuses on attracting and retaining customers through service and convenience, including branches that are open seven days a week and on most holidays, extensive full-service supermarket branches, automated teller machine ("ATM") networks and internet, mobile and telephone banking. TCF's philosophy is to generate interest income, fees and other revenue growth through business lines that emphasize higher yielding assets and low or no interest-cost

deposits. TCF's growth strategies have included the development of new products and services, new branch expansion and acquisitions. New products and services are designed to build on existing businesses and expand into complementary products and services through strategic initiatives.

TCF's core businesses include Lending and Funding. Lending includes retail lending, commercial banking, leasing and equipment finance, inventory finance and auto finance. Funding includes branch banking and treasury services. Treasury services includes the Company's investment and borrowing portfolios and management of capital, debt and market risks, including interest rate and liquidity risks.

TCF's lending strategy is to originate high credit quality, primarily secured, loans and leases. TCF's retail lending operation offers fixed- and variable-rate loans and lines of credit secured by residential real estate properties. Commercial loans are generally made on properties or to customers located within TCF's primary banking markets. The leasing and equipment finance businesses consist of TCF Equipment Finance, Inc., which delivers equipment finance solutions to businesses in select markets, and Winthrop Resources Corporation ("Winthrop"), which primarily leases technology and data processing equipment. TCF's leasing and equipment finance businesses have equipment installations in all 50 states and, to a limited extent, in foreign countries. TCF Inventory Finance, Inc. originates commercial variable-rate loans to businesses in the United States, Canada and Latin America which are secured by equipment under a floorplan arrangement and supported by repurchase agreements from original equipment manufacturers. In November 2011, TCF entered into the auto finance business with its acquisition of Gateway One Lending & Finance, LLC ("Gateway One"). Gateway One currently originates loans on new and used autos in 40 states, and services loans nationwide.

Net interest income, the difference between interest income earned on loans and leases, securities available for sale, investments and other interest-earning assets and interest paid on deposits and borrowings, represented 66.8% of TCF's total revenue, excluding gains on securities, for the nine months ended September 30, 2012. Net interest income can change significantly from period to period based on general levels of interest rates, customer prepayment patterns, the mix of interest-earning assets and the mix of interest-bearing and non-interest bearing deposits and borrowings. TCF manages the risk of changes in interest rates on its net interest income through an Asset/Liability Management Committee and through related interest-rate risk monitoring and management policies. See Part I, Item 3. Quantitative and Qualitative Disclosures about Market Risk, for further information.

Non-interest income is a significant source of revenue for TCF and an important factor in TCF's results of operations. Increasing fee and service charge revenue has been challenging as a result of economic conditions, changing customer behavior and the impact of the implementation of new regulation. Providing a wide range of retail banking services is an integral component of TCF's business philosophy and a major strategy for generating additional non-interest income. Key drivers of non-interest income are the fee structure, number of deposit accounts and related transaction activity.

The following portions of Management's Discussion and Analysis of Financial Condition and Results of Operations

("Management's Discussion and Analysis") focus in more detail on the results of operations for the three and nine months ended September 30, 2012 and 2011, and on information about TCF's balance sheet, loan and lease portfolio, liquidity, funding resources, capital and other matters.

RESULTS OF OPERATIONS

Performance Summary

TCF recorded net income of \$9.3 million and a net loss of \$242 million for the third quarter and first nine months of 2012, respectively, compared with net income of \$32.3 million and \$93 million for the same periods in 2011. TCF's net loss for the first nine months of 2012 included a net, after tax charge of \$295.8 million, or \$1.87 per common share, related to the repositioning of TCF's balance sheet completed in the first quarter of 2012. Net income for the third quarter and first nine months of 2012 included a net after-tax charge of \$20.6 million, or 13 cents per common share, related to the implementation of clarifying regulatory guidance requiring loans subject to a borrower's discharge from personal liability following Chapter 7 bankruptcy, to be reported as non-accrual loans, and written down to the estimated collateral value, regardless of delinquency status. Of these loans, 93 percent were less than 60 days past due on their payments as of September 30, 2012. TCF's diluted earnings per common share was 6 cents for third quarter of 2012, and a loss of \$1.52 for first nine months of 2012 compared with earnings per common share of 20 cents and 60 cents for the same periods in 2011.

On March 13, 2012, TCF announced the repositioning of its balance sheet by prepaying \$3.6 billion of long-term debt and selling \$1.9 billion of mortgage-backed securities, which it anticipated would increase net interest margin and reduce interest rate risk going

forward. TCF's current asset growth strategy and the outlook of the interest rate environment made it prudent for TCF to develop and execute a comprehensive balance sheet repositioning transaction. A reliance on longer term, fixed-rate debt was appropriate for TCF's previous strategy of growth in real estate assets with longer durations, such as residential and commercial real estate loans and mortgage-backed securities. Given TCF's current strategic focus on growth in nationally-oriented lending businesses with shorter loan durations and/or variable interest rates, a more flexible funding structure is expected to significantly increase TCF's ability to maximize net interest income and net interest margin going forward.

TCF's long-term, fixed-rate debt was originated at market rates prior to the 2008 economic crisis. At the time of the balance sheet repositioning, the interest rates on these borrowings were significantly above current market rates. In addition, in late January 2012, the Federal Reserve forecasted interest rates to remain at historically low levels through at least 2014. As a result, this action better positioned TCF for the current interest rate outlook while reducing interest rate risk tied to longer duration, fixed-rate mortgage-backed securities.

Return on average assets was .30% and negative 1.73% for the third quarter and first nine months of 2012, respectively, compared with .71% and .69% for the same periods in 2011. Return on average common equity was 2.36% and negative 19.50% for the third quarter and first nine months of 2012, respectively, compared with 7.12% and 7.33% for the same periods in 2011.

Operating Segment Results

The financial results of TCF's operating segments are located in Note 17 of the Notes to Consolidated Financial Statements included in Part 1, Item 1. Financial Statements.

Lending reported a net loss of \$11.7 million and net income of \$6.9 million for the third quarter and first nine months of 2012, respectively, compared with net income of \$6.6 million and \$29.6 million for the same periods in 2011. Lending net interest income for the third quarter and first nine months of 2012 was \$133 million and \$384.8 million, respectively, compared with \$118.6 million and \$353.1 million for the same 2011 periods. The increase in net interest income for both periods was primarily due to loan growth in the inventory finance and auto finance portfolios.

Lending's provision for credit losses totaled \$95.3 million and \$198 million for the third quarter and first nine months of 2012, respectively, compared with \$51.2 million and \$140.4 million for the same 2011 periods. The increase in provision

from the third quarter and the first nine months of 2011 was primarily due to the implementation of clarifying regulatory guidance requiring loans subject to a borrowers discharge from personal liability following chapter 7 bankruptcy, to be reported as non-accrual loans and written down to the estimated collateral value regardless of delinquency status. See Results of Operations – Provision for Credit Losses in this Management's Discussion and Analysis of Financial Condition and Results of Operations for further discussion.

Lending non-interest income totaled \$37.7 million and \$100.2 million for the third quarter and first nine months of 2012, respectively, compared with \$24.4 million and \$77.7 million for the same 2011 periods. The increase for both periods was primarily due to gains on sales of auto finance loans and increased auto loan servicing income. Lending non-interest expense totaled \$91.2 million and \$268.9 million for the third quarter and first nine months of 2012, respectively, compared with \$79.6 million and \$238.6 million for the same 2011 periods. The increase from the third quarter and first nine months of 2011 was primarily due to the newly acquired auto finance business as well as increased headcount related to achieving staffing levels to support the Bombardier Recreational Products, Inc. ("BRP") program in Inventory Finance.

Funding reported net income of \$31 million and a net loss of \$249.7 million for the third quarter and first nine months of 2012, respectively, compared with net income of \$26.3 million and \$64.7 million for the same periods in 2011. The net loss for the first nine months of 2012 was due to the balance sheet repositioning completed in the first quarter of 2012. Funding net interest income totaled \$68.2 million and \$196.1 million for the third quarter and first nine months of 2012, respectively, compared with \$58.1 million and \$174.7 million for the same periods in 2011.

Funding non-interest income totaled \$74.6 million and \$277.1 million for the third quarter and first nine months of 2012, respectively, compared with \$97.6 million and \$281.6 million for the same periods in 2011. The decrease from third quarter of 2011 was primarily due to lower transaction volume related to a lower account base driven by our deposit product fee structure changes. The decrease from first nine months of 2011 resulted from the decline in fee revenue due to deposit product fee structure changes offset by a gain on the sales of mortgage backed securities. Non-interest expense totaled \$92.7 million and \$865.1 million for the third quarter and first nine months of 2012, respectively, compared with \$112.3 and \$349.2 million for the same periods in 2011. The decrease from third quarter of 2011 was primarily due to decreased deposit account premiums associated with the reintroduction of the free checking product. The increase from the first nine months of 2011 was primarily due to the loss on termination of debt in the first quarter of 2012 in connection with the balance sheet repositioning.

Consolidated Net Interest Income

Net interest income for the third quarter of 2012 increased \$24.5 million, or 13.9%, compared with the third quarter of 2011. This increase was primarily due to higher average balances of inventory finance loans and auto finance loans during the third quarter of 2012 as a result of the newly acquired auto finance business and BRP program and the lower cost of deposits. Offsetting the increase were lower yields on leasing and equipment finance loans and leases and consumer and commercial real estate as the portfolios rebalance to the current rate environment. Net interest income for the third quarter of 2012 increased \$2.3 million, or 1.2%, compared with the second quarter of 2012. The increase in net interest income from the second quarter of 2012 was primarily due to a higher average balance of auto finance loans. This was partially offset by a lower average balance of inventory finance loans. Additionally interest expense decreased due to the redemption of \$115 million of Trust Preferred securities partially offset by the \$110 million issuance of subordinated debt plus one additional day in the third quarter of 2012 versus second quarter of 2012, and higher deposit expenses due to product mix primarily in certificates of deposit. Net interest income for the first nine months of 2012 totaled \$579 million, up \$52.7 million, or 10%, from \$526.3 million from the same period in 2011. This increase was primarily due to the balance sheet repositioning completed in the first quarter of 2012, which resulted in an \$86.3 million reduction to the cost of borrowings, partially offset by a \$29.9 million reduction of interest income on mortgage-backed securities. Additionally, higher average balances of inventory finance and auto finance loans and lower average cost of deposits were offset by decreased income from consumer and commercial real estate loans due to a change in the consumer real estate portfolio mix and lower average balances of commercial real estate loans.

Net interest margin in the third quarter of 2012 was 4.85%, compared with 3.96% in the third quarter of 2011. This increase was primarily due to a lower average cost of borrowings due to the effects of the balance sheet repositioning completed in March 2012, which increased net interest margin by 92 basis points, as well as increases related to the auto finance and inventory finance portfolios. These increases were partially offset by a decrease in yields in the consumer,

38

commercial, and leasing and equipment finance portfolios as a result of the lower interest rate environment. Net interest margin decreased by 1 basis point in the third quarter from 4.86% in second quarter of 2012. Net interest margin for the first nine months of 2012 was 4.61%, compared with 4.01% from the same 2011 period. See Consolidated Financial Condition Analysis – Borrowings and Liquidity in this Management’s Discussion and Analysis for further discussion.

Achieving net interest income growth over time depends primarily on TCF’s ability to generate growth in higher-yielding assets and low or no interest-cost deposits. While interest rates and consumer preferences continue to change over time, TCF is currently asset sensitive as measured by its interest rate gap (the difference between interest-earning assets and interest-bearing liabilities maturing, repricing, or prepaying during the next twelve months). A positive interest rate gap position exists when the amount of interest-earning assets maturing or re-pricing exceeds the amount of interest-bearing liabilities maturing or re-pricing, including assumed prepayments, within a particular time period. Since TCF is primarily deposit funded, the degree of the impact on net interest income is somewhat controlled by TCF, but is impacted by how its competitors price comparable products.

See Consolidated Financial Condition Analysis – Deposits in this Management’s Discussion and Analysis and Part I, Item 3. Quantitative and Qualitative Disclosures About Market Risk for further discussion on TCF’s interest rate risk position.

The following tables summarize TCF’s average balances, interest, dividends and yields and rates on major categories of TCF’s interest-earning assets and interest-bearing liabilities on a fully tax equivalent basis.

39

	Three Months Ended September 30,					
	2012			2011		
(Dollars in thousands)	Average Balance	Interest	Yields and Rates ⁽¹⁾	Average Balance	Interest	Yields and Rates ⁽¹⁾
Assets:						
Investments and other	\$ 479,083	\$ 2,508	2.09 %	\$ 958,996	\$ 1,997	.83 %
U.S. Government sponsored entities:						
Mortgage-backed securities, fixed rate	710,835	5,605	3.15	2,339,862	22,556	3.86
U.S. Treasury securities	-	-	-	10,761	1	.04
Other securities	154	2	3.32	340	4	4.68
Total securities available for sale ⁽²⁾	710,989	5,607	3.15	2,350,963	22,561	3.84
Loans and leases held for sale	80,549	1,597	7.89	-	-	-

Loans and leases:							
Consumer real estate:							
Fixed-rate	4,197,903	62,679	5.94	4,592,855	70,087	6.06	
Variable-rate	2,531,351	32,071	5.04	2,392,966	30,845	5.11	
Total consumer real estate	6,729,254	94,750	5.60	6,985,821	100,932	5.73	
Commercial:							
Fixed- and adjustable-rate	2,682,193	37,565	5.57	2,853,117	41,150	5.72	
Variable-rate	855,918	8,116	3.77	711,081	7,759	4.33	
Total commercial	3,538,111	45,681	5.14	3,564,198	48,909	5.44	
Leasing and equipment finance	3,164,592	42,152	5.33	3,066,208	46,072	6.01	
Inventory finance	1,440,298	22,395	6.19	826,198	15,151	7.28	
Auto finance	367,271	5,515	5.97	-	-	-	
Other	16,280	320	7.83	18,183	387	8.44	
Total loans and leases ⁽³⁾	15,255,806	210,813	5.50	14,460,608	211,451	5.81	
Total interest-earning assets	16,526,427	220,525	5.32	17,770,567	236,009	5.28	
Other assets	1,190,094	-	-	1,222,700	-	-	
Total assets	\$ 17,716,521			\$ 18,993,267			
Liabilities and Equity:							
Non-interest bearing deposits:							
Retail	\$ 1,275,722	-	-	\$ 1,396,857	-	-	
Small business	746,511	-	-	704,272	-	-	
Commercial and custodial	324,739	-	-	294,253	-	-	
Total non-interest bearing deposits	2,346,972			2,395,382			
Interest-bearing deposits:							
Checking	2,255,561	698	.12	2,103,184	1,057	.20	
Savings	6,153,079	4,720	.31	5,789,188	7,912	.54	
Money market	848,899	816	.38	650,598	692	.42	
Subtotal	9,257,539	6,234	.27	8,542,970	9,661	.45	
Certificates of deposit	1,953,208	4,523	.92	1,114,934	2,222	.79	
Total interest-bearing deposits	11,210,747	10,757	.38	9,657,904	11,883	.49	
Total deposits	13,557,719	10,757	.32	12,053,286	11,883	.39	
Borrowings:							
Short-term borrowings	65,531	81	.49	43,073	31	.29	
Long-term borrowings	1,985,094	8,455	1.70	4,403,724	47,465	4.28	
Total borrowings	2,050,625	8,536	1.66	4,446,797	47,496	4.24	
Total interest-bearing liabilities	13,261,372	19,293	.58	14,104,701	59,379	1.67	
Total deposits and borrowings	15,608,344	19,293	.49	16,500,083	59,379	1.43	
Other liabilities	343,336	-	-	672,944	-	-	
Total liabilities	15,951,680			17,173,027			
Total TCF Financial Corp. stockholders' equity	1,749,951	-	-	1,813,384	-	-	
Non-controlling interest in subsidiaries	14,890	-	-	6,856	-	-	
Total equity	1,764,841			1,820,240			
Total liabilities and equity	\$ 17,716,521			\$ 18,993,267			
Net interest income and margin		\$ 201,232	4.85 %		\$ 176,630	3.96 %	

(1) Annualized.

(2) Average balances and yields of securities available for sale are based upon the historical amortized cost and excludes equity securities.

(3) Average balances of loans and leases include non-accrual loans and leases, and are presented net of unearned income.

(Dollars in thousands)	Nine Months Ended September 30,					
	2012			2011		
	Average Balance	Interest	Yields and Rates ⁽¹⁾	Average Balance	Interest	Yields and Rates ⁽¹⁾
Assets:						
Investments and other	\$ 551,653	\$ 7,550	1.83 %	\$ 744,934	\$ 5,634	1.01 %
Mortgage-backed securities, fixed rate	1,175,514	30,529	3.46	2,136,516	62,581	3.91
U.S. Treasury securities	-	-	-	64,414	34	.07
Other securities	203	6	3.92	360	14	5.20
Total securities available for sale ⁽²⁾	1,175,717	30,535	3.46	2,201,290	62,629	3.79
Loans and leases held for sale	43,871	2,621	7.98	-	-	-
Loans and leases:						
Fixed-rate	4,335,073	192,263	5.92	4,660,371	212,508	6.10
Variable-rate	2,453,953	92,341	5.03	2,379,947	91,691	5.15
Total consumer real estate	6,789,026	284,604	5.60	7,040,318	304,199	5.78
Commercial:						
Fixed- and adjustable-rate	2,716,583	113,017	5.56	2,880,986	124,634	5.78
Variable-rate	779,531	23,179	3.97	713,898	23,173	4.34
Total commercial	3,496,114	136,196	5.20	3,594,884	147,807	5.50
Leasing and equipment finance	3,146,345	129,261	5.48	3,084,613	139,813	6.04
Inventory finance	1,392,828	64,811	6.22	889,709	47,816	7.19

Auto finance	226,092	10,933	6.46	-	-	-
Other	17,166	1,025	7.97	19,788	1,300	8.78
Total loans and leases ⁽³⁾	15,067,571	626,830	5.55	14,629,312	640,935	5.85
Total interest-earning assets	16,838,812	667,536	5.29	17,575,536	709,198	5.39
Other assets	1,256,931	-	-	1,176,606	-	-
Total assets	\$ 18,095,743			18,752,142		
Liabilities and Equity:						
Non-interest bearing deposits:						
Retail	\$ 1,317,448			\$ 1,443,033		
Small business	726,732			685,435		
Commercial and custodial	313,240			288,202		
Total non-interest bearing deposits	2,357,420			2,416,670		
Interest-bearing deposits:						
Checking	2,258,843	2,482	.15	2,120,083	3,633	.23
Savings	6,022,751	15,323	.34	5,608,783	22,688	.54
Money market	753,486	2,144	.38	657,570	2,331	.47
Subtotal	9,035,080	19,949	.29	8,386,436	28,652	.46
Certificates of deposit	1,567,258	10,067	.86	1,100,029	6,665	.81
Total interest-bearing deposits	10,602,338	30,016	.38	9,486,465	35,317	.50
Total deposits	12,959,758	30,016	.31	11,903,135	35,317	.40
Borrowings:						
Short-term borrowings	401,305	945	.31	53,619	144	.36
Long-term borrowings	2,593,917	55,679	2.86	4,538,823	145,929	4.30
Total borrowings	2,995,222	56,624	2.52	4,592,442	146,073	4.25
Total interest-bearing liabilities	13,597,560	86,640	.85	14,078,907	181,390	1.72
Total deposits and borrowings	15,954,980	86,640	.72	16,495,577	181,390	1.47
Other liabilities	411,114	-	-	558,119	-	-
Total liabilities	16,366,094	-	-	17,053,696	-	-
Total TCF Financial Corp. stockholders' equity	1,714,238	-	-	1,689,695	-	-
Non-controlling interest in subsidiaries	15,411	-	-	8,751	-	-
Total equity	1,729,649			1,698,446		
Total liabilities and equity	\$ 18,095,743			18,752,142		
Net interest income and margin		\$ 580,896	4.61 %		\$ 527,808	4.01 %

(1) Annualized.

(2) Average balances and yields of securities available for sale are based upon the historical amortized cost and excludes equity securities.

(3) Average balances of loans and leases include non-accrual loans and leases, and are presented net of unearned income.

Provision for Credit Losses

The following tables summarize the composition of TCF's provision for credit losses and percentage of the total provision expense for the three and nine months ended September 30, 2012 and 2011.

(Dollars in thousands)	Three Months Ended				Change	
	September 30, 2012		September 30, 2011		\$	%
Consumer real estate	\$ 66,231	68.8 %	\$ 45,551	87.1 %	\$ 20,680	45.4 %
Commercial	23,604	24.5	3,756	7.2	19,848	N.M.
Leasing and equipment finance	3,402	3.5	1,472	2.8	1,930	131.1
Inventory finance	313	.3	258	.5	55	21.3
Auto finance	1,887	2.0	-	-	1,887	N.M.
Other	838	.9	1,278	2.4	(440)	(34.4)
Total	\$ 96,275	100.0 %	\$ 52,315	100.0 %	\$ 43,960	84.0 %

(Dollars in thousands)	Nine Months Ended				Change	
	September 30, 2012		September 30, 2011		\$	%
Consumer real estate	\$ 141,428	71.1 %	\$ 120,392	85.1 %	\$ 21,036	17.5 %
Commercial	37,328	18.8	12,523	8.8	24,805	198.1
Leasing and equipment finance	9,003	4.5	6,049	4.3	2,954	48.8
Inventory finance	5,281	2.7	1,166	.8	4,115	N.M.
Auto finance	4,262	2.1	-	-	4,262	N.M.
Other	1,621	.8	1,464	1.0	157	10.7
Total	\$ 198,923	100.0 %	\$ 141,594	100.0 %	\$ 57,329	40.5 %

N.M. Not Meaningful

TCF recorded provision expense of \$96.3 million and \$198.9 million in the third quarter and first nine months of 2012, respectively,

compared with \$ 52.3 million and \$141.6 million in the same periods in 2011. The increase from the third quarter and first nine months of 2011 was primarily due to an additional provision totaling \$31.5 million related to the implementation of clarifying bankruptcy-related regulatory guidance and increased provision in the commercial portfolio as TCF aggressively addressed credit issues in the third quarter of 2012.

Net loan and lease charge-offs for the third quarter and first nine months of 2012 were \$104.5 million, or 2.74% (annualized) of average loans and leases, and \$188.2 million, or 1.67% (annualized), respectively, compared with \$53.4 million, or 1.48% (annualized), and \$153.1 million, or 1.39% (annualized), in the same periods of 2011.

Consumer real estate net charge-offs for the third quarter and first nine months of 2012 were \$74.7 million and \$145.2 million, respectively, compared to \$43.8 million and \$115.8 million for the same 2011 periods. The increase from both periods was primarily due to additional net charge-offs of \$43.9 million related to the implementation of bankruptcy-related regulatory guidance in the third quarter of 2012. Commercial net charge-offs for the third quarter and first nine months of 2012 were \$20.5 million and \$30.5 million, respectively, compared to \$5 million and \$25.5 million for the same 2011 periods. The increase from both periods was primarily due to increased net charge-offs on a small population of commercial loans, which was driven by a more aggressive workout approach. Leasing and equipment finance net charge-offs for the third quarter and first nine months of 2012 totaled \$7.5 million and \$8.8 million, respectively, compared with \$2.8 million and \$9.1 million for the same periods in 2011. The increase from the third quarter of 2011 was due to increased charge-offs in the Winthrop portfolio related to the third quarter write-off of one large lease exposure. The decrease in net charge-offs from the first nine months of 2011 was primarily due to decreased net charge-offs in the middle market and small ticket segments, offset by the increased Winthrop charge-offs.

The provision for credit losses is calculated as part of the determination of the allowance for loan and lease losses. The determination of the allowance for loan and lease losses and the related provision for credit losses is a critical accounting estimate which involves a number of factors such as historical trends in net charge-offs, delinquencies in the loan and lease portfolio, year of loan or lease origination, value of collateral, general economic conditions and management's

assessment of credit risk in the current loan and lease portfolio. See also Consolidated Financial Condition Analysis – Allowance for Loan and Lease Losses in this Management's Discussion and Analysis.

Consolidated Non-Interest Income

Non-interest income is a significant source of revenue for TCF and is an important factor in TCF's results of operations. Providing a wide range of retail banking services is an integral component of TCF's business philosophy and a major strategy for generating additional non-interest income. Non-interest income totaled \$112.1 million and \$390.3 million for the third quarter and first nine months of 2012, respectively, compared with \$117.8 million and \$346.1 million for the same periods in 2011.

Fees and Service Charges

Fees and service charges totaled \$43.7 million and \$133.7 million for the third quarter and first nine months of 2012, respectively, compared with \$58.5 million and \$168.4 million for the same periods in 2011. The decrease in banking fees and revenues from both the third quarter and first nine months of 2011 was primarily due to lower transaction volume, deposit fee structure changes and the reintroduction of free checking products.

Card Revenues

Card revenues totaled \$12.9 million and \$39.7 million for the third quarter and first nine months of 2012, respectively, compared with \$27.7 million and \$82.5 million for the same periods in 2011. The decrease in both periods was due to a decrease in the average interchange rate per transaction due to new debit card interchange regulations which took effect on October 1, 2011.

TCF is the 12th largest issuer of Visa® small business debit cards and the 14th largest issuer of Visa consumer debit cards in the United States, based on payments volume for the three months ended June 30, 2012, as provided by Visa. TCF earns interchange revenue from customer card transactions paid by merchants, not from TCF's customers. Card products represented 18.7% of banking fee revenue for both the three and nine months ended September 30, 2012. Visa has significant litigation against it regarding interchange pricing and there is a risk this revenue could be impacted by any settlement or adverse rulings in such litigation. The continued success of TCF's debit card program depends significantly on the success and viability of Visa and the continued use by customers and acceptance by merchants of its cards.

(Dollars in thousands)	September 30,		Change	
	2012	2011	Amount	%
Sales volume for the three months ended:				
Off-line (Signature)	\$ 1,558,657	\$ 1,681,737	\$ (123,080)	(7.3)%
On-line (PIN)	291,619	235,886	55,733	23.6
Total	\$ 1,850,276	\$ 1,917,623	\$ (67,347)	(3.5)
Average transaction size (in dollars)	\$ 35	\$ 35	-	-
Average number of transactions per card per month	25.3	23.6	1.7	7.1
Percentage off-line (sales volume)	84.2 %	87.7 %		(346)bps
Average interchange per transaction (in dollars)	\$.22	\$.48	\$ (0.3)	(53.7)%
Average interchange rate per transaction	.63 %	1.37 %		(74)bps

43

(Dollars in thousands)	September 30,		Change	
	2012	2011	Amount	%
Sales volume for the nine months ended:				
Off-line (Signature)	\$ 4,826,918	\$ 5,035,073	\$ (208,155)	(4.1)%
On-line (PIN)	853,509	718,501	135,008	18.8
Total	\$ 5,680,427	\$ 5,753,574	\$ (73,147)	(1.3)
Average transaction size (in dollars)	\$ 35	\$ 36	(1)	(2.8)
Average number of transactions per card per month	37.7	34.8	2.9	8.3
Percentage off-line (sales volume)	85.0 %	87.5 %		(254)bps
Average interchange per transaction (in dollars)	\$.22	\$.49	\$ (0.3)	(54.6)%
Average interchange rate per transaction	.63 %	1.36 %		(73)bps

ATM Revenue

ATM revenue was \$6.1 million and \$18.6 million for the third quarter and first nine months of 2012, respectively, compared with \$7.5 million and \$21.3 million for the same periods in 2011. The decrease in ATM revenue was primarily due to fewer fee generating transactions and a reduced number of available ATMs.

Gain on Sales of Auto Loans

During the three months ended September 30, 2012, TCF sold \$161.1 million of consumer auto loans with servicing retained and received cash of \$157.6 million, resulting in gains of \$7.5 million. During the nine months ended September 30, 2012, TCF sold \$377.1 million of consumer auto loans with servicing retained and received cash of \$368.9 million, resulting in gains of \$15.2 million.

Gains on Sales of Consumer Loans

During the third quarter of 2012, TCF sold \$136.7 million of consumer real estate loans without recourse and recognized a \$4.6 million gain.

Gain on Securities, Net

During the third quarter of 2012, TCF recognized \$13 million related to sales of mortgage-backed securities. Additionally, during the nine months ended September 30, 2012, TCF recognized \$90.2 million related to sales of mortgage-backed securities and \$13.1 million related to the sale of Visa Class B stock.

Consolidated Non-Interest Expense

Non-interest expense totaled \$196.8 million and \$1.1 billion for the third quarter and first nine months of 2012, compared with \$188.8 million and \$576.9 million for the same 2011 periods.

Compensation and Employee Benefits

Compensation and employee benefits expense totaled \$98.4 million and \$292.2 million for the third quarter and first nine months of 2012, compared with \$87.8 million and \$266.2 million for the same 2011 periods. The increases were primarily due to the expansion of the auto finance business which was acquired in November, 2011, as well as increased staffing levels to support growth in TCF's inventory finance business.

Advertising and marketing expense totaled \$4.2 million and \$12.3 million for the third quarter and first nine months of 2012, compared with \$1.1 million and \$7.8 million for the same periods in 2011. The increases were primarily the result of increased spending on media advertising in advance of the reintroduction of the free checking product.

Deposit Account Premiums

Deposit account premium expense totaled \$485 thousand and \$8.1 million for the third quarter and first nine months of 2012, compared with \$7 million and \$16.4 million for the same periods in 2011. These decreases were attributable to an enhanced strategy to gain higher quality accounts through the reintroduction of free checking products.

Loss on Termination of Debt

In connection with the balance sheet repositioning completed in March 2012, TCF restructured \$3.6 billion of long-term borrowings that had a 4.3% weighted average rate at a pre-tax loss of \$551 million. TCF also replaced \$2.1 billion of 4.4% weighted average fixed-rate, Federal Home Loan Bank advances with a mix of floating and fixed-rate, long- and short-term borrowings with a current weighted average rate of .5%. In addition, TCF terminated \$1.5 billion of 4.2% weighted average fixed-rate borrowings under repurchase agreements.

Foreclosed Real Estate and Repossessed Assets, Net

Foreclosed real estate and repossessed assets, net expenses totaled \$10.7 million and \$33.8 million for the third quarter and first nine months of 2012, compared with \$12.4 million and \$37.9 million for the same periods in 2011. The decreases were primarily due to fewer consumer real estate properties owned.

Income Taxes

TCF recorded income tax expense of \$6.3 million for the third quarter of 2012, or 32.3% of the income before income tax expense, compared with income tax expense of \$19.2 million, or 36.4%, in 2011. For the first nine months of 2012, income tax benefit totaled \$143.4 million, or 37.9% of the loss before income tax expense, compared with income tax expense of \$57 million, or 37.1%, in 2011.

The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors, including interpretation of income tax laws, the evaluation of uncertain tax positions, differences between the tax and financial reporting basis of assets and liabilities (temporary differences), estimates of amounts due or owed such as the timing of reversal of temporary differences and current financial accounting standards. Additionally, there can be no assurance that estimates and interpretations used in determining income tax liabilities may not be challenged by taxing authorities. Actual results could differ significantly from the estimates and tax law interpretations used in determining the current and deferred income tax liabilities.

In addition, under generally accepted accounting principles in the United States (“GAAP”), deferred income tax assets and liabilities are recorded at the income tax rates expected to apply to taxable income in the periods in which the deferred income tax assets or liabilities are expected to be realized. If such rates change, deferred income tax assets and liabilities must be adjusted in the period of change through a charge or credit to the Consolidated Statements of Comprehensive Income. Also, if current period income tax rates change, the impact on the annual effective income tax rate is applied year-to-date in the period of enactment.

CONSOLIDATED FINANCIAL CONDITION ANALYSIS

Loans and Leases

The following table sets forth information about loans and leases held in TCF’s portfolio.

(Dollars in thousands)	At September 30, 2012	At December 31, 2011	Percentage Change
Consumer real estate:			

First mortgage lien	\$	4,344,701	\$	4,742,423	(8.4)	%
Junior lien		2,303,335		2,152,868	7.0	
Total consumer real estate		6,648,036		6,895,291	(3.6)	
Commercial:						
Commercial real estate:						
Permanent		3,106,738		3,039,488	2.2	
Construction and development		130,400		159,210	(18.1)	
Total commercial real estate		3,237,138		3,198,698	1.2	
Commercial business		274,096		250,794	9.3	
Total commercial		3,511,234		3,449,492	1.8	
Leasing and equipment finance: ⁽¹⁾						
Equipment finance loans		1,236,811		1,110,803	11.3	
Lease financings:						
Direct financing leases		1,921,855		2,039,096	(5.7)	
Sales-type leases		24,145		29,219	(17.4)	
Lease residuals		124,148		129,100	(3.8)	
Unearned income and deferred lease costs		(148,982)		(165,959)	10.2	
Total lease financings		1,921,166		2,031,456	(5.4)	
Total leasing and equipment finance		3,157,977		3,142,259	.5	
Inventory finance		1,466,269		624,700	134.7	
Auto finance		407,091		3,628	N.M.	
Other		27,610		34,885	(20.9)	
Total loans and leases	\$	15,218,217	\$	14,150,255	7.5	%

N.M. Not Meaningful.

(1) Operating leases of \$58 million and \$69.6 million at September 30, 2012 and December 31, 2011, respectively, are included in other assets in the Consolidated Statements of Financial Condition.

Approximately 70% of the consumer real estate portfolio at September 30, 2012, consisted of closed-end amortizing loans. TCF's consumer real estate lines of credit require regular payments of interest and do not require regular payments of principal. Outstanding balances on consumer real estate lines of credit were \$2 billion and \$1.8 billion at September 30, 2012 and December 31, 2011, respectively. The average Fair Isaac Corporation ("FICO") credit score at loan origination for the retail lending portfolio was 729, at September 30, 2012 and 727 at December 31, 2011. As part of TCF's credit risk monitoring, TCF obtains updated FICO score information quarterly. The average updated FICO score for the retail lending portfolio was 727 at September 30, 2012, compared with 727 at December 31, 2011. As of September 30, 2012, 34.3% of the consumer real estate loan balance has been originated since January 1, 2009, with 2012 net charge offs of .3% (annualized).

TCF continues to expand its commercial lending activities, generally to borrowers located in its primary markets, with a focus on secured lending. At September 30, 2012, approximately 92% of TCF's commercial real estate loans outstanding were secured by real estate located in its primary banking markets. At September 30, 2012, approximately 99% of TCF's commercial real estate and commercial business loans were secured either by real estate or other business assets.

The leasing and equipment finance backlog of approved transactions was \$509 million at September 30, 2012, up from \$455 million at December 31, 2011.

Credit Quality

Past Due Loans and Leases

The following tables set forth information regarding TCF's delinquent loan and lease portfolio. Delinquent balances are determined based on the contractual terms of the loan or lease. See Note 7 of the Notes to Consolidated Financial Statements included in Part I, Item 1. Financial Statements for additional information.

(Dollars in thousands)	At September 30, 2012	At December 31, 2011
Principal balances:		
60-89 days	\$ 42,811	\$ 45,531
90 days or more	56,412	72,105
Non-accrual loans and leases	421,813	298,311
Total	\$ 521,036	\$ 415,947

Percentage of loans and leases:

60-89 days	.3 %	.3 %
90 days or more	.4	.5

Non-accrual loans and leases	2.8	2.1
Total	3.5 %	2.9 %

The following table summarizes TCF's over 60-day delinquent loan and lease portfolio by loan type.

(Dollars in thousands)	At September 30, 2012		At December 31, 2011	
	Principal Balances	Percentage of Portfolio	Principal Balances	Percentage of Portfolio
Consumer real estate:				
First mortgage lien	\$ 80,153	1.93 %	\$ 87,358	1.89 %
Junior lien	13,388	.59	22,277	1.04
Total consumer real estate	93,541	1.46	109,635	1.63
Commercial real estate	2,652	.09	1,099	.04
Commercial business	-	-	49	.02
Total commercial	2,652	.08	1,148	.03
Leasing and equipment finance:				
Middle market	457	.03	1,061	.07
Small ticket	903	.12	2,018	.28
Winthrop	-	.01	235	.07
Other	194	.08	198	.11
Total leasing and equipment finance	1,554	.05	3,512	.13
Inventory finance	80	.01	160	.03
Auto finance	305	.08	-	-
Other	22	.09	41	.12
Subtotal ⁽¹⁾	98,154	.67	114,496	.85
Delinquencies in acquired portfolios ⁽²⁾	1,069	.50	3,140	.84
Total	\$ 99,223	.67 %	\$ 117,636	.85 %

(1) Excludes delinquencies and non-accrual loans in acquired portfolios as delinquency and non-accrual migration in these portfolios are not expected to result in losses exceeding the credit reserves netted against the loan balances.

(2) Remaining balances of acquired loans and leases were \$211.8 million and \$371.9 million at September 30, 2012 and December 31, 2011, respectively.

Loan Modifications-Consumer Real Estate

TCF has several programs designed to assist consumer real estate customers by extending payment dates or reducing customers' contractual payments (but not a reduction of principal). Under these programs, TCF reduces a customer's contractual payments for a period of time appropriate for the borrower's condition. All loan modifications are made on a case-by-case basis. Loan modifications are not reported as TDRs in the calendar years after modification if the loans were modified at an interest rate equal to or greater than the yields of new loan originations with comparable risk and the loan is performing based on the restructured terms.

If TCF has not granted a concession as a result of the modification, the loan is not considered a TDR. Modifications that are not classified as TDRs primarily involve interest rate changes to current market rates for similarly situated borrowers who have access to alternative funds. Loan modifications to borrowers who are not experiencing financial difficulties are not included in the following reporting of loan modifications.

Although loans classified as TDRs are considered impaired, TCF was able to receive more than 62.8% and 61.5% of the contractual interest due on accruing consumer real estate TDRs for the three and nine months ended September 30, 2012, respectively, by modifying the loan to a qualified customer instead of foreclosing on the property. Only 7.4% of accruing consumer real estate TDRs were more than 60-days delinquent at September 30, 2012. Approximately 4.7% of the \$456.8 million accruing consumer real estate TDRs modified during the 15 months preceding September 30, 2012 defaulted during the three months ended September 30, 2012.

(Dollars in thousands)	At September, 30 2012		At December, 31 2011	
	Loan Balance	60+ Days Delinquent As a % of Balance	Loan Balance	60+ Days Delinquent As a % of Balance
Permanently modified accruing TDRs	\$ 386,143	4.86 %	\$ 198,882	4.63 %
Temporarily modified accruing TDRs	70,652	17.61	234,196	9.01
Total accruing TDRs	456,795	7.38	433,078	7.00
Other loan modifications	4,266	49.40	13,397	20.66

Total accruing loan modifications	\$ 461,061	7.77 %	\$ 446,475	7.41 %
-----------------------------------	------------	--------	------------	--------

Loan Modifications-Other

A commercial loan may be modified through a term extension with a reduction of contractual payments or a change in interest rate. Commercial loan modifications which are not classified as TDRs primarily involve loans on which interest rates were modified to current market rates for similarly situated borrowers who have access to alternative funds or on which TCF received additional collateral or loan conditions. Loan modifications to borrowers who are not experiencing financial difficulties are not included in the following reporting of loan modifications.

Commercial loans that are 90 or more days past due and not well secured at the time of modification remain on non-accrual status. Regardless of whether contractual principal and interest payments are well-secured at the time of modification, equipment finance loans that are 90 or more days past due remain on non-accrual status. All loans modified when on non-accrual status continue to be reported as non-accrual loans until there is sustained repayment performance for six months. At September 30, 2012, over 53.4% of total commercial TDRs were accruing and TCF was able to recognize all of the contractual interest due on accruing commercial TDRs during the first nine months of 2012. Only 5 of the 86 accruing commercial TDRs that were modified during the 15 months preceding September 30, 2012, totaling \$9.4 million, defaulted during the three months ended September 30, 2012.

48

TCF utilizes a multiple note structure as a workout alternative for certain commercial loans. The multiple note structure restructures a troubled loan into two notes. The first note is established at a size and with market terms, that provide reasonable assurance of payment and performance. The second note is generally not reasonably assured of repayment and is typically charged-off. The second note is still outstanding with the borrower, and should the borrower's financial position improve, may become recoverable. At September 30, 2012, nine loans with a contractual balance of \$31.5 million and a remaining book balance of \$22.4 million had been restructured under this workout alternative.

For additional information regarding TCF's loan modifications refer to Note 7 of the Notes to Consolidated Financial Statements included in Part I, Item 1. Financial Statements.

The following table summarizes the balance of accruing modified commercial and leasing and equipment finance loans as of September 30, 2012 and December 31, 2011.

(Dollars in thousands)	At September 30, 2012			
	Commercial		Leasing and Equipment Finance	
	Loan Balance	60+ Days Delinquent as a % of Balance	Loan Balance	60+ Days Delinquent as a % of Balance
TDRs	\$ 120,254	2.21 %	\$ 655	- %
Other loan modifications	4,410	-	1,436	-
Total accruing loan modifications	\$ 124,664	2.13 %	\$ 2,091	- %

(Dollars in thousands)	At December 31, 2011			
	Commercial		Leasing and Equipment Finance	
	Loan Balance	60+ Days Delinquent as a % of Balance	Loan Balance	60+ Days Delinquent as a % of Balance
TDRs	\$ 98,448	- %	\$ 776	- %
Other loan modifications	13,318	-	4,829	2.40
Total accruing loan modifications	\$ 111,766	- %	\$ 5,605	2.07 %

Non-accrual Loans and Leases

Non-accrual loans and leases are summarized in the following table.

(In thousands)	At September 30, 2012	At December 31, 2011
----------------	-----------------------	----------------------

Consumer real estate:			
First mortgage lien		\$ 197,649	\$ 129,114
Junior lien		35,936	20,257
Total consumer real estate		233,585	149,371
Commercial real estate		159,090	104,744
Commercial business		10,249	22,775
Total commercial		169,339	127,519
Leasing and equipment finance		15,812	20,583
Inventory finance		1,120	823
Other		1,957	15
Total non-accrual loans and leases		\$ 421,813	\$ 298,311

49

At September 30, 2012 and December 31, 2011, non-accrual loans and leases included \$275.3 million and \$130.9 million, respectively, of loans that were modified and categorized as TDRs. Non-accrual loans and leases increased \$123.5 million, or 41.4%, from December 31, 2011, primarily due to \$103.2 million of additional consumer non-accrual loans resulting from the implementation of clarifying bankruptcy-related regulatory guidance in the third quarter of 2012. Consumer real estate loans are charged-off to their estimated realizable values less estimated selling costs upon entering non-accrual status. Any necessary additional reserves are established for commercial loans, leasing and equipment finance loans and leases and inventory finance loans when reported as non-accrual. Most of TCF's non-accrual loans and past due loans are secured by real estate.

Changes in the amount of non-accrual loans and leases for the three and nine months ended September 30, 2012 are summarized in the following table.

(In thousands)	At or For the Three Months Ended September 30, 2012					
	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Other	Total
Balance, beginning of period	\$ 140,678	\$ 150,215	\$ 29,429	\$ 1,900	\$ 2,204	\$ 324,426
Additions	161,369	44,354	3,261	1,924	8	210,916
Charge-offs	(13,553)	(20,769)	(14,304)	(385)	(105)	(49,116)
Transfers to other assets	(23,391)	(877)	(348)	(16)	-	(24,632)
Return to accrual status	(28,416)	-	(129)	(1,755)	-	(30,300)
Payments received	(2,810)	(4,049)	(2,088)	(556)	(149)	(9,652)
Other, net	(292)	465	(9)	8	(1)	171
Balance, end of period	\$ 233,585	\$ 169,339	\$ 15,812	\$ 1,120	\$ 1,957	\$ 421,813

(In thousands)	At or For the Nine Months Ended September 30, 2012					
	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Other	Total
Balance, beginning of period	\$ 149,371	\$ 127,519	\$ 20,583	\$ 823	\$ 15	\$ 298,311
Additions	279,246	97,395	24,766	6,906	12	408,325
Charge-offs	(46,655)	(30,870)	(17,710)	(604)	(1,188)	(97,027)
Transfers to other assets	(70,979)	(9,951)	(2,647)	(769)	(362)	(84,708)
Return to accrual status	(69,404)	(26)	(1,134)	(3,179)	-	(73,743)
Payments received	(7,604)	(12,802)	(8,036)	(2,246)	(427)	(31,115)
Other, net	(390)	(1,926)	(10)	189	3,907	1,770
Balance, end of period	\$ 233,585	\$ 169,339	\$ 15,812	\$ 1,120	\$ 1,957	\$ 421,813

50

Allowance for Loan and Lease Losses

The determination of the allowance for loan and lease losses is a critical accounting estimate. TCF's methodologies for determining and allocating the allowance for loan and lease losses focus on ongoing reviews of larger individual loans and leases, historical net charge-offs, delinquencies in the loan and lease portfolio, the level of impaired and non-accrual assets, values of underlying loan and lease collateral, the overall risk characteristics of the portfolios, changes in character or size of the portfolios, geographic location, year

of origination, prevailing economic conditions and other relevant factors. The various factors used in the methodologies are reviewed on a periodic basis.

In the third quarter of 2012, TCF refined the methodology for calculating the allowance for loan and lease losses for certain commercial loans. The updated methodology primarily provided for the use of the underlying loans' risk ratings in determining the allowance for commercial loans collectively evaluated for loss potential. The change reduced the commercial allowance for loans and lease loss by \$13.3 million at September 30, 2012 and resulted in the collective evaluation of \$250 million in commercial loans that were previously evaluated individually.

TCF considers the allowance for loan and lease losses of \$264.8 million appropriate to cover probable losses incurred in the loan and lease portfolios as of September 30, 2012. However, no assurance can be given that TCF will not, in any particular period, sustain loan and lease losses that are sizable in relation to the amount reserved, or that subsequent evaluations of the loan and lease portfolio, in light of factors then prevailing, including economic conditions, and TCF's ongoing credit review process or regulatory requirements, will not require significant changes in the balance of the allowance for loan and lease losses. Among other factors, a continued economic slowdown, increasing levels of unemployment and/or a decline in commercial or residential real estate values in TCF's markets may have an adverse impact on the current adequacy of the allowance for loan and lease losses by increasing credit risk and the risk of potential loss.

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

In conjunction with Note 7 of the Notes to Consolidated Financial Statements included in Part I, Item 1. Financial Statements, the following table includes detailed information regarding TCF's allowance for loan and lease losses.

(Dollars in thousands)	At September 30, 2012			At December 31, 2011		
	Allowance	Total Loans and Leases	Allowance as a % of Balance	Allowance	Total Loans and Leases	Allowance as a % of Balance
Consumer real estate:						
First mortgage lien	\$ 114,068	\$ 4,344,701	2.63 %	\$ 115,740	\$ 4,742,423	2.44 %
Junior lien	64,874	2,303,335	2.82	67,695	2,152,868	3.14
Consumer real estate	178,942	6,648,036	2.69	183,435	6,895,291	2.66
Commercial	53,756	3,511,234	1.53	46,954	3,449,492	1.36
Leasing and equipment finance	21,331	3,157,977	.68	21,173	3,142,259	.67
Inventory finance	7,003	1,466,269	.48	2,996	624,700	.48
Auto finance	3,059	407,091	.75	-	3,628	-
Other	750	27,610	2.72	1,114	34,885	3.19
Total allowance for loan and lease losses	\$ 264,841	\$ 15,218,217	1.74 %	\$ 255,672	\$ 14,150,255	1.81 %

At September 30, 2012, the allowance as a percent of total loans and leases decreased to 1.74% compared with 1.81% at December 31, 2011. The increase in total loans and leases is due to growth in the auto and inventory finance portfolios. The increase in the allowance for commercial loans from December 31, 2011 was primarily due to increased provision expense driven by a more aggressive workout approach. The level of commercial lending allowances is generally volatile due to reserves for specific loans based on individual facts and collateral values as loans migrate to classified commercial loans or to non-accrual. Charge-offs are taken against such specific reserves.

The following tables set forth additional information regarding net charge-offs:

(Dollars in thousands)	Three Months Ended			
	September 30, 2012		September 30, 2011	
	Net Charge-offs	Loss Rate ⁽¹⁾	Net Charge-offs	Loss Rate ⁽¹⁾
Consumer real estate:				
First mortgage liens	\$ 40,469	3.60 %	\$ 27,590	2.29 %
Junior liens	34,202	6.12	16,247	2.99
Total consumer real estate	74,671	4.44	43,837	2.51
Commercial real estate	15,777	1.93	3,665	.45
Commercial business	4,770	7.06	1,375	1.83
Total commercial	20,547	2.32	5,040	.57

Leasing and equipment finance	7,521	.95	2,783	.36
Inventory finance	444	.12	262	.13
Auto Finance	280	.30	-	-
Other	991	N.M.	1,480	N.M.
Total	\$ 104,454	2.74 %	\$ 53,402	1.48 %

(Dollars in thousands)	Nine Months Ended			
	September 30, 2012		September 30, 2011	
	Net Charge-offs	Loss Rate ⁽¹⁾	Net Charge-offs	Loss Rate ⁽¹⁾
Consumer real estate:				
First mortgage liens	\$ 78,365	2.26 %	\$ 71,134	1.96 %
Junior liens	66,851	4.10	44,678	2.70
Total consumer real estate	145,216	2.85	115,812	2.19
Commercial real estate	25,241	1.04	20,236	.82
Commercial business	5,285	2.75	5,266	2.30
Total commercial	30,526	1.16	25,502	.95
Leasing and equipment finance	8,845	.37	9,050	.39
Inventory finance	1,312	.13	798	.12
Auto Finance	363	.21	-	-
Other	1,985	N.M.	1,898	N.M.
Total	\$ 188,247	1.67 %	\$ 153,060	1.39 %

(1) Represents the ratio of net charge-offs to average loans and leases, annualized.
N.M. Not Meaningful.

Consumer real estate net charge-offs for the third quarter and first nine months of 2012 were \$74.7 million and \$145.2 million, respectively, compared with \$43.8 million and \$115.8 million for the same 2011 periods. The increase from both periods was primarily due to additional net charge-offs of \$43.9 million related to the implementation of bankruptcy-related regulatory guidance in the third quarter of 2012. Commercial net charge-offs for the third quarter and first nine months of 2012 were \$20.5 million and \$30.5 million, respectively, compared with \$5 million and \$25.5 million for the same 2011 periods. The increase from both periods was primarily due to increased net charge-offs on a small population of commercial loans, driven by a more aggressive workout approach. Leasing and equipment finance net charge-offs for the third quarter and first nine months of 2012 totaled \$7.5 million and \$8.8 million, respectively, compared with \$2.8 million and \$9.1 million for the same periods in 2011. The increase from the third quarter of 2011 was due to increased charge-offs in the Winthrop portfolio related to the third quarter write-off of one large lease exposure. The decrease in net charge-offs from the first nine months of 2011 was primarily due to decreased net charge-offs in the middle market and small ticket segments, partially offset by the increased Winthrop charge-offs.

Other Real Estate Owned and Repossessed and Returned Assets

Other real estate owned and repossessed and returned equipment are summarized in the following table.

(In thousands)	At September 30, 2012	At December 31, 2011
Other real estate owned: ⁽¹⁾		
Residential real estate	\$ 85,764	\$ 87,792
Commercial real estate	34,662	47,106
Total other real estate owned	120,426	134,898
Repossessed and returned assets	3,739	4,758
Total other real estate owned and repossessed and returned equipment	\$ 124,165	\$ 139,656

(1) Includes properties owned and foreclosed properties subject to redemption.

Other real estate owned is recorded at the lower of cost or fair value less estimated costs to sell the property. At September 30, 2012, TCF owned 425 consumer real estate properties that were not subject to redemption, a decrease of 40 from December 31, 2011. The average length of time to sell consumer real estate properties during the third quarter of 2012 was 6.1 months from the date they were no longer subject to customer redemption.

The changes in the amount of other real estate owned for the three and nine months ended September 30, 2012, are summarized in the following tables.

(In thousands)	At or For the Three Months Ended September 30, 2012		
	Consumer	Commercial	Total
Balance, beginning of period	\$ 83,176	\$ 42,700	\$ 125,876
Transferred in, net of charge-offs	25,220	877	26,097
Sales	(20,886)	(7,593)	(28,479)
Write-downs	(2,173)	(1,320)	(3,493)
Other, net	427	(2)	425
Balance, end of period	\$ 85,764	\$ 34,662	\$ 120,426

(In thousands)	At or For the Nine Months Ended September 30, 2012		
	Consumer	Commercial	Total
Balance, beginning of period	\$ 87,792	\$ 47,106	\$ 134,898
Transferred in, net of charge-offs	76,693	8,767	85,460
Sales	(72,218)	(14,310)	(86,528)
Write-downs	(7,607)	(7,390)	(14,997)
Other, net	1,104	489	1,593
Balance, end of period	\$ 85,764	\$ 34,662	\$ 120,426

Deposits

Checking, savings and money market deposits are an important source of low-cost funds and fee income for TCF. Deposits totaled \$13.7 billion at September 30, 2012, an increase of \$1.5 billion, or 12.5%, from December 31, 2011. On June 1, 2012, TCF Bank assumed approximately \$778 million of deposits from Prudential Bank & Trust, FSB (“PB&T”). The deposits consist primarily of IRA accounts with certificates of deposit or checking accounts and IRA related brokerage sweep accounts gathered by PB&T through their relationship with Prudential Retirement. The average interest cost of deposits in the third quarter and first nine months of 2012 was .32%, and .31%, down 7 basis points and 9 basis points, respectively, from the same periods in 2011 and up 1 basis point from second quarter of 2012. Decreases in the average interest cost of deposits from the third quarter and first nine months of 2011 were primarily due to the reintroduction of free checking and special programs for certificates of deposit. TCF’s weighted-average interest rate on deposits, including non-interest bearing deposits, was .33% at September 30, 2012 and .29% December 31, 2011.

Borrowings and Liquidity

During June 2012, TCF Bank issued \$110 million of subordinated notes at a price to investors of 99.086% of par, which will be due on June 8, 2022. The subordinated notes bear interest at a fixed rate of 6.25% until maturity. The notes qualify

as Tier 2 or supplementary capital for regulatory purposes, subject to certain limitations. TCF Bank is using the proceeds for general corporate purposes.

In 2008, TCF Capital I, a statutory trust formed under the laws of the state of Delaware and wholly-owned finance subsidiary of TCF, issued 10.75% preferred junior subordinated notes (the “Trust Preferred Securities”). During June 2012, TCF announced that it had submitted a redemption notice to the property trustee for full redemption of the \$115 million of 10.75% Trust Preferred Securities. The determination to redeem the Trust Preferred Securities followed a notice of proposed rulemaking, approved for publication in the Federal Register by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) on June 7, 2012, which would phase out the Tier 1 capital treatment of the Trust Preferred Securities. TCF determined that the Federal Reserve’s approval for publication of the notice of proposed rulemaking constituted a “capital treatment event” (as defined in the indenture governing the Trust Preferred Securities), which allow TCF to redeem the Trust Preferred Securities. The Trust Preferred Securities were redeemed on July 30, 2012 at the redemption price of \$25 per Trust Preferred Security plus accumulated and unpaid distributions, totaling \$115 million. The redemption was funded with a portion of the net proceeds from TCF’s offering of depositary shares, each representing a 1/1,000th interest in a share of TCF’s Series A Non-Cumulative Perpetual Preferred Stock (The “Series A Preferred Stock”) par value \$.01 per share, which closed on June 25, 2012.

Borrowings totaled \$2.1 billion at September 30, 2012, down \$2.4 billion from December 31, 2011. The weighted-average rate on borrowings was 1.39% at September 30, 2012, compared with 4.26% at December 31, 2011. Historically, TCF has borrowed primarily from the Federal Home Loan Bank (“FHLB”) of Des Moines, from institutional sources under repurchase agreements and from other sources. At September 30, 2012, TCF had \$2.5 billion in unused, secured borrowing capacity at the FHLB of Des Moines.

At September 30, 2012, TCF, through its indirect subsidiary TCF Commercial Finance Canada, Inc., had \$31.5 million available under a Canadian dollar-denominated line of credit facility. Advances under this credit facility are fully collateralized by pledged securities or cash collateral, and TCF Commercial Finance Canada, Inc. could draw \$15.3 million on the unused credit line without additional collateral being pledged.

At September 30, 2012, interest-bearing deposits held at the Federal Reserve and unencumbered securities were \$1.3 billion, a decrease of \$189 million from third quarter of 2011 and a decrease of \$117 million from December 31, 2011.

See Note 10 of the Notes to Consolidated Financial Statements included in Part 1, Item 1. Financial Statements for additional information regarding TCF's long-term borrowings.

Contractual Obligations and Commitments

TCF has certain obligations and commitments to make future payments under contracts. At September 30, 2012, the aggregate contractual obligations (excluding demand deposits) and commitments are as follows.

(In thousands)	Total	Payments Due by Period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Contractual Obligations					
Total borrowings	\$ 2,052,517	\$ 431,995	\$ 1,123,279	\$ 385,622	\$ 111,621
Time deposits	2,073,909	1,364,126	602,675	40,518	66,590
Annual rental commitments under non-cancelable operating leases	206	27	55	46	78
Contractual interest payments ⁽¹⁾	4,486,532	2,598,862	1,555,944	296,151	35,575
Campus marketing agreements	44,921	4,006	6,852	5,956	28,107
Construction contracts and land purchase commitments for future branch sites	1,977	1,977	-	-	-
Total	\$ 8,660,062	\$ 4,400,993	\$ 3,288,805	\$ 728,293	\$ 241,971

(In thousands)	Total	Amount of Commitment - Expiration by Period			
		Less than 1 year	1-3 years	3-5 years	More Than 5 years
Commitments					
Commitments to lend:					
Consumer real estate and other	\$ 1,131,695	\$ 56,548	\$ 83,488	\$ 102,819	\$ 888,840
Commercial	381,974	134,549	96,059	85,444	65,922
Leasing and equipment finance	208,306	208,306	-	-	-
Total commitments to lend	1,721,975	399,403	179,547	188,263	954,762
Standby letters of credit and guarantees on industrial revenue bonds	19,250	14,985	869	67	3,329
Total	\$ 1,741,225	\$ 414,388	\$ 180,416	\$ 188,330	\$ 958,091

(1) Includes accrued interest and future contractual interest obligations on borrowings and deposits.

Unrecognized tax benefits, projected benefit obligations and demand deposits with indeterminate maturities have been excluded from the contractual obligations presented above.

Campus marketing agreements consist of fixed or minimum obligations for exclusive marketing and naming rights with six campuses. TCF is obligated to make various annual payments for these rights in the form of royalties and scholarships through 2029. TCF also has various renewal options, which may extend the terms of these agreements. Campus marketing agreements are an important element of TCF's campus banking strategy.

Commitments to extend credit are agreements to lend provided there is no violation of any condition in the contract. These commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Collateral to secure these commitments predominantly consists of residential and commercial real estate. The credit facilities established for inventory finance customers are discretionary credit arrangements which do not obligate TCF to lend.

Standby letters of credit and guarantees on industrial revenue bonds are conditional commitments issued by TCF guaranteeing the performance of a customer to a third party. These conditional commitments expire in various years through 2016. Collateral held primarily consists of commercial real estate mortgages. Since the conditions under which TCF is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments.

Equity

Total equity at September 30, 2012 was \$1.8 billion, or 9.87% of total assets, compared with \$1.9 billion, or 9.9% of total assets, at December 31, 2011. On June 25, 2012, TCF completed the public offering of depositary shares, each representing a 1/1,000th interest in a share of the Series A Preferred Stock. In connection with the offering, TCF issued 6,900,000 depositary shares, including 900,000 depositary shares issued pursuant to the full exercise of the underwriters' over-allotment option, at a public offering price of \$25 per depositary share. Net proceeds of the offering to TCF, after deducting underwriting discounts, commissions and estimated offering costs of \$5.8 million, were \$166.7 million. Dividends are payable on the Series A Preferred Stock when, and if declared by TCF's Board of Directors on a non-cumulative basis on March 1, June 1, September 1, and December 1 of each year, at a per annum rate of 7.5%. On September 4, 2012, TCF paid \$2.4 million in cash dividends on its Series A Preferred Stock.

Dividends to common stockholders on a per share basis totaled 5 cents for each of the quarters ended September 30, 2012 and September 30, 2011. TCF's dividend payout ratio was 85.7% for the quarter ended September 30, 2012. The Company's primary funding sources for dividends are earnings and dividends received from TCF Bank.

At September 30, 2012, TCF had 5.4 million shares remaining in its stock repurchase program authorized by its Board of Directors.

Tangible realized common equity at September 30, 2012 was \$1.3 billion, or 7.55% of total tangible assets, compared with \$1.6 billion, or 8.42% of total tangible assets, at December 31, 2011. Tangible realized common equity is a non-GAAP measure and represents common equity less goodwill, other intangible assets, accumulated other comprehensive income and non-controlling interest in subsidiaries. Tangible assets represent total assets less goodwill and other intangible assets. Management reviews tangible realized common equity to tangible assets as an ongoing measure and has included this information because of current interest by investors, rating agencies and banking regulators. The methodology for calculating tangible realized common equity may vary between companies.

The following table is a reconciliation of the non-GAAP measure of tangible realized common equity to tangible assets to the GAAP measure of total equity to total assets.

(Dollars in thousands)	At September 30, 2012	At December 31, 2011
Computation of total equity to total assets:		
Total equity	\$ 1,764,669	\$ 1,878,627
Total assets	17,878,393	18,979,388
Total equity to total assets	9.87 %	9.90 %
Computation of tangible realized common equity to tangible assets:		
Total equity	\$ 1,764,669	\$ 1,878,627
Less: Non-controlling interest in subsidiaries	13,205	10,494
Total TCF Financial Corporation stockholders' equity	1,751,464	1,868,133
Less:		
Preferred Stock	166,721	-
Goodwill	225,640	225,640
Other intangibles	9,092	7,134
Accumulated other comprehensive income	18,067	56,826
Tangible realized common equity	\$ 1,331,944	\$ 1,578,533
Total assets	\$ 17,878,393	\$ 18,979,388
Less:		
Goodwill	225,640	225,640
Other intangibles	9,092	7,134
Tangible assets	\$ 17,643,661	\$ 18,746,614
Tangible realized common equity to tangible assets	7.55 %	8.42 %

Total Tier 1 capital at September 30, 2012 was \$1.5 billion, or 10.40% of risk-weighted assets, compared with \$1.7 billion, or 12.67% of risk-weighted assets at December 31, 2011. Tier 1 common capital at September 30, 2012 was \$1.3

billion, or 9.17% of risk-weighted assets, compared with \$1.6 billion, or 11.74% of risk-weighted assets at December 31, 2011.

In contrast to GAAP-basis measures, the total Tier 1 common risk-based capital ratio excludes the effect of qualifying trust preferred

securities, qualifying non-controlling interest in subsidiaries and cumulative perpetual preferred stock. Management reviews the total Tier 1 common risk-based capital ratio as an ongoing measure and has included this information because of current interest by investors, rating agencies and banking regulators. The methodology for calculating total Tier 1 common capital may vary between companies.

The following table is a reconciliation of the non-GAAP measure of total Tier 1 common risk-based capital ratio to the GAAP measure of total Tier 1 risk-based capital ratio.

(In thousands)	At September 30, 2012		At December 31, 2011	
Tier 1 risk-based capital ratio:				
Total Tier 1 capital	\$	1,515,050	\$	1,706,926
Total risk-weighted assets		14,562,779		13,475,330
Total Tier 1 risk-based capital ratio		10.40 %		12.67 %
Tier 1 common risk-based capital ratio:				
Total Tier 1 capital	\$	1,515,050	\$	1,706,926
Less:				
Preferred stock		166,721		-
Qualifying non-controlling interest in subsidiaries		13,205		10,494
Qualifying trust preferred securities		-		115,000
Total Tier 1 common capital	\$	1,335,124	\$	1,581,432
Total Tier 1 common risk-based capital ratio		9.17 %		11.74 %

RECENT ACCOUNTING DEVELOPMENTS

On December 23, 2011, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) No. 2011-12, *Deferral of the Effective Date for Amendments to the Presentation of Reclassifications of Items out of Accumulated Other Comprehensive Income in Accounting Standards Update No. 2011-05 (Topic 220)*, which defers the requirement to present the reclassification amounts from other comprehensive income to net income as a separate component on the income statement. The remaining requirements of ASU No. 2011-05 were adopted in TCF’s Quarterly Report on Form 10-Q for the quarter ended March 31, 2012.

On December 16, 2011, the FASB issued ASU No. 2011-11, *Disclosures about Offsetting Assets and Liabilities (Topic 210)*, which requires companies that have financial and derivative instruments subject to a master netting agreement to disclose the gross amount of the financial assets and liabilities, the amounts that are offset on the balance sheet, the net amounts presented, and the amounts subject to a master netting arrangement that are not offset. The adoption of this ASU will be required for TCF’s Quarterly Report on Form 10-Q for the first quarter of 2013, with retrospective application, and is not expected to have a material impact on TCF.

LEGISLATIVE AND REGULATORY DEVELOPMENTS

Federal and state legislation imposes numerous legal and regulatory requirements on financial institutions. Future legislative or regulatory change, or changes in enforcement practices or court rulings, may have a dramatic and potentially adverse impact on TCF and its bank and other subsidiaries.

Bank Secrecy Act Consent Order

TCF is currently subject to a Consent Order with the OCC relating to its Bank Secrecy Act (“BSA”) compliance. The Consent Order does not call for the payment of a civil money penalty; however, the OCC has issued a written notice to TCF related to TCF’s BSA compliance deficiencies. After the OCC’s review of TCF’s response to the notice, the OCC may impose a penalty related to these findings.

Federal Reserve Notice of Proposed Rulemaking

On August 30, 2012, the Board of Governors of the Federal Reserve System published in the federal register three related notices of proposed rulemaking (the “Notices”) relating to the implementation of revised capital rules to reflect the requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act as well as the Basel III international capital standards. Among other things, if adopted as proposed, the Notices establish a new capital standard consisting of common equity Tier 1 capital; increase the capital

ratios required for certain existing capital categories and add a requirement for a capital conservation buffer (failure to meet these standards would result in limitations on capital distributions as well as executive bonuses); and add more conservative standards for including securities in regulatory capital, which would phase-out trust preferred securities as a component of Tier 1 capital commencing January 1, 2013. In addition, the Notice contemplated the deduction of more assets from regulatory capital and revisions to the methodologies for determining risk weighted assets, including applying a more risk-sensitive treatment to residential mortgage exposures and to past due or nonaccrual loans. The Notices provide for various phase-in periods over the next several years. TCF will be subject to many provisions in the Notices, but until final rules are issued TCF cannot predict the actual effect.

CAUTIONARY STATEMENTS FOR PURPOSES OF THE SAFE HARBOR PROVISIONS OF THE SECURITIES LITIGATION REFORM ACT

Any statements contained in this Quarterly Report on Form 10-Q regarding the outlook for the Company's businesses and their respective markets, such as projections of future performance, 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 in this Quarterly Report on Form 10-Q. 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, 2011 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, Credit and Other Risks. Deterioration in general economic and banking industry conditions, including 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, deposit outflows, deposit account attrition or an inability to increase the number of deposit accounts; 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 or changes in the allowance for loan and lease losses dictated by new market conditions or regulatory requirements; 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; limitations on TCF's ability to attract and retain manufacturers and dealers to expand the inventory finance business.

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; the imposition of requirements with an adverse impact relating to 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 or imposition of underwriting or other limitations that impact the ability to use certain variable-rate products; impact of legislative, regulatory or other changes affecting customer account charges and fee income or expense; 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; adverse regulatory examinations and resulting enforcement actions or other adverse consequences such as increased capital requirements or higher deposit insurance assessments; heightened regulatory practices, requirements or expectations, including, but not limited to, requirements related to the Bank Secrecy Act and anti-money laundering compliance activity.

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; uncertainties relating to customer opt-in preferences with respect to overdraft fees on point of sale and ATM transactions or the success of TCF's reintroduction of the Free Checking product 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.

Competitive Conditions; Supermarket Branching Risk; Growth Risks. Reduced demand for financial services and loan and lease products; adverse developments affecting TCF's supermarket banking relationships or any of the supermarket chains in which TCF maintains supermarket branches including the announcement on July 11, 2012 by SUPERVALU that it is exploring strategic alternatives; customers completing financial transactions without using a bank; the effect of any negative publicity; 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; product additions and addition of distribution channels (or entry into new markets) for existing products.

59

Technological and Operational Matters. Technological or operational difficulties, loss or theft of information, third-party service provider or 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, deposit or leasing activities including account servicing processes or fees or charges, or employment practices, 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 state or Federal 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.

60

Item 3. Quantitative and Qualitative Disclosures About Market Risk

TCF's results of operations depend to a large degree on its net interest income and its ability to manage interest-rate risk. Although TCF manages other risks, such as credit risk, liquidity risk, operational and other risks, in the normal course of its business, the Company considers interest-rate risk to be one of its most significant market risks. Since TCF does not hold a trading portfolio, the Company is not exposed to market risk from trading activities. A mismatch between maturities, interest rate sensitivities and prepayment characteristics of assets and liabilities results in interest-rate risk. TCF, like most financial institutions, has material interest-rate risk exposure to changes in both short-term and long-term interest rates, as well as variable interest rate indices (e.g., the prime rate).

TCF's Asset/Liability Management Committee manages TCF's interest-rate risk based on interest rate expectations and other factors. The principal objective of TCF's asset/liability management activities is to provide maximum levels of net interest income while maintaining acceptable levels of interest-rate risk and liquidity risk and facilitating the funding needs of the Company.

TCF utilizes net interest income simulation models to estimate the near-term effects (next 1-2 years) of changing interest rates on its net interest income. Net interest income simulation involves forecasting net interest income under a variety of scenarios, including the level of interest rates, the shape of the yield curve, and spreads between market interest rates. At September 30, 2012, net interest income is estimated to increase by 2.2%, compared with the base case scenario, over the next 12 months if short- and long-term interest rates were to sustain an immediate increase of 100 basis points.

Management exercises its best judgment in making assumptions regarding events that management can influence, such as non-contractual deposit repricings and events outside management's control, such as customer behavior on loan and deposit activity and the effect that competition has on both loan and deposit pricing. These assumptions are inherently uncertain and, as a result, net interest income simulation results will differ from actual results due to the timing, magnitude and frequency of interest rate changes, changes in market conditions, customer behavior and management strategies, among other factors.

In addition to the net interest income simulation model, management utilizes an interest rate gap measure (difference between interest-earning assets and interest-bearing liabilities re-pricing within a given period). While the interest rate gap measurement has some limitations, including no assumptions regarding future asset or liability production and a static interest rate assumption (large quarterly changes may occur related to these items), the interest rate gap represents the net asset or liability sensitivity at a point in time. An interest rate gap measure could be significantly affected by external factors such as loan prepayments, early withdrawals of deposits, changes in the correlation of various interest-bearing instruments, competition, or a rise or decline in interest rates.

TCF's one-year interest rate gap was a positive \$1.3 billion, or 7.4% of total assets, at September 30, 2012, compared with a positive \$2.1 billion, or 10.9% of total assets, at December 31, 2011. The change in the gap from year-end is primarily due to the balance sheet repositioning and having more short-term and variable-rate borrowings, along with a smaller mortgage-backed securities portfolio. A positive interest rate gap position exists when the amount of interest-earning assets maturing or re-pricing exceeds the amount of interest-bearing liabilities maturing or re-pricing, including assumed prepayments, within a particular time period. A negative interest rate gap position exists when the amount of interest-bearing liabilities maturing or re-pricing exceeds the amount of interest-earning assets maturing or re-pricing, including assumed prepayments, within a particular time period.

TCF estimates that an immediate 50 basis point decrease in current mortgage loan interest rates would increase prepayments on the \$4.6 billion of fixed rate consumer real estate loans and fixed-rate mortgage-backed securities at September 30, 2012, by approximately \$96 million, or 14.7%, in the first year. An increase in prepayment would decrease the estimated life of the portfolios and may adversely impact net interest income or net interest margin in the future. Although prepayments on fixed-rate portfolios are currently at a relatively low level, TCF estimates that an immediate 100 basis point increase in current mortgage loan interest rates would decrease prepayments on the fixed-rate mortgage-backed securities, residential real estate loans and consumer loans at September 30, 2012, by approximately \$195 million, or 29.9%, in the first year. A slowing in prepayments would increase the estimated life of the portfolios and may favorably impact net interest income or net interest margin in the future. The level of prepayments that would actually occur in any scenario will be impacted by factors other than interest rates. Such factors include lenders' willingness to lend funds,

which can be impacted by the value of assets underlying loans and leases.

Item 4. Controls and Procedures

The Company carried out an evaluation, under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer (Principal Executive Officer), the Company's Chief Financial Officer (Principal Financial Officer) and its Controller and Managing Director of Corporate Development (Principal Accounting Officer), of the effectiveness of the design and operation of the Company's disclosure controls and procedures pursuant to Exchange Act Rule 13a-15 and 15d-15 under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). Based upon that evaluation, management concluded that the Company's disclosure controls and procedures are effective as of September 30, 2012.

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

Any control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system inherently has limitations, and the benefits of controls must be weighed against their costs. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. Therefore, no assessment of a cost-effective system of internal controls can provide absolute assurance that all control issues and instances of fraud, if any, will be detected.

Changes in Internal Control Over Financial Reporting

The Company implemented new software supporting the documentation of its external financial reporting and transferred reporting capabilities of certain management reporting systems during the quarter. The impacted systems include new operational controls and procedures and were tested as part of the development and conversion process.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES Supplementary Information

The selected quarterly financial data presented below should be read in conjunction with the Consolidated Financial Statements and related notes.

SELECTED QUARTERLY FINANCIAL DATA (Unaudited)

(Dollars in thousands, except per-share data)	At September 30, 2012	At June 30, 2012	At March 31, 2012	At December 31, 2011	At September 30, 2011
SELECTED FINANCIAL CONDITION DATA:					
Total loans and leases	\$ 15,218,217	\$ 15,234,504	\$ 15,207,936	\$ 14,150,255	\$ 14,339,715
Securities available for sale	559,671	757,233	728,894	2,324,038	2,600,806
Goodwill	225,640	225,640	225,640	225,640	152,599
Total assets	17,878,393	17,870,597	17,833,457	18,979,388	19,092,027
Deposits	13,721,419	13,704,306	12,759,040	12,202,004	12,320,502
Short-term borrowings	115,529	7,487	1,157,189	6,416	7,204
Long-term borrowings	1,936,988	2,075,923	1,962,053	4,381,664	4,397,750
Total equity	1,764,669	1,755,908	1,549,325	1,878,627	1,872,044

	Three Months Ended				
	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
SELECTED OPERATIONS DATA:					
Net interest income	\$ 200,559	\$ 198,224	\$ 180,173	\$ 173,434	\$ 176,064
Provision for credit losses	96,275	54,106	48,542	59,249	52,315
Net interest income after provision for credit losses	104,284	144,118	131,631	114,185	123,749
Non-interest income:					
Fees and other revenue	99,025	99,767	88,734	92,448	116,108
Gains on securities, net	13,033	13,116	76,611	5,842	1,648
Total non-interest income	112,058	112,883	165,345	98,290	117,756
Non-interest expense	196,808	202,989	748,708	187,533	188,848
Income (loss) before income tax expense	19,534	54,012	(451,732)	24,942	52,657
Income tax expense (benefit)	6,304	20,542	(170,244)	7,424	19,159
Income (loss) after income tax expense (benefit)	13,230	33,470	(281,488)	17,518	33,498
Income attributable to non-controlling interest	1,536	1,939	1,406	1,075	1,243
Preferred stock dividends	2,372	-	-	-	-
Net income (loss) available to common stockholders	9,322	31,531	(282,894)	16,443	32,255
Per common share:					
Basic earnings	\$ 0.06	\$ 0.20	\$ (1.78)	\$ 0.10	\$ 0.20
Diluted earnings	\$ 0.06	\$ 0.20	\$ (1.78)	\$ 0.10	\$ 0.20
Dividends declared	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05	\$ 0.05

FINANCIAL RATIOS:

Return on average assets ⁽¹⁾	.30 %	.76 %	(5.96)%	.37 %	.71 %
Return on average common equity ⁽¹⁾	2.36	8.13	(63.38)	3.55	7.12
Net interest margin ⁽¹⁾	4.85	4.86	4.14	3.92	3.96
Net charge-offs as a percentage of average loans and leases ⁽¹⁾	2.74	1.18	1.06	1.63	1.48
Average total equity to average assets	9.96	8.96	9.52	9.81	9.58

(1) Annualized

PART II – OTHER INFORMATION

Item 1. Legal Proceedings

From time to time, TCF is a party to legal proceedings arising out of its lending, leasing and deposit operations. TCF is and expects to become engaged in a number of foreclosure proceedings and other collection actions as part of its lending and leasing collections activities. TCF may also be subject to enforcement action by federal regulators, including the Securities and Exchange Commission, the Federal Reserve, the Office of the Comptroller of the Currency (“OCC”) and the Consumer Financial Protection Bureau. From time to time, borrowers and other customers, or employees or former employees, have also brought actions against TCF, in some cases claiming substantial damages. Financial services companies are subject to the risk of class action litigation, and TCF is subject to such actions brought against it from time to time. Litigation is often unpredictable and the actual results of litigation cannot be determined and therefore the ultimate resolution of a matter and the possible range of loss associated with certain potential outcomes cannot be established. Based on our current understanding of these pending legal proceedings, management does not believe that judgments or settlements arising from pending or threatened legal matters, individually or in the aggregate, would have a material adverse effect on the consolidated financial position, operating results or cash flows of TCF. TCF is also subject to regulatory examinations and TCF’s regulatory authorities may impose sanctions on TCF for a failure to maintain regulatory compliance. TCF is currently subject to a Consent Order with the OCC relating to its Bank Secrecy Act of 1970 (“BSA”) compliance. The OCC has issued a written notice to TCF related to TCF’s past BSA deficiencies. After the OCC’s review of TCF’s response, the OCC may impose a penalty related to these findings. TCF is currently not able to estimate a reasonable range of losses relating to that possibility.

Item 1A. Risk Factors

There were no material changes in risk factors for TCF in the quarter covered by this report. You should carefully consider the risks and the risk factors included under Item 1A of the Company’s Annual Report on Form 10-K for the year ended December 31, 2011. TCF’s business, financial condition or results of operations could be materially adversely affected by any of these risks.

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

The following table summarizes share repurchase activity for the quarter ended September 30, 2012.

Period	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plan	Maximum Number of Shares that May Yet Be Purchased Under the Plan
July 1 to July 31,				
Share repurchase program ⁽¹⁾	-	\$ -	-	5,384,130
Employee transactions ⁽²⁾	13,712	\$ 11.58	N.A.	N.A.
August 1 to August 31,				
Share repurchase program ⁽¹⁾	-	\$ -	-	5,384,130
Employee transactions ⁽²⁾	2,180	\$ 10.40	N.A.	N.A.
September 1 to September 30,				
Share repurchase program ⁽¹⁾	-	\$ -	-	5,384,130
Employee transactions ⁽²⁾	-	\$ -	N.A.	N.A.
Total				
Share repurchase program ⁽¹⁾	-	\$ -	-	5,384,130
Employee transactions ⁽²⁾	15,892	\$ 11.41	N.A.	N.A.

(1) The current share repurchase authorization was approved by the Board of Directors on April 14, 2007 and was announced in a press release dated April 16, 2007. The authorization was for a repurchase of up to an additional 5% of TCF’s common stock outstanding at the time of the authorization, or 6.5 million shares. TCF has not repurchased shares since October 2007. Future repurchases of shares will be based upon capital levels, growth expectations and market opportunities and may be subject to regulatory approval. The ability to repurchase shares in the future may be adversely affected by new legislation or regulations, or by changes in regulatory policies. This authorization does not have an expiration date.

- (2) Restricted shares withheld pursuant to the terms of awards under the TCF Financial Incentive Stock Program to offset tax withholding obligations that occur upon vesting and release of restricted shares. The TCF Financial Incentive Stock Program provides that the value of shares withheld shall be the average of the high and low prices of common stock of TCF Financial Corporation on the date the relevant transaction occurs.
- N.A. Not Applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

See Index to Exhibits on page 66 of this report.

65

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

TCF FINANCIAL CORPORATION

/s/ William A. Cooper

William A. Cooper, Chairman
and Chief Executive Officer
(Principal Executive Officer)

/s/ Michael S. Jones

Michael S. Jones, Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

/s/ David M. Stautz

David M. Stautz, Senior Vice President,
Controller and Managing Director of Corporate Development
(Principal Accounting Officer)

Dated: October 30, 2012

66

TCF FINANCIAL CORPORATION
INDEX TO EXHIBITS
FOR FORM 10-Q

Exhibit Number	Description
31.1#	Certification of the Chief Executive Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002

31.2#	Certification of the Chief Financial Officer Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32.1#	Certification of the Chief Executive Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
32.2#	Certification of the Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
99.1	Form of Consent Order, dated July 20, 2010, issued by the Comptroller of the Currency in the matter of TCF National Bank [incorporated by reference to Exhibit 99.1 to TCF Financial Corporation's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010]
99.2	Form of Stipulation and Consent to the Issuance of a Consent Order dated July 20, 2010, issued by the Comptroller of the Currency in the matter of TCF National Bank [incorporated by reference to Exhibit 99.2 to TCF Financial Corporation's Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2010]
101#	Financial statements from the Quarterly Report on Form 10-Q of the Company for the period ended September 30, 2012, formatted in XBRL: (i) the Consolidated Statements of Comprehensive Income, (ii) the Consolidated Statements of Financial Condition, (iii) the Consolidated Statements of Equity, (iv) the Consolidated Statements of Cash Flows and (v) the Notes to Consolidated Financial Statements

Filed herewith

[\(Back To Top\)](#)

Section 2: EX-31.1 (EX-31.1)

Exhibit 31.1

CERTIFICATIONS

I, William A. Cooper, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCF Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2012

/s/ William A. Cooper

William A. Cooper
Chairman and Chief Executive Officer
(Principal Executive Officer)

[\(Back To Top\)](#)

Section 3: EX-31.2 (EX-31.2)

Exhibit 31.2

CERTIFICATIONS

I, Michael S. Jones, certify that:

1. I have reviewed this quarterly report on Form 10-Q of TCF Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons

performing the equivalent functions):

- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: October 30, 2012

/s/ Michael S. Jones

Michael S. Jones
Executive Vice President and Chief Financial Officer
(Principal Financial Officer)

[\(Back To Top\)](#)

Section 4: EX-32.1 (EX-32.1)

Exhibit 32.1

TCF Financial Corporation

STATEMENT PURSUANT TO 18 U.S.C. §1350

I, William A. Cooper, Chief Executive Officer and Director of TCF Financial Corporation, a Delaware corporation (the "Company"), hereby certify as follows:

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company's Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the "Periodic Report");
2. The Periodic Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: October 30, 2012

/s/ William A. Cooper

William A. Cooper
Chairman and Chief Executive Officer
(Principal Executive Officer)

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

[\(Back To Top\)](#)

Section 5: EX-32.2 (EX-32.2)

Exhibit 32.2

TCF Financial Corporation

STATEMENT PURSUANT TO 18 U.S.C. §1350

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

1. This statement is provided pursuant to 18 U.S.C. § 1350 in connection with the Company’s Quarterly Report on Form 10-Q for the quarter ended September 30, 2012 (the “Periodic Report”);
2. The Periodic Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and
3. The information contained in the Periodic Report fairly presents, in all material respects, the financial condition and results of operations of the Company as of the dates and for the periods indicated therein.

Date: October 30, 2012

/s/ Michael S. Jones

Michael S. Jones
Executive Vice President and
Chief Financial Officer
(Principal Financial Officer)

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

[\(Back To Top\)](#)