Section 1: 10-Q (10-Q)

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

FORM 10-Q

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

For the quarterly period ended
June 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	**41-1591444**
(State or other jurisdiction of incorporation or organization)	(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 [X] 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 [X] 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 [X]	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 [X]

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

Class	Outstanding at July 19, 2012
Common Stock, $.01 par value	162,937,366 shares

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

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

(Dollars in thousands, except per-share data)	At June 30, 2012	At December 31, 2011
	(Unaudited)	
Assets		
Cash and due from banks	$ 865,257	$ 1,389,704
Investments	120,814	157,780
Securities available for sale	757,233	2,324,038
Loans and leases held for sale	9,664	14,321
Loans and leases:		
Consumer real estate	6,811,784	6,895,291
Commercial	3,523,070	3,449,492
Leasing and equipment finance	3,151,105	3,142,259

Inventory finance	1,457,263	624,700
Auto finance	262,188	3,628
Other	29,094	34,885
Total loans and leases	15,234,504	14,150,255
Allowance for loan and lease losses	(274,161)	(255,672)
Net loans and leases	14,960,343	13,894,583
Premises and equipment, net	442,311	436,281
Goodwill	225,640	225,640
Other assets	489,335	537,041
Total assets	$ 17,870,597	$ 18,979,388

Liabilities and Equity

Deposits:		
Checking	$ 4,701,917	$ 4,629,749
Savings	6,227,133	5,855,263
Money market	880,545	651,377
Certificates of deposit	1,894,711	1,065,615
Total deposits	13,704,306	12,202,004
Short-term borrowings	7,487	6,416
Long-term borrowings	2,075,923	4,381,664
Total borrowings	2,083,410	4,388,080
Accrued expenses and other liabilities	326,973	510,677
Total liabilities	16,114,689	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; 162,790,655 and 160,366,380 shares issued, respectively	1,628	1,604
Additional paid-in capital	738,437	715,247
Retained earnings, subject to certain restrictions	860,560	1,127,823
Accumulated other comprehensive income	15,703	56,826
Treasury stock at cost, 42,566 shares, and other	(42,078)	(33,367)
Total TCF Financial Corporation stockholders’ equity	1,740,971	1,868,133
Non-controlling interest in subsidiaries	14,937	10,494
Total equity	1,755,908	1,878,627
Total liabilities and equity	$ 17,870,597	$ 18,979,388

See accompanying notes to consolidated financial statements.

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

(In thousands, except per-share data)	Three Months Ended June 30, 2012	Three Months Ended June 30, 2011	Six Months Ended June 30, 2012	Six Months Ended June 30, 2011
Interest income:				
Loans and leases	**$** 208,766	**$** 213,823	**$** 414,750	**$** 428,496
Securities available for sale	5,816	20,639	24,928	40,068
Investments and other	3,633	1,836	6,066	3,637
Total interest income	218,215	236,298	445,744	472,201
Interest expense:				
Deposits	10,197	11,430	19,258	23,434
Borrowings	9,794	48,718	48,089	98,577
Total interest expense	19,991	60,148	67,347	122,011
Net interest income	198,224	176,150	378,397	350,190
Provision for credit losses	54,106	44,005	102,648	89,279
Net interest income after provision for credit losses	144,118	132,145	275,749	260,911
Non-interest income:				
Fees and service charges	48,090	56,396	89,946	109,909
Card revenue	13,530	28,219	26,737	54,803
ATM revenue	6,276	7,091	12,475	13,796
Subtotal	67,896	91,706	129,158	178,508
Leasing and equipment finance	23,207	22,279	46,074	49,029
Gains on sales of auto loans	5,496	-	7,746	-
Other	3,168	384	5,523	1,078

Fees and other revenue	99,767	114,369	188,501	228,615
Gain (loss) on securities, net	13,116	(227)	89,727	(227)
Total non-interest income	112,883	114,142	278,228	228,388
Non-interest expense:				
Compensation and employee benefits	97,787	89,082	193,754	178,439
Occupancy and equipment	32,731	30,783	64,977	62,942
FDIC insurance	8,469	7,542	14,855	14,737
Advertising and marketing	5,404	3,479	8,021	6,639
Deposit account premiums	1,690	6,166	7,661	9,364
Other	36,956	37,067	74,252	71,633
Subtotal	183,037	174,119	363,520	343,754
Loss on termination of debt	-	-	550,735	-
Foreclosed real estate and repossessed assets, net	12,059	12,617	23,106	25,485
Operating lease depreciation	6,417	7,859	13,148	15,787
Other credit costs, net	1,476	496	1,188	3,044
Total non-interest expense	202,989	195,091	951,697	388,070
Income (loss) before income tax expense	54,012	51,196	(397,720)	101,229
Income tax expense (benefit)	20,542	19,086	(149,702)	37,858
Income (loss) after income tax expense	33,470	32,110	(248,018)	63,371
Income attributable to non-controlling interest	1,939	1,686	3,345	2,675
Net income (loss) available to common stockholders	$ 31,531	$ 30,424	$ (251,363)	$ 60,696
Other comprehensive income (loss):				
Reclassification adjustment for securities gains included in net income	$ -	$ -	$ (76,967)	$ -
Unrealized holding gains arising during the period on securities available for sale	19,868	31,084	12,100	10,014
Foreign currency hedge	268	(93)	(136)	(600)
Foreign currency translation adjustment	(324)	120	61	534
Recognized postretirement prior service cost and transition obligation	(7)	1	(14)	2
Income tax (expense) benefit	(7,375)	(11,362)	23,833	(3,458)
Total other comprehensive income (loss)	12,430	19,750	(41,123)	6,492
Comprehensive income (loss) attributable to common stockholders	**$ 43,961**	**$ 50,174**	**$ (292,486)**	**$ 67,188**
Net income (loss) per common share:				
Basic	$ .20	$ .19	$ (1.58)	$ .40
Diluted	.20	.19	(1.58)	.40
Dividends declared per common share	**$ .05**	**$ .05**	**$ .10**	**$ .10**

See accompanying notes to consolidated financial statements.

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

	TCF Financial Corporation									
(Dollars in thousands)	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	-	-	-	-	60,696	-	-	60,696	2,675	63,371
Other comprehensive income	-	-	-	-	-	6,492	-	6,492	-	6,492
Comprehensive income	-	-	-	-	60,696	6,492	-	67,188	2,675	69,863
Public offering of common stock	15,081,968	-	151	219,515	-	-	-	219,666	-	219,666
Net investment by non-controlling interest	-	-	-	-	-	-	-	-	2,205	2,205
Dividends on common stock	-	-	-	-	(14,975)	-	-	(14,975)	-	(14,975)
Grants of restricted stock	1,188,000	-	12	(158)	-	-	146	-	-	-
Common shares purchased by TCF employee benefit plans	641,799	-	7	9,907	-	-	-	9,914	-	9,914
Cancellation of shares of restricted stock	(27,850)	-	-	(177)	15	-	-	(162)	-	(162)
Cancellation of common shares for tax withholding	(184,325)	-	(3)	(2,788)	-	-	-	(2,791)	-	(2,791)
Amortization of stock compensation	-	-	-	5,259	-	-	-	5,259	-	5,259
Stock compensation tax benefits	-	-	-	477	-	-	-	477	-	477
Change in shares held in trust for deferred compensation plans, at cost	-	-	-	10,273	-	-	(10,273)	-	-	-
Balance, June 30, 2011	159,664,604	$ -	$ 1,597	$ 702,192	$1,094,892	$ (9,200)	$ (33,242)	$1,756,239	$ 13,380	$1,769,619
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	-	-	-	-	(251,363)	-	-	(251,363)	3,345	(248,018)
Other comprehensive loss	-	-	-	-	-	(41,123)	-	(41,123)	-	(41,123)
Comprehensive (loss) income	-	-	-	-	(251,363)	(41,123)	-	(292,486)	3,345	(289,141)
Investment by non-controlling interest	-	-	-	-	-	-	-	-	1,098	1,098
Dividends on common stock	-	-	-	-	(15,905)	-	-	(15,905)	-	(15,905)
Issuance of preferred stock	-	166,721	-	-	-	-	-	166,721	-	166,721
Grants of restricted stock	1,654,525	-	17	(17)	-	-	-	-	-	-
Common shares purchased by TCF employee benefit plans	960,076	-	9	10,632	-	-	-	10,641	-	10,641
Cancellation of shares of restricted stock	(31,432)	-	-	(72)	5	-	-	(67)	-	(67)
Cancellation of common shares for tax withholding	(158,894)	-	(2)	(1,707)	-	-	-	(1,709)	-	(1,709)
Amortization of stock compensation	-	-	-	5,862	-	-	-	5,862	-	5,862
Stock option expirations	-	-	-	(56)	-	-	-	(56)	-	(56)
Stock compensation tax benefits	-	-	-	(163)	-	-	-	(163)	-	(163)
Change in shares held in trust for deferred compensation plans, at cost	-	-	-	8,711	-	-	(8,711)	-	-	-
Balance, June 30, 2012	162,790,655	$166,721	$ 1,628	$ 738,437	$ 860,560	$ 15,703	$ (42,078)	$1,740,971	$ 14,937	$1,755,908

See accompanying notes to consolidated financial statements.

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

	Six Months Ended June 30,	
(In thousands)	2012	2011
Cash flows from operating activities:		
Net (loss) income available to common stockholders	$ (251,363)	$ 60,696
Adjustments to reconcile net (loss) income to net cash provided by operating activities:		
Provision for credit losses	102,648	89,279
Depreciation and amortization	38,425	36,647
Proceeds from sales of loans and leases held for sale	47,164	-
Originations of auto loans held for sale, net of repayments	(55,278)	-
Net (decrease) increase in other assets and accrued expenses and other liabilities	(90,781)	78,132
Gains on sales of assets, net	(100,761)	(7,499)
Loss on termination of debt	550,735	-
Net income attributable to non-controlling interest	3,345	2,675
Other, net	11,488	14,491
Total adjustments	506,985	213,725
Net cash provided by operating activities	255,622	274,421
Cash flows from investing activities:		
Loan originations and purchases, net of principal collected on loans and leases	(995,598)	300,961
Purchases of equipment for lease financing	(467,809)	(417,862)
Purchase of leasing and equipment finance portfolios	-	(9,735)
Purchase of inventory finance portfolios	(37,526)	-
Proceeds from sales of loans	172,090	4,013
Proceeds from sales of lease receivables	51,733	50,944
Proceeds from sales of securities available for sale	1,901,460	-
Proceeds from sales of other securities	13,116	-
Purchases of securities available for sale	(455,336)	(512,762)
Proceeds from maturities of and principal collected on securities available for sale	132,471	264,125
Purchases of Federal Home Loan Bank stock	(141,509)	(4,439)
Redemption of Federal Home Loan Bank stock	181,561	22,250
Proceeds from sales of real estate owned	57,412	56,698
Purchases of premises and equipment	(26,928)	(15,602)
Other, net	11,637	18,359
Net cash provided by (used in) investing activities	396,774	(243,050)
Cash flows from financing activities:		
Net increase in deposits	1,487,306	358,758
Net increase (decrease) in short-term borrowings	957	(117,276)
Proceeds from long-term borrowings	1,169,294	1,347
Payments on long-term borrowings	(3,996,664)	(402,884)
Net proceeds from public offering of preferred stock	166,721	-
Net proceeds from public offering of common stock	-	219,666
Net investment by non-controlling interest	1,098	2,205
Dividends paid on common stock	(15,905)	(14,975)
Stock compensation tax (expenses) benefits	(163)	477

Common shares sold to TCF employee benefit plans		10,513		9,914
Net cash (used in) provided by financing activities		(1,176,843)		57,232
Net (decrease) increase in cash and due from banks		(524,447)		88,603
Cash and due from banks at beginning of period		1,389,704		663,901
Cash and due from banks at end of period	$	865,257	$	752,504
Supplemental disclosures of cash flow information:				
Cash paid for:				
Interest on deposits and borrowings	$	72,183	$	118,117
Income taxes, net		14,579		519
Transfer of loans to other assets	$	80,574	$	93,100

See accompanying notes to consolidated financial statements.

(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 June 30, 2012 included net interest income, non-interest income and net income of Gateway One totaling $4.5 million, $7 million, and $295 thousand, respectively. TCF's Consolidated Statements of Comprehensive Income for the six months ended June 30, 2012 included net interest income, non-interest income and net loss of Gateway One totaling $6.3 million, $10.9 million, and $1.5 million, 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 June 30, 2011	Six Months Ended June 30, 2011
Interest income	$ 238,125	$ 475,866
Net interest income	177,717	353,322
Non-interest income	118,847	236,014
Net income available to common stockholders	31,425	61,761
Basic net income per common share	$ .19	$ .40
Diluted net income per common share	$ .19	$ .40

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, as set forth below.

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, which was 22.1% of the total loans at the time of acquisition or $3.9 million, had evidence of deteriorated credit quality, at June 30, 2012 $2.1 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 acquire Gateway One 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

cause, 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 June 30, 2012 and December 31, 2011, TCF was required by Federal Reserve Board regulations to maintain reserves of $87.9 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 $19.4 million and $17.5 million was included within cash and due from banks at June 30, 2012 and December 31, 2011, respectively.

(4) Investments

The carrying values of investments consist of the following.

(In thousands)	At June 30, 2012	At December 31, 2011
Federal Home Loan Bank stock, at cost	$ 79,034	$ 119,086
Federal Reserve Bank stock, at cost	35,316	31,711
Other	6,464	6,983
Total investments	$ 120,814	$ 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 six months of 2012, TCF recorded impairment charges of $356 thousand on other investments, which had a carrying value of $6.5 million at June 30, 2012. TCF did not record any impairment charges during the three months ended June 30, 2012. During the second quarter and first six months of 2011, TCF recorded impairment charges of $16 thousand on other investments, which had a carrying value of $7.4 million at June 30, 2011.

(5) Securities Available for Sale

Securities available for sale consist of the following.

	June 30, 2012				December 31, 2011			
(Dollars in thousands)	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	$ 731,382	$ 23,511	$ -	$ 754,893	$ 2,233,307	$ 89,029	$ -	$ 2,322,336
Other	140	-	-	140	152	-	-	152
Other securities	1,742	458	-	2,200	1,742	-	192	1,550
Total	$ 733,264	$ 23,969	$ -	$ 757,233	$ 2,235,201	$ 89,029	$ 192	$ 2,324,038
Weighted-average yield	3.16%				3.79%			

Gains on securities available for sale of $76.6 million were recognized during the first six months of 2012, resulting from sales of mortgage-backed securities during the first quarter of 2012. Impairment charges of $211 thousand were recognized on other securities during the second quarter and first six months of 2011. No impairment charges were recorded during the second quarter and first six 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 June 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.

	Less than 12 months		12 months or more		Total	
(In thousands)	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 June 30, 2012, by contractual maturity, are shown below. The remaining contractual principal maturities do not consider prepayments. Remaining expected maturities will differ from contractual maturities because borrowers may have the right to prepay.

(In thousands)	Amortized Cost	Fair Value
Due in one year or less	$ 101	$ 101
Due in 1-5 years	117	123
Due in 5-10 years	125	125
Due after 10 years	731,279	754,784
No stated maturity	1,642	2,100
Total	$ 733,264	$ 757,233

(6) Loans and Leases

The following table sets forth information about loans and leases.

(Dollars in thousands)	At June 30, 2012	At December 31, 2011	Percentage Change
Consumer real estate:			
First mortgage lien	$ 4,610,837	$ 4,742,423	(2.8)%
Junior lien	2,200,947	2,152,868	2.2
Total consumer real estate	6,811,784	6,895,291	(1.2)
Commercial:			
Commercial real estate:			
Permanent	3,133,812	3,039,488	3.1
Construction and development	116,685	159,210	(26.7)
Total commercial real estate	3,250,497	3,198,698	1.6
Commercial business	272,573	250,794	8.7
Total commercial	3,523,070	3,449,492	2.1
Leasing and equipment finance:(1)			
Equipment finance loans	1,186,762	1,110,803	6.8
Lease financings:			
Direct financing leases	1,962,041	2,039,096	(3.8)
Sales-type leases	29,244	29,219	.1
Lease residuals	125,954	129,100	(2.4)
Unearned income and deferred lease costs	(152,896)	(165,959)	7.9
Total lease financings	1,964,343	2,031,456	(3.3)
Total leasing and equipment finance	3,151,105	3,142,259	.3
Inventory finance	1,457,263	624,700	133.3
Auto finance	262,188	3,628	N.M.
Other	29,094	34,885	(16.6)
Total loans and leases	$ 15,234,504	$ 14,150,255	7.7 %

N.M. Not Meaningful.

(1) Operating leases of $65.2 million and $69.6 million at June 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 June 30, 2012 and 2011, TCF sold $23.9 million and $18.2 million, respectively, of minimum lease payment receivables, received cash of $23.6 million and $18.5 million, respectively, and recognized a net loss of $314 thousand and net gain of $276 thousand, respectively. During the six months ended June 30, 2012 and 2011, TCF sold $56.6 million and $44.8 million, respectively, of minimum lease payment receivables, received cash of $57.1 million and $50.9 million, respectively, and recognized a net gain of $494 thousand and $6.1 million, respectively. At June 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 June 30, 2012, TCF sold $144.1 million of consumer auto loans with servicing retained and received cash of $141.1 million, resulting in gains of $5.5 million. Related to these sales, TCF retained an interest-only strip of $10.1 million. During the six months ended June 30, 2012, TCF sold $216.1 million of consumer auto loans with servicing retained and received cash of $211.3 million, resulting in gains of $7.7 million. Related to these sales, TCF retained an interest-only strip of $14.7 million. At June 30, 2012, interest-only strips and contractual recourse liabilities totaled $30.7 million and $4.7 million, respectively. None of the recourse liabilities outstanding at June 30, 2012 related to consumer auto loans sold during the three or six months ended June 30, 2012. 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. The unpaid principal balance of auto loans serviced for third parties was $508.5 million and $387.1 million at June 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 June 30, 2012.

(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 June 30, 2012							
Balance, at beginning of quarter	$ 183,825	$ 50,444	$ 21,537	$ 7,556	$ 1,019	$ 912	$ 265,293
Charge-offs	(35,980)	(8,693)	(2,667)	(283)	(82)	(2,128)	(49,833)
Recoveries	1,124	238	1,494	58	1	2,059	4,974
Net charge-offs	(34,856)	(8,455)	(1,173)	(225)	(81)	(69)	(44,859)
Provision for credit losses	39,118	8,710	5,086	(223)	1,356	59	54,106
Transfers and other	-	-	-	(36)	(343)	-	(379)
Balance, at end of quarter	$ 188,087	$ 50,699	$ 25,450	$ 7,072	$ 1,951	$ 902	$ 274,161
At or For the Three Months Ended June 30, 2011							
Balance, at beginning of quarter	$ 174,097	$ 50,119	$ 26,272	$ 3,344	$ -	$ 1,476	$ 255,308
Charge-offs	(37,344)	(3,030)	(4,855)	(336)	-	(2,892)	(48,457)
Recoveries	673	346	1,377	8	-	2,208	4,612
Net charge-offs	(36,671)	(2,684)	(3,478)	(328)	-	(684)	(43,845)
Provision for credit losses	38,290	3,348	1,817	(79)	-	629	44,005
Other	-	-	-	4	-	-	4
Balance, at end of quarter	$ 175,716	$ 50,783	$ 24,611	$ 2,941	$ -	$ 1,421	$ 255,472

(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
At or For the Six Months Ended June 30, 2012							
Balance, at beginning of year	$ 183,435	$ 46,954	$ 21,173	$ 2,996	$ -	$ 1,114	$ 255,672
Charge-offs	(73,142)	(10,343)	(4,443)	(953)	(84)	(5,544)	(94,509)
Recoveries	2,597	364	3,119	85	1	4,550	10,716
Net charge-offs	(70,545)	(9,979)	(1,324)	(868)	(83)	(994)	(83,793)
Provision for credit losses	75,197	13,724	5,601	4,968	2,376	782	102,648
Transfers and other	-	-	-	(24)	(342)	-	(366)
Balance, at end of period	$ 188,087	$ 50,699	$ 25,450	$ 7,072	$ 1,951	$ 902	$ 274,161
At or For the Six Months Ended June 30, 2011							
Balance, at beginning of year	$ 172,850	$ 62,478	$ 26,301	$ 2,537	$ -	$ 1,653	$ 265,819
Charge-offs	(73,532)	(20,942)	(8,805)	(571)	-	(5,711)	(109,561)
Recoveries	1,558	480	2,538	35	-	5,293	9,904
Net charge-offs	(71,974)	(20,462)	(6,267)	(536)	-	(418)	(99,657)
Provision for credit losses	74,840	8,767	4,577	909	-	186	89,279
Other	-	-	-	31	-	-	31

Balance, at end of period	$ 175,716	$ 50,783	$ 24,611	$ 2,941	$ -	$ 1,421	$ 255,472

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

	At June 30, 2012						
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for loss potential	$ 186,739	$ 25,722	$ 17,925	$ 6,659	$ 1,951	$ 902	$ 239,898
Individually evaluated for loss potential	1,348	24,977	7,525	413	-	-	34,263
Total	$ 188,087	$ 50,699	$ 25,450	$ 7,072	$ 1,951	$ 902	$ 274,161
Loans and leases outstanding:							
Collectively evaluated for loss potential	$ 6,804,456	$ 2,943,859	$ 3,115,652	$ 1,446,930	$ 260,101	$ 29,094	$14,600,092
Individually evaluated for loss potential	7,328	579,211	30,646	10,333	-	-	627,518
Loans acquired with deteriorated credit quality	-	-	4,807	-	2,087	-	6,894
Total	$ 6,811,784	$ 3,523,070	$ 3,151,105	$ 1,457,263	$ 262,188	$ 29,094	$15,234,504

	At December 31, 2011						
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Auto Finance	Other	Total
Allowance for loan and lease losses:							
Collectively evaluated for 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

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.

	At June 30, 2012						
(In thousands)	Performing	60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total 60+ Days Delinquent and Accruing	Accruing	Non-Accrual	Total
Consumer real estate:							
First mortgage lien	$ 4,401,717	$ 33,393	$ 53,321	$ 86,714	$ 4,488,431	$ 122,406	$ 4,610,837
Junior lien	2,168,708	6,952	7,015	13,967	2,182,675	18,272	2,200,947
Total consumer real estate	6,570,425	40,345	60,336	100,681	6,671,106	140,678	6,811,784
Commercial real estate	3,109,317	5,505	-	5,505	3,114,822	135,675	3,250,497
Commercial business	257,922	111	-	111	258,033	14,540	272,573
Total commercial	3,367,239	5,616	-	5,616	3,372,855	150,215	3,523,070
Leasing and equipment finance:							
Middle market	1,645,297	911	109	1,020	1,646,317	11,022	1,657,339
Small ticket	795,062	970	345	1,315	796,377	5,091	801,468
Winthrop	401,289	4	-	4	401,293	12,725	414,018
Other	235,206	-	-	-	235,206	591	235,797
Total leasing and equipment finance	3,076,854	1,885	454	2,339	3,079,193	29,429	3,108,622
Inventory finance	1,455,157	182	24	206	1,455,363	1,900	1,457,263

Auto finance	260,039	24	38	62	260,101	-	260,101
Other	26,856	17	17	34	26,890	2,204	29,094
Subtotal	14,756,570	48,069	60,869	108,938	14,865,508	324,426	15,189,934
Portfolios acquired with deteriorated credit quality	43,934	293	343	636	44,570	-	44,570
Total	$ 14,800,504	$ 48,362	$ 61,212	$ 109,574	$ 14,910,078	$ 324,426	$ 15,234,504

	At December 31, 2011						
(In thousands)	Performing	60-89 Days Delinquent and Accruing	90 Days or More Delinquent and Accruing	Total 60+ Days Delinquent and Accruing	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

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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2012	2011	2012	2011
Contractual interest due on non-accrual loans and leases	$ 8,614	$ 9,698	$ 17,633	$ 19,360
Interest income recognized on loans and leases in non-accrual status	1,563	1,841	3,487	4,037
Unrecognized interest income	$ 7,051	$ 7,857	$ 14,146	$ 15,323

The following table summarizes consumer real estate loans to customers in bankruptcy.

(In thousands)	At June 30, 2012	At December 31, 2011
Consumer real estate loans to customers in bankruptcy:		
0-59 days delinquent and accruing	$ 70,683	$ 74,347
60+ days delinquent and accruing	1,038	1,112
Non-accrual	22,242	17,531
Total consumer real estate loans to customers in bankruptcy	$ 93,963	$ 92,990

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").

Based on clarifying guidance from regulatory agencies, beginning in the second quarter of 2012, TCF classifies trial modifications as TDRs at the beginning of the trial period. Previously, these loans were not classified as TDRs until performance was demonstrated at a reduced payment amount during a short trial period. This change in policy resulted in a one-time $13.4 million increase of consumer real estate TDRs during the second quarter of 2012.

TCF held consumer real estate TDRs of $520.1 million and $479.8 million at June 30, 2012 and December 31, 2011, respectively, of which $465.6 million and $433.1 million were accruing at June 30, 2012 and December 31, 2011, respectively. TCF also held $208.7 million and $181.6 million of commercial loan TDRs at June 30, 2012 and December 31, 2011, respectively, of which $103.1 million and $98.4 million were accruing at June 30, 2012 and December 31, 2011, respectively. The amount of additional funds committed to borrowers in TDR status was $7.2 million and $8.5 million at June 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.

	Three Months Ended June 30,					
	2012			2011		
(In thousands)	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	$ 7,224	$ 3,906	$ 3,318	$ 5,770	$ 2,978	$ 2,792
Junior lien	580	361	219	407	231	176
Total consumer real estate	7,804	4,267	3,537	6,177	3,209	2,968
Commercial real estate	1,300	1,311	(11)	486	483	3
Commercial business	105	96	9	82	82	—
Total commercial	1,405	1,407	(2)	568	565	3
Leasing and equipment finance:						
Middle market	14	16	(2)	21	22	(1)
Total leasing and equipment finance	14	16	(2)	21	22	(1)
Total	$ 9,223	$ 5,690	$ 3,533	$ 6,766	$ 3,796	$ 2,970

	Six Months Ended June 30,					
	2012			2011		
(In thousands)	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	$ 14,290	$ 7,535	$ 6,755	$ 11,361	$ 5,964	$ 5,397
Junior lien	1,147	710	437	814	455	359
Total consumer real estate	15,437	8,245	7,192	12,175	6,419	5,756
Commercial real estate	2,616	2,645	(29)	869	852	17
Commercial business	215	206	9	82	82	-
Total commercial	2,831	2,851	(20)	951	934	17
Leasing and equipment finance:						
Middle market	29	32	(3)	43	44	(1)
Total leasing and equipment finance	29	32	(3)	43	44	(1)
Total	$ 18,297	$ 11,128	$ 7,169	$ 13,169	$ 7,397	$ 5,772

The table below summarizes TDRs that defaulted during the three and six months ended June 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 or has been transferred to other real estate owned.

	Three Months Ended June 30,				Six Months Ended June 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	37	$ 7,260	22	$ 5,234	65	$ 12,574	40	$ 8,399
Junior lien	11	338	6	601	17	687	13	1,314
Total consumer real estate	48	7,598	28	5,835	82	13,261	53	9,713
Commercial real estate	7	11,978	2	5,436	11	25,605	3	5,957

Total commercial	7	11,978	2	5,436	11	25,605	3	5,957
Total defaulted modified loans	55	$ 19,576	30	$ 11,271	93	$ 38,866	56	$ 15,670
Loans modified in the applicable period	1,629	$ 406,885	832	$ 244,632	1,775	$ 447,532	1,073	$ 283,783
Defaulted modified loans as a percent of loans modified in the applicable period	3.4 %	4.8 %	3.6 %	4.6 %	5.2 %	8.7 %	5.2 %	5.5 %

Consumer real estate TDRs are evaluated separately in TCF's allowance methodology based on the present value of expected cash flows for such loans as the repayments are not expected to result from the foreclosure and liquidation of the collateral at the time of the modification. The allowance on accruing consumer real estate loan TDRs was $65.6 million, or 14.1% of the outstanding balance, at June 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 10% 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 $1.6 million, or 1.5% of the outstanding balance, at June 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 consumer TDR loans, commercial TDR loans, and leasing and equipment finance TDR loans. Impaired loans are included in the previous tables within the amounts disclosed as non-accrual and the accruing consumer real estate TDRs. Accruing consumer and commercial 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 June 30, 2012		
(In thousands)	Unpaid Contractual Balance	Loan Balance	Related Allowance Recorded
Impaired loans with an allowance recorded:			
Consumer real estate:			
First mortgage lien	$ 423,618	$ 423,048	$ 62,040
Junior lien	36,556	36,588	7,308
Total consumer real estate	460,174	459,636	69,348
Commercial real estate	258,643	231,606	16,475
Commercial business	24,370	21,665	3,459
Total commercial	283,013	253,271	19,934
Leasing and equipment finance:			
Middle market	8,127	8,127	1,078
Small ticket	676	676	157
Other	591	591	305
Total leasing and equipment finance	9,394	9,394	1,540
Inventory finance	1,900	1,900	364
Other	9	9	1
Total impaired loans with an allowance recorded	754,490	724,210	91,187
Impaired loans without an allowance recorded:			
Consumer real estate:			
First mortgage lien	78,555	56,724	-
Junior lien	7,886	3,699	-
Total consumer real estate	86,441	60,423	-
Total impaired loans	$ 840,931	$ 784,633	$ 91,187

	At December 31, 2011		

(In thousands)		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 consumer real estate		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 an increase of $32.6 million in accruing consumer real estate loan TDRs and a $27.1 million increase in commercial TDRs. Included in impaired loans were $441.6 million and $413.7 million of accruing consumer real estate loan TDRs less than 90 days past due as of June 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 six months ended June 30, 2012 and 2011 are included within the following tables.

	Three Months Ended							
	June 30, 2012				June 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	$	412,692	$	3,698	$	333,412	$	2,987
Junior lien		35,304		366		23,188		233
Total consumer real estate		447,996		4,064		356,600		3,220
Commercial real estate		227,340		1,312		134,765		495
Commercial business		22,077		96		38,206		82
Total commercial		249,417		1,408		172,971		577
Leasing and equipment finance:								
Middle market		8,607		4		14,365		24
Small ticket		735		-		870		8
Other		590		-		186		-
Total leasing and equipment finance		9,932		4		15,421		32
Inventory finance		1,505		20		1,036		13
Other		5		-		-		-
Total impaired loans with an allowance recorded		708,855		5,496		546,028		3,842
Impaired loans without an allowance recorded:								
Consumer real estate:								
First mortgage lien		53,704		378		38,064		237
Junior lien		3,429		41		1,713		21
Total consumer real estate		57,133		419		39,777		258
Total impaired loans	$	765,988	$	5,915	$	585,805	$	4,100

(In thousands)	June 30, 2012 Average Balance	June 30, 2012 Interest Income Recognized	June 30, 2011 Average Balance	June 30, 2011 Interest Income Recognized
Impaired loans with an allowance recorded:				
Consumer real estate:				
First mortgage lien	$ 409,281	$ 7,101	$ 328,137	$ 5,988
Junior lien	34,996	681	22,801	457
Total consumer real estate	444,277	7,782	350,938	6,445
Commercial real estate	214,195	2,646	151,349	864
Commercial business	25,424	206	39,829	83
Total commercial	239,619	2,852	191,178	947
Leasing and equipment finance:				
Middle market	8,814	9	13,683	57
Small ticket	604	-	579	9
Other	601	1	177	-
Total leasing and equipment finance	10,019	10	14,439	66
Inventory finance	1,362	33	845	42
Other	5	-	-	-
Total impaired loans with an allowance recorded	695,282	10,677	557,400	7,500
Impaired loans without an allowance recorded:				
Consumer real estate:				
First mortgage lien	52,912	711	35,199	436
Junior lien	2,745	86	1,649	40
Total consumer real estate	55,657	797	36,848	476
Total impaired loans	$ 750,939	$ 11,474	$ 594,248	$ 7,976

Six Months Ended

(8) Deposits

Deposits are summarized as follows.

(Dollars in thousands)	At June 30, 2012 Rate at Quarter-end	Amount	% of Total	At December 31, 2011 Rate at Year-end	Amount	% of Total
Checking:						
Non-interest bearing	- %	$ 2,380,486	17.4 %	- %	$ 2,442,522	20.0 %
Interest bearing	.15	2,321,431	17.0	.16	2,187,227	18.0
Total checking	.07	4,701,917	34.4	.07	4,629,749	38.0
Savings	.33	6,227,133	45.4	.37	5,855,263	48.0
Money market	.40	880,545	6.4	.36	651,377	5.3
Total checking, savings and money market	.23	11,809,595	86.2	.25	11,136,389	91.3
Certificates of deposit	1.08	1,894,711	13.8	.75	1,065,615	8.7
Total deposits	.35 %	$ 13,704,306	100.0 %	.29 %	$ 12,202,004	100.0 %

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

(In thousands)	At June 30, 2012			At December 31, 2011		
Maturity	$ 100,000+	Other	Total	$ 100,000+	Other	Total
0-3 months	$ 194,833	$ 165,040	$ 359,873	$ 213,611	$ 146,035	$ 359,646
4-6 months	151,939	195,755	347,694	67,993	155,394	223,387
7-12 months	280,319	307,072	587,391	89,169	246,880	336,049
13-24 months	200,946	192,556	393,502	35,175	93,481	128,656
Over 24 months	145,726	60,525	206,251	3,225	14,652	17,877
Total	$ 973,763	$ 920,948	$ 1,894,711	$ 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 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. Deposit base intangibles of $3 million, and $35 thousand of related amortization, were recorded during the second quarter of 2012 in connection with this assumption of deposits.

(9) Goodwill and Other Intangible Assets

Goodwill and other intangible assets are summarized as follows.

	At June 30, 2012				At December 31, 2011			
(Dollars in thousands)	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	$ 35	$ 3,014	-	$ -	$ -	$ -
Customer base intangibles	11	2,730	457	2,273	11	2,730	360	2,370
Non-compete agreement	5	4,590	573	4,017	5	4,590	113	4,477
Tradename	2	300	88	212	2	300	13	287
Total	8	$ 10,669	$ 1,153	$ 9,516	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 $336 thousand and $667 thousand for the three and six months ended June 30, 2012, respectively. Total amortization expense related to intangible assets was $43 thousand and $86 thousand for the three and six months ended June 30, 2011, respectively.

(10) Long-term Borrowings

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

		At June 30, 2012		At December 31, 2011	
(Dollars in thousands)	Stated Maturity	Amount	Weighted-Average Rate	Amount	Weighted-Average Rate
Federal Home Loan Bank advances and securities sold under repurchase agreements	2013	$ 680,000	.74 %	$ 400,000	.97%
	2014	448,000	.44	-	-
	2015	125,000	.46	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	2.13	71,020	2.21
	2015	50,000	2.06	50,000	2.14
	2016	74,782	5.59	74,661	5.63
	2022	109,000	6.37	-	-
Subtotal		304,802	4.48	195,681	3.49
Junior subordinated notes (trust preferred)	2068	114,807	12.95	114,236	12.83
Discounted lease rentals	2012	25,834	5.29	57,622	5.32
	2013	34,357	5.26	36,009	5.28
	2014	15,764	5.11	16,641	5.12
	2015	5,668	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		87,436	5.21	121,747	5.25
Other long-term	2012	148	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		18,878	3.15	-	-
Total long-term borrowings		$ 2,075,923	2.15 %	$ 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 intends to use 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% 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 allows TCF to redeem the Trust Preferred Securities. The Trust Preferred Securities will be redeemed on July 30, 2012 at the redemption price of $25 per Trust Preferred Security plus accumulated and unpaid distributions to the redemption date.

(11) Equity

Treasury stock and other consist of the following:

(In thousands)	At June 30, 2012	At December 31, 2011
Treasury stock, at cost	$ 1,102	$ 1,102
Shares held in trust for deferred compensation plans, at cost	40,976	32,265
Total	$ 42,078	$ 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 will be 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, commencing on September 1, 2012, 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.

At June 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 of 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 the result of the balance sheet repositioning completed during March 2012.

	Actual		Minimum Capital Requirement (1)		Well-Capitalized Capital Requirement (1)	
(Dollars in thousands)	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of June 30, 2012						
Tier 1 leverage capital:(2)						
TCF	$ 1,508,176	8.64 %	$ 697,908	4.00 %	N.A.	N.A.
TCF Bank	1,447,464	8.29	698,108	4.00	$ 872,635	5.00 %

Tier 1 risk-based capital:						
TCF	1,508,176	10.53	572,776	4.00	859,164	6.00
TCF Bank	1,447,464	10.11	572,578	4.00	858,868	6.00
Total risk-based capital:						
TCF	1,877,714	13.11	1,145,553	8.00	1,431,941	10.00
TCF Bank	1,816,810	12.69	1,145,157	8.00	1,431,446	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. Additionally, in conjunction with the sale of all of its Visa® Class B stock in June 2012, 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. See Note 19, Sales of Other Securities for additional information. 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. See Note 22, Subsequent Events for additional information.

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

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 June 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). For the three months ended June 30, 2012, losses of less than $1 thousand were excluded from the assessment of TCF's cash flow hedge effectiveness. For the six months ended June 30, 2012, losses of $1 thousand were excluded from the assessment of TCF's cash flow hedge effectiveness. 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 six months ended June 30, 2012, were gains of $264 thousand and losses of $132 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 six months ended June 30, 2011, were losses of $150 thousand and $576 thousand, respectively.

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

		At June 30, 2012					
		Receivables			Payables		
(In thousands)	Notional Amount	Designated as Hedges	Not Designated as Hedges	Total	Designated as Hedges	Not Designated as Hedges	Total
Forward foreign exchange contracts	$ 336,860	$ -	$ 10	$ 10	$ 258	$ 3,541	$ 3,799
Swap agreement	14,550	-	-	-	-	1,434	1,434
Netting adjustments[1]				(10)			(2,054)
Net receivable / payable				$ -			$ 3,179

		At December 31, 2011					
		Receivables			Payables		
(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.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2012	2011	2012	2011
Consolidated Statements of Comprehensive Income:				
Foreign exchange (losses) gains	$ (6,672)	$ 1,070	$ (3,551)	$ 5,168
Forward foreign exchange contract gains (losses):				
Cash flow hedge	-	(11)	(1)	(13)
Not designated as hedges	5,920	(1,406)	2,289	(5,690)
Total forward foreign exchange contract losses	5,920	(1,417)	2,288	(5,703)
Net realized loss	$ (752)	$ (347)	$ (1,263)	$ (535)
Consolidated Statements of Financial Condition:				
Accumulated other comprehensive (loss) income:				
Foreign currency translation adjustment	$ (324)	$ 120	$ 61	$ 534
Net investment hedge	264	(150)	(132)	(576)

Cash flow hedge	4	57	(4)	(24)
Net unrealized (loss) gain	$ (56)	$ 27	$ (75)	$ (66)

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 June 30, 2012. The amount of collateral required depends on the contract and is determined daily based on market and currency exchange rate conditions. At June 30, 2012, TCF had received $410 thousand and posted $610 thousand of cash collateral related to its forward foreign exchange contracts and posted $1.5 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.

	Fair Value Measurements at June 30, 2012			
(In thousands)	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	$ -	$ 754,893	$ -	$ 754,893
Other	-	-	140	140
Other securities	2,100	-	100	2,200
Forward foreign currency contracts	-	10	-	10
Assets held in trust for deferred compensation plans(4)	10,743	-	-	10,743
Total assets	$ 12,843	$ 754,903	$ 240	$ 767,986
Forward foreign currency contracts	$ -	$ 3,799	$ -	$ 3,799
Swap agreement	-	-	1,434	1,434
Total liabilities	$ -	$ 3,799	$ 1,434	$ 5,233
Nonrecurring Fair Value Measurements:				
Loans:(5):				
Commercial	$ -	$ -	$ 31,898	$ 31,898
Real estate owned:(6):				
Consumer	-	-	64,053	64,053
Commercial	-	-	33,907	33,907
Repossessed and returned assets(6)	-	2,853	384	3,237
Investments(7)	-	-	3,364	3,364
Total non-recurring fair value measurements	$ -	$ 2,853	$ 133,606	$ 136,459

(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 June 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.

	Fair Value Measurements at December 31, 2011			
(In thousands)	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 currency 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 currency 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 $240 thousand at June 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 $12 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 $1.4 million at June 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. See Note 19, Sales of other Securities for additional information. 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 $6.3 million and included in foreclosed real estate and repossessed assets, net expense, for the six months ended June 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 June 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.

	Level in Fair Value Measurement Hierarchy	At June 30, 2012		At December 31, 2011	
(In thousands)		Carrying Amount	Estimated Fair Value	Carrying Amount	Estimated Fair Value
Financial instrument assets:					
Cash and due from banks	Level 1	$ 865,257	$ 865,257	$ 1,389,704	$ 1,389,704
Investments	Level 2	114,350	114,350	150,797	150,797
Investments	Level 3	6,464	6,464	6,983	6,983
Securities available for sale	Level 1	2,100	2,100	252	252
Securities available for sale	Level 2	754,893	754,893	2,322,336	2,322,336
Securities available for sale	Level 3	240	240	1,450	1,450
Loans and leases held for sale	Level 3	9,664	9,913	14,321	14,524
Interest-only strips	Level 3	30,679	30,679	22,436	22,436
Loans:					

Consumer real estate	Level 3		6,811,784	6,544,004	6,895,291	6,549,277
Commercial real estate	Level 3		3,250,497	3,204,552	3,198,698	3,154,724
Commercial business	Level 3		272,573	265,158	250,794	242,331
Equipment finance loans	Level 3		1,186,762	1,194,809	1,110,803	1,118,271
Inventory finance loans	Level 3		1,457,263	1,446,318	624,700	623,651
Auto finance	Level 3		262,188	268,056	3,628	3,628
Other	Level 3		29,094	25,326	34,885	30,665
Total financial instrument assets		$	15,053,808	$ 14,732,119	$ 16,027,078	$ 15,631,029
Financial instrument liabilities:						
Checking, savings and money market deposits	Level 1	$	11,809,595	$ 11,809,595	$ 11,136,389	$ 11,136,389
Certificates of deposit	Level 2		1,894,711	1,910,637	1,065,615	1,068,793
Short-term borrowings	Level 1		7,487	7,487	6,416	6,416
Long-term borrowings	Level 2		2,075,923	2,084,925	4,381,664	4,913,637
Forward foreign exchange contracts	Level 2		3,179	3,179	284	284
Total financial instrument liabilities		$	15,790,895	$ 15,815,823	$ 16,590,368	$ 17,125,519
Financial instruments with off-balance sheet risk: (1)						
Commitments to extend credit (2)	Level 2	$	30,195	$ 30,195	$ 31,210	$ 31,210
Standby letters of credit (3)	Level 2		(94)	(94)	(71)	(71)
Total financial instruments with off-balance sheet risk		$	30,101	$ 30,101	$ 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 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.

(15) Stock Compensation

The following table reflects TCF's restricted stock and stock option transactions under the TCF Financial Incentive Stock Program during the six months ended June 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	1,602,200	9.19	-	-	-
Forfeited	(31,432)	13.40	(42,640)	$ 15.75	15.75
Vested	(454,873)	11.82	-	-	-
Outstanding at June 30, 2012	3,400,009	$ 11.32	2,156,104	$ 12.85 - $ 15.75	$ 14.40
Exercisable at June 30, 2012	N.A.	N.A.	2,156,104		$ 14.40

N.A. Not applicable

Unrecognized stock compensation for restricted stock was $24.8 million with a weighted-average remaining amortization period of 2.4 years at June 30, 2012. As of June 30, 2012, the weighted average remaining contractual life of stock options outstanding was 5.2 years.

At June 30, 2012, there were 1,257,751 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 six months ended June 30, 2012 and 2011.

	Pension Plan			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2012	2011	2012	2011
Interest cost	$ 441	$ 556	$ 881	$ 1,112
Return on plan assets	(206)	(678)	(412)	(1,356)
Net periodic benefit cost (income)	$ 235	$ (122)	$ 469	$ (244)

	Postretirement Plan			
	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2012	2011	2012	2011
Interest cost	$ 73	$ 107	$ 146	$ 215
Service cost	-	1	-	1
Amortization of transition obligation	-	1	-	2
Amortization of prior service cost	(7)	-	(14)	-
Net periodic benefit cost	$ 66	$ 109	$ 132	$ 218

TCF made no cash contributions to the Pension Plan in either of the six months ended June 30, 2012 or 2011. During the second quarter and first six months of 2012, TCF paid $121 thousand and $276 thousand, respectively, for benefits of the Postretirement Plan, compared with $150 thousand and $268 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 Form 10-K. TCF generally accounts for inter-segment sales and transfers at cost.

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 June 30, 2012					
Revenues from external customers:					
Interest income	$ 210,532	$ 7,683	$ -	$ -	$ 218,215
Non-interest income	33,357	66,271	13,255	-	112,883
Total	$ 243,889	$ 73,954	$ 13,255	$ -	$ 331,098
Net interest income	$ 128,832	$ 70,027	$ (5)	$ (630)	$ 198,224
Provision for credit losses	53,745	361	-	-	54,106
Non-interest income	33,357	66,280	50,478	(37,232)	112,883
Non-interest expense	92,698	108,377	39,146	(37,232)	202,989
Income tax expense	5,606	13,256	2,310	(630)	20,542
Income after income tax expense	10,140	14,313	9,017	-	33,470
Income attributable to non-controlling interest	1,939	-	-	-	1,939
Net income attributable to common stockholders	$ 8,201	$ 14,313	$ 9,017	$ -	$ 31,531
Total assets	$ 15,498,135	$ 6,586,483	$ 153,735	$ (4,367,756)	$ 17,870,597
For the Three Months Ended June 30, 2011					
Revenues from external customers:					
Interest income	$ 213,917	$ 22,381	$ -	$ -	$ 236,298
Non-interest income	24,351	89,953	(162)	-	114,142
Total	$ 238,268	$ 112,334	$ (162)	$ -	$ 350,440
Net interest income	$ 118,569	$ 58,083	$ 16	$ (518)	$ 176,150
Provision for credit losses	43,427	578	-	-	44,005
Non-interest income	24,351	94,252	34,156	(38,617)	114,142
Non-interest expense	79,525	117,270	37,829	(39,533)	195,091
Income tax expense (benefit)	6,877	13,688	(1,290)	(189)	19,086
Income (loss) after income tax expense	13,091	20,799	(2,367)	587	32,110
Income attributable to non-controlling interest	1,686	-	-	-	1,686
Net income (loss) attributable to common stockholders	$ 11,405	$ 20,799	$ (2,367)	$ 587	$ 30,424
Total assets	$ 14,818,791	$ 7,222,212	$ 165,088	$ (3,371,675)	$ 18,834,416

(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 Six Months Ended June 30, 2012					
Revenues from external customers:					
Interest income	$ 417,091	$ 28,653	$ -	$ -	$ 445,744
Non-interest income	62,417	202,492	13,319	-	278,228
Total	$ 479,508	$ 231,145	$ 13,319	$ -	$ 723,972
Net interest income	$ 251,787	$ 127,871	$ 5	$ (1,266)	$ 378,397
Provision for credit losses	102,687	(39)	-	-	102,648
Non-interest income	62,417	202,513	87,807	(74,509)	278,228
Non-interest expense	177,731	772,389	76,086	(74,509)	951,697
Income tax expense (benefit)	11,940	(161,269)	893	(1,266)	(149,702)
Income (loss) after income tax expense	21,846	(280,697)	10,833	-	(248,018)
Income attributable to non-controlling interest	3,345	-	-	-	3,345
Net income (loss) attributable to common stockholders	$ 18,501	$ (280,697)	$ 10,833	$ -	$ (251,363)
Total assets	$ 15,498,135	$ 6,586,483	$ 153,735	$ (4,367,756)	$ 17,870,597
For the Six Months Ended June 30, 2011					
Revenues from external customers:					
Interest income	$ 428,678	$ 43,523	$ -	$ -	$ 472,201
Non-interest income	53,251	175,243	(106)	-	228,388
Total	$ 481,929	$ 218,766	$ (106)	$ -	$ 700,589
Net interest income	$ 234,538	$ 116,610	$ 30	$ (988)	$ 350,190
Provision for credit losses	89,165	114	-	-	89,279
Non-interest income	53,251	184,035	68,221	(77,119)	228,388
Non-interest expense	158,987	236,887	71,146	(78,950)	388,070
Income tax expense (benefit)	13,956	25,188	(956)	(330)	37,858
Income (loss) after income tax expense	25,681	38,456	(1,939)	1,173	63,371
Income attributable to non-controlling interest	2,675	-	-	-	2,675
Net income (loss) attributable to common stockholders	$ 23,006	$ 38,456	$ (1,939)	$ 1,173	$ 60,696
Total assets	$ 14,818,791	$ 7,222,212	$ 165,088	$ (3,371,675)	$ 18,834,416

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

(18) Earnings Per Common Share

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

	Three Months Ended June 30,		Six Months Ended June 30,	
(Dollars in thousands, except per-share data)	2012	2011	2012	2011
Basic Earnings (Loss) Per Common Share				
Net income (loss) available to common stockholders	$ 31,531	$ 30,424	$ (251,363)	$ 60,696
Earnings allocated to participating securities	62	89	33	198
Earnings (loss) allocated to common stock	$ 31,469	$ 30,335	$ (251,396)	$ 60,498
Weighted-average shares outstanding	162,167,183	158,885,491	161,696,496	152,299,889
Restricted stock	(3,054,531)	(1,821,178)	(2,886,959)	(1,535,337)
Weighted-average common shares outstanding for basic earnings per common share	159,112,652	157,064,313	158,809,537	150,764,552
Basic earnings (loss) per share	$ .20	$ .19	$ (1.58)	$ .40
Diluted Earnings (Loss) Per Common Share				
Earnings (loss) allocated to common stock	$ 31,469	$ 30,334	$ (251,396)	$ 60,498
Weighted-average common shares outstanding used in basic earnings per common share calculation	159,112,652	157,064,313	158,809,537	150,764,552
Net dilutive effect of:				
Non-participating restricted stock	397,035	202,785	-	150,923
Stock options	29,632	195,659	-	220,614
Weighted-average common shares outstanding for diluted earnings per common share	159,539,319	157,462,757	158,809,537	151,136,089
Diluted earnings (loss) per share	$ .20	$ .19	$ (1.58)	$ .40

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 months ended June 30, 2012, 2 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 months ended June 30, 2011, 634 thousand 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.

For the six months ended June 30, 2011, 626 thousand 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.

(19) Sales of Other Securities

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 within the Consolidated Statements of Comprehensive Income and within Support Services for purposes of business segment reporting. 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 Visa Class B stock into Visa Class A stock is adjusted. See Note 12, Derivative Instruments for additional information.

(20) Other Expense

Other expense consists of the following.

	Three Months Ended June 30,		Six Months Ended June 30,	
(In thousands)	2012	2011	2012	2011
Card processing and issuance cost	$ 3,700	$ 4,635	$ 7,774	$ 9,098
Outside processing	3,274	2,988	6,222	6,022
Professional fees	2,909	3,036	5,793	6,719
Telecommunications	2,665	3,067	6,183	6,009
Postage and courier	2,639	2,597	5,404	5,082
Deposit account losses	2,000	2,083	4,185	4,154
Office supplies	1,779	1,637	3,641	3,354
ATM processing	1,140	1,269	2,234	2,462
Other	16,850	15,755	32,816	28,733
Total other expense	$ 36,956	$ 37,067	$ 74,252	$ 71,633

(21) 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.

(22) Subsequent Events

On July 13, 2012, Visa announced that it, along with MasterCard and certain U.S. financial institution defendants have signed a memorandum of understanding to enter into a settlement agreement to resolve the Class Plaintiffs' claims in the multi-district interchange litigation ("MDL"). The claims originally were brought by a class of U.S. retailers in 2005. Visa also has reached an agreement in principle to resolve the claims brought against Visa by a group of individual retailers in the same MDL. The proposed settlement payments for both the class plaintiffs' and individual plaintiffs' claims would be approximately $6.6 billion, of which Visa's share would represent approximately $4.4 billion. Visa's share will be paid from the litigation escrow account established pursuant to Visa's Retrospective Responsibility Plan. The proposed settlement payments had no impact on TCF's results of operations for the six months ended June 30, 2012.

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 431 banking offices in Minnesota, Illinois, Michigan, Colorado, Wisconsin, Indiana, Arizona and South Dakota (TCF's primary banking markets) at June 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 include 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, 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 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 35 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 66.7% of TCF's total revenue, excluding gains on securities for the six months ended June 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 focus

in more detail on the results of operations for the three and six months ended June 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 had net income of $31.5 million and a net loss of $251.4 million for the second quarter and first six months of 2012, respectively, compared with net income of $30.4 million and $60.7 million for the same 2011 periods. TCF's net loss for the first six months of 2012 included a net, after tax charge of $295.8 million, or $1.87 per share, related to the repositioning of TCF's balance sheet completed in the first quarter of 2012. TCF's diluted earnings per common share was 20 cents and a loss of $1.58 for the second quarter and first six months of 2012, respectively, compared with earnings per common share of 19 cents and 40 cents for the same 2011 periods.

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 .76% and negative 2.71% for the second quarter and first six months of 2012, respectively, compared with .68% for both of the same 2011 periods. Return on average common equity was 8.13% and negative 29.84% for the second quarter and first six months of 2012, respectively, compared with 7% and 7.46% for the same 2011 periods.

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 net income of $8.2 million and $18.5 million for the second quarter and first six months of 2012, respectively, compared with $11.4 million and $23 million for the same period 2011 periods. Lending net interest income for the second quarter and first six months of 2012 was $128.8 million and $251.8 million, respectively, compared with $118.6 million and $234.5 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, partially offset by decreases in the consumer real estate and commercial real estate average portfolio balances and average yields. The decrease in the average consumer real estate portfolio reflects a decline in production of new fixed-rate loans as market rates available for fixed-rate first mortgage loans were not as attractive to TCF.

Lending's provision for credit losses totaled $53.7 million and $102.7 million for the second quarter and first six months of 2012, respectively, compared with $43.4 million and $89.2 million for the same 2011 periods. The increase in provision from the second quarter of 2011 was primarily due to increased loss reserves on commercial real estate loans and a reserve for one large lease exposure. The increase in provision expense from the first six months of 2011 was primarily due to increased loss reserves on commercial real estate loans and increased reserves on the inventory finance and auto finance portfolios as a result of increased loan balances. See Results of Operations – Provision for Credit Losses in this Management's Discussion and Analysis of Financial Condition and Results of Operations ("Management's Discussion and Analysis") for further discussion.

Lending non-interest income totaled $33.4 million and $62.4 million for the second quarter and first six months of 2012, respectively, compared with $24.4 million and $53.3 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 $92.7 million and $177.7 million for the second quarter and first six months of 2012, respectively, compared with $79.5 million and $159 million for the same 2011 periods. The increase from the second quarter and first six 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 $14.3 million and a net loss of $280.7 million for the second quarter and first six months of 2012, respectively, compared with net income of $20.8 million and $38.5 million for the same 2011 periods. The net loss for the first six months of 2012 was due to the balance sheet repositioning completed in the first quarter of 2012. Funding net interest income totaled $70 million and $127.9 million for second quarter and first six months of 2012, respectively, compared with $58.1 million and $116.6 million for the same 2011 periods.

Funding non-interest income totaled $66.3 million and $202.5 million for the second quarter and first six months of 2012, respectively, compared with $94.3 million and $184 million for the same 2011 periods. The decrease from the second quarter of 2011 was primarily due to lower fee income related to card revenue and customer behavior. The increase from the first six months of 2011 was primarily due to gains on securities in the first quarter of 2012 related to the balance sheet repositioning, partially offset by lower fee income related to card revenue and customer behavior. Non-interest expense totaled $108.4 million and $772.4 million for the second quarter and first six months of 2012, respectively, compared with $117.3 and $236.9 million for the same 2011 periods. The decrease from the second quarter of 2011 was primarily due to decreased deposit account premiums. The increase from the first six 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 second quarter of 2012 increased $22.1 million, or 12.5%, compared with the second quarter of 2011. This increase was primarily due to the balance sheet repositioning completed in the first quarter of 2012, which resulted in a $37.9 million reduction to the cost of borrowings, partially offset by a $13.9 million reduction of interest income on mortgage-backed securities. Additionally, average balances of inventory finance loans and auto finance loans were higher during the second quarter of 2012 as a result of the newly acquired auto finance business and BRP program and the average cost of deposits was lower. Offsetting the increase were lower yields on leasing and equipment finance leases and consumer and commercial real estate. Net interest income for the second quarter of 2012 increased $18.1 million, or 10%, compared with the first quarter of 2012. This increase was primarily due to the full quarter impact of the balance sheet repositioning completed in March 2012, resulting in a $28.6 million reduction to the cost of borrowings, and higher average balances of inventory finance and auto finance loans, partially offset by a $12.4 million reduction of interest income on mortgage-backed securities and reduced interest income on loans and leases, driven by lower yields on consumer and commercial loans. Net interest income for the first six months of 2012 totaled $378.4 million, up $28.2 million, or 8.1%, from $350.2 million from the same 2011 period. This increase was primarily due to the balance sheet repositioning completed in the first quarter of 2012, which resulted in a $47.9 million reduction to the cost of borrowings, partially offset by a $14.3 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 second quarter of 2012 was 4.86%, compared with 4.02% in the second quarter of 2011. This increase was primarily due to 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 decreased rates on various deposit products and favorable mix changes toward higher yielding assets with increases in the inventory finance and auto finance portfolio balances. These increases were partially offset by a decrease in yields in the consumer, commercial, and leasing and equipment finance portfolios as a result of the lower interest rate environment. Net interest margin increased by 72 basis points in the second quarter from 4.14% in the first quarter of 2012. 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 69 basis points, and growth in the higher yielding inventory finance and auto finance portfolios. These increases were partially offset by lower levels of higher yielding loans in the consumer portfolio as a result of the lower interest rate environment and increased balances in higher rate deposit accounts. Net interest margin for the first six months of 2012 was 4.49%, compared with 4.04% from the same 2011 period. This increase was primarily due to lower average cost of borrowings due to the effects of the balance sheet repositioning completed in the first quarter of 2012, which increased net interest margin by 56 basis points, partially offset by lower portfolio yields and interim rents in the leasing and equipment finance business and lower yields on commercial loans primarily due to production at rates lower than current portfolio yields. 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 summarizes 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.

	Three Months Ended June 30,					
	2012			2011		
(Dollars in thousands)	Average Balance	Interest	Yields and Rates (1)	Average Balance	Interest	Yields and Rates (1)
Assets:						
Investments and other	$ 430,084	$ 2,654	2.48 %	$ 693,678	$ 1,836	1.06 %
U.S. Government sponsored entities:						
Mortgage-backed securities, fixed rate	733,796	5,813	3.17	2,104,294	20,614	3.92
U.S. Treasury securities	-	-	-	135,613	20	.06
Other securities	225	3	4.14	353	5	5.68
Total securities available for sale (2)	734,021	5,816	3.17	2,240,260	20,639	3.69
Loans and leases held for sale	44,788	979	8.80	-	-	-
Loans and leases:						
Consumer real estate:						
Fixed-rate	4,365,670	63,432	5.84	4,655,198	70,615	6.08
Variable-rate	2,427,745	30,202	5.00	2,379,250	30,566	5.15
Total consumer real estate	6,793,415	93,634	5.54	7,034,448	101,181	5.77
Commercial:						
Fixed- and adjustable-rate	2,730,085	37,242	5.49	2,877,903	41,442	5.78
Variable-rate	761,964	7,550	3.99	719,741	7,757	4.32
Total commercial	3,492,049	44,792	5.16	3,597,644	49,199	5.49
Leasing and equipment finance	3,145,914	43,109	5.48	3,068,550	46,184	6.02
Inventory finance	1,571,004	23,690	6.07	978,505	17,340	7.11
Auto finance	223,893	3,835	6.89	-	-	-
Other	17,647	336	7.66	19,463	437	9.01
Total loans and leases (3)	15,243,922	209,396	5.52	14,698,610	214,341	5.85
Total interest-earning assets	16,452,815	218,845	5.34	17,632,548	236,816	5.38
Other assets	1,202,003			1,163,783		
Total assets	$ 17,654,818			$ 18,796,331		
Liabilities and Equity:						
Non-interest bearing deposits:						
Retail	$ 1,316,767			$ 1,475,191		
Small business	725,052			683,323		
Commercial and custodial	310,321			278,808		
Total non-interest bearing deposits	2,352,140			2,437,322		
Interest-bearing deposits:						
Checking	2,306,810	883	.15	2,152,646	1,221	.23
Savings	6,031,015	5,164	.34	5,608,824	7,279	.52
Money market	748,016	718	.39	648,862	731	.45
Subtotal	9,085,841	6,765	.30	8,410,332	9,231	.44
Certificates of deposit	1,608,653	3,432	.86	1,092,368	2,199	.82
Total interest-bearing deposits	10,694,494	10,197	.38	9,502,700	11,430	.48
Total deposits	13,046,634	10,197	.31	11,940,022	11,430	.38
Borrowings:						

Short-term borrowings	705,888	535	.30	35,227	21	.24
Long-term borrowings	1,986,182	9,259	1.87	4,513,301	48,697	4.33
Total borrowings	2,692,070	9,794	1.46	4,548,528	48,718	4.29
Total interest-bearing liabilities	13,386,564	19,991	.60	14,051,228	60,148	1.72
Total deposits and borrowings	15,738,704	19,991	.51	16,488,550	60,148	1.46
Other liabilities	335,113			556,641		
Total liabilities	16,073,817			17,045,191		
Total TCF Financial Corp. stockholders' equity	1,563,158			1,739,523		
Non-controlling interest in subsidiaries	17,843			11,617		
Total equity	1,581,001			1,751,140		
Total liabilities and equity	$ 17,654,818			$ 18,796,331		
Net interest income and margin		**$** 198,854	4.86 %		**$** 176,668	4.02 %

(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.

	Six Months Ended June 30,					
	2012			2011		
(Dollars in thousands)	Average Balance	Interest	Yields and Rates (1)	Average Balance	Interest	Yields and Rates (1)
Assets:						
Investments and other	$ 587,802	$ 5,042	1.72 %	$ 636,190	$ 3,637	1.15 %
U.S. Government sponsored entities:						
Mortgage-backed securities, fixed rate	1,410,407	24,924	3.53	2,033,159	40,025	3.94
U.S. Treasury securities	-	-	-	91,685	33	.07
Other securities	227	4	4.13	370	10	5.44
Total securities available for sale (2)	1,410,634	24,928	3.53	2,125,214	40,068	3.77
Loans and leases held for sale	25,330	1,024	8.13	-	-	-
Loans and leases:						
Consumer real estate:						
Fixed-rate	4,404,410	129,584	5.92	4,694,690	142,421	6.12
Variable-rate	2,414,829	60,270	5.02	2,373,328	60,846	5.17
Total consumer real estate	6,819,239	189,854	5.60	7,068,018	203,267	5.80
Commercial:						
Fixed- and adjustable-rate	2,733,967	75,452	5.55	2,895,151	83,484	5.81
Variable-rate	740,918	15,062	4.09	715,330	15,414	4.35
Total commercial	3,474,885	90,514	5.24	3,610,481	98,898	5.52
Leasing and equipment finance	3,137,122	87,109	5.55	3,093,969	93,741	6.06
Inventory finance	1,353,469	42,416	6.30	925,913	32,665	7.11
Auto finance	154,728	5,418	7.04	-	-	-
Other	17,612	705	8.04	20,603	913	8.94
Total loans and leases (3)	14,957,055	416,016	5.59	14,718,984	429,484	5.87
Total interest-earning assets	16,980,821	447,010	5.29	17,480,388	473,189	5.45
Other assets	1,290,585			1,158,886		
Total assets	$ 18,271,406			$ 18,639,274		
Liabilities and Equity:						
Non-interest bearing deposits:						
Retail	$ 1,338,539			$ 1,466,507		
Small business	716,734			675,861		
Commercial and custodial	307,427			285,125		
Total non-interest bearing deposits	2,362,700			2,427,493		
Interest-bearing deposits:						
Checking	2,260,499	1,785	.16	2,128,673	2,577	.24
Savings	5,956,874	10,602	.36	5,517,084	14,776	.54
Money market	705,255	1,328	.38	661,114	1,639	.50
Subtotal	8,922,628	13,715	.31	8,306,871	18,992	.46
Certificates of deposit	1,372,164	5,543	.81	1,092,452	4,442	.82
Total interest-bearing deposits	10,294,792	19,258	.38	9,399,323	23,434	.50
Total deposits	12,657,492	19,258	.31	11,826,816	23,434	.40
Borrowings:						
Short-term borrowings	571,019	865	.30	59,000	113	.39
Long-term borrowings	2,901,673	47,224	3.27	4,607,492	98,464	4.30
Total borrowings	3,472,692	48,089	2.78	4,666,492	98,577	4.25
Total interest-bearing liabilities	13,767,484	67,347	.98	14,065,815	122,011	1.75
Total deposits and borrowings	16,130,184	67,347	.84	16,493,308	122,011	1.49
Other liabilities	435,210			508,983		
Total liabilities	16,565,394			17,002,291		
Total TCF Financial Corp. stockholders'						

equity	1,690,337			1,627,238		
Non-controlling interest in subsidiaries	15,675			9,745		
Total equity	1,706,012			1,636,983		
Total liabilities and equity	$ 18,271,406			$ 18,639,274		
Net interest income and margin		$ 379,663	4.49 %		$ 351,178	4.04 %

(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 six months ended June 30, 2012 and 2011.

	Three Months Ended June 30,				Change	
(Dollars in thousands)	2012		2011		$	%
Consumer real estate	$ 39,118	72.3 %	$ 38,290	87.1 %	$ 828	2.2 %
Commercial	8,710	16.1	3,348	7.6	5,362	160.2
Leasing and equipment finance	5,086	9.4	1,817	4.1	3,269	179.9
Inventory finance	(223)	(.4)	(79)	(.2)	(144)	182.3
Auto finance	1,356	2.5	-	-	1,356	N.M.
Other	59	.1	629	1.4	(570)	(90.6)
Total	$ 54,106	100.0 %	$ 44,005	100.0 %	$ 10,101	23.0 %

	Six Months Ended June 30,				Change	
(Dollars in thousands)	2012		2011		$	%
Consumer real estate	$ 75,197	73.2 %	$ 74,840	83.9 %	$ 357	.5 %
Commercial	13,724	13.4	8,767	9.8	4,957	56.5
Leasing and equipment finance	5,601	5.5	4,577	5.1	1,024	22.4
Inventory finance	4,968	4.8	909	1.0	4,059	N.M.
Auto finance	2,376	2.3	-	-	2,376	N.M.
Other	782	.8	186	.2	596	N.M.
Total	$ 102,648	100.0 %	$ 89,279	100.0 %	$ 13,369	15.0 %

N.M. Not Meaningful

TCF recorded provision expense of $54.1 million and $102.6 million in the second quarter and first six months of 2012, respectively, compared with $44 million and $89.3 million in the same 2011 periods. The increase from the second quarter of 2011 was primarily due to increased provision expense on commercial real estate, a $4 million reserve for loss on one large lease exposure and provision expense on auto finance loans. The increase from the first six months of 2011 was primarily due to increased loss reserves on commercial real estate loans and increased loss reserves on the inventory finance and auto finance portfolios as a result of growth in these businesses.

Net loan and lease charge-offs for the second quarter and first six months of 2012 were $44.9 million, or 1.18% (annualized) of average loans and leases, and $83.8 million, or 1.12% (annualized), respectively, compared with $43.8 million, or 1.19% (annualized), and $99.7 million, or 1.35% (annualized), in the same periods of 2011.

Consumer real estate net charge-offs for the second quarter and first six months of 2012 were $34.9 million and $70.5 million, respectively, down slightly from $36.7 million and $72 million for the same 2011 periods. Commercial net charge-offs for the second quarter and first six months of 2012 were $8.5 million and $10 million, respectively, compared to $2.7 million and $20.5 million for the same 2011 periods. The increase from the second quarter of 2011 was primarily due to increased net charge-offs in retail commercial real estate and land development. The decrease in net charge-offs from the first six months of 2011 was primarily due to decreased commercial real estate net charge-offs on office buildings and manufactured housing and decreased commercial business net charge-offs. Leasing and equipment finance net charge-offs for the second quarter and first six months of 2012 totaled $1.2 million and $1.3 million, respectively, compared with $3.5 million and $6.3 million for the same 2011 periods. The decrease in net charge-offs was primarily due to decreased net charge-offs in the middle market and small ticket segments.

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 $112.9 million and $278.2 million for the second quarter and first six months of 2012, respectively, compared with $114.1 million and $228.4 million for the same 2011 periods.

Fees and Service Charges

Fees and service charges totaled $48.1 million and $89.9 million for the second quarter and first six months of 2012, respectively, compared with $56.4 million and $109.9 million for the same 2011 periods. The decrease in banking fees and revenues from both the second quarter and first six months of 2011 was primarily due to changes in checking account programs that resulted in a lower number of accounts and changes in customer behaviors in reaction to changes in product offerings.

Card Revenues

Card revenues totaled $13.5 million and $26.7 million for the second quarter and first six months of 2012, respectively, compared with $28.2 million and $54.8 million for the same 2011 periods. 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 March 31, 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% and 18.7% of banking fee revenue for the three and six months ended June 30, 2012, respectively. 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.

The following tables set forth information about TCF's card business.

	Three Months Ended			
	June 30,		Change	
(Dollars in thousands)	2012	2011	Amount	%
Sales volume for the three months ended:				
Off-line (Signature)	$ 1,636,082	$ 1,722,158	$ (86,076)	(5.0)
On-line (PIN)	294,003	246,346	47,657	19.3
Total	$ 1,930,085	$ 1,968,504	(38,419)	(2.0)
Average transaction size (in dollars)	$ 35	$ 36	(1)	(2.8)
Average number of transactions per card per month	25.7	23.7	2.0	8.4
Percentage off-line (sales volume)	84.8 %	87.5 %		(270)bps
Average interchange per transaction (in dollars)	$ .22	$ .49	(.3)	(55.1)%
Average interchange rate per transaction	.63 %	1.36 %		(73)bps

	Six Months Ended			
	June 30,		Change	
(Dollars in thousands)	2012	2011	Amount	%
Sales volume for the three months ended:				
Off-line (Signature)	$ 3,268,261	$ 3,353,337	$ (85,076)	(2.5)
On-line (PIN)	561,890	482,615	79,275	16.4
Total	$ 3,830,151	$ 3,835,952	(5,801)	(.2)
Average transaction size (in dollars)	$ 35	$ 36	(1)	(2.8)
Average number of transactions per card per month	25.0	23.0	2.0	8.7
Percentage off-line (sales volume)	85.3 %	87.4 %		(210)bps
Average interchange per transaction (in dollars)	$ .22	$ .50	(0.3)	(56)%
Average interchange rate per transaction	.63 %	1.36 %		(73)bps

ATM Revenue

For the second quarter and first six months of 2012, ATM revenue was $6.3 million and $12.5 million, respectively, compared with $7.1 million and $13.8 million for the same 2011 periods. The decrease in ATM revenue was primarily due to fewer fee generating transactions and a reduced number of available ATMs.

Gain (Loss) on Securities, Net

During the second quarter of 2012, TCF recognized $13.1 million related to the sale of Visa Class B stock. During the six months ended June 30, 2012, TCF recognized $89.7 million related to sales of mortgage-backed securities and the sale of the Visa stock. During both the three and six months ended June 30, 2011, TCF recorded impairment charges on securities totaling $227 thousand.

Consolidated Non-Interest Expense

Non-interest expense totaled $203 million and $951.7 million for the second quarter and first six months of 2012, compared with $195.1 million and $388.1 million for the same 2011 periods.

Compensation and Employee Benefits

Compensation and employee benefits expense totaled $97.8 million and $193.8 million for the second quarter and first six months of 2012, compared with $89.1 million and $178.4 million for the same 2011 periods. The increases were primarily due to the expansion of the auto finance business, as well as increased staffing levels to support growth in TCF's lending businesses.

FDIC Insurance

FDIC insurance expense totaled $8.5 million and $14.9 million for the second quarter and first six months of 2012, respectively, compared with $7.5 million and $14.7 million for the same 2011 periods. The increase from the three months ended June 30, 2011 was primarily due to the increased insurance rates as a result of the net loss associated with the balance sheet repositioning completed in the first quarter of 2012. The increase from the six months ended June 30, 2011 was primarily due to the aforementioned balance sheet repositioning as well as changes in the FDIC insurance rate calculations for banks over $10 billion in total assets, which were implemented on April 1, 2011.

Advertising and Marketing

Advertising and marketing expense totaled $5.4 million and $8 million for the second quarter and first six months of 2012, compared with $3.5 million and $6.6 million for the same 2011 periods. The increases were primarily the result of changes in retail banking product strategies and a related increase in spending on media advertising.

Deposit Account Premiums

Deposit account premium expense totaled $1.7 million and $7.7 million for the second quarter and first six months of 2012, compared with $6.2 million and $9.4 million for the same 2011 periods. These decreases were primarily due to reductions in the premium programs.

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 $12.1 million and $23.1 million for the second quarter and first six months of 2012, compared with $12.6 million and $25.5 million for the same 2011 periods. The decreases were primarily due to fewer consumer real estate properties owned.

Other Credit Costs, Net

Other credit costs, net has historically been comprised of consumer real estate loan pool insurance, write-downs on operating leases and reserves for expected losses on unfunded commitments. Other credit costs, net totaled $1.5 million and $1.2 million for the second quarter and first six months of 2012, compared with $496 thousand and $3 million for the same 2011 periods. The increase from the three months ended June 30, 2011 was primarily due to an increase in reserves for unfunded commitments on one commercial letter of credit during the second quarter of 2012. The decrease from the six months ended June 30, 2011 was primarily due to reduced premium related expense on consumer real estate loan pool insurance, partially offset by an increase in reserves for unfunded commitments.

Income Taxes

TCF recorded income tax expense of $20.5 million for the second quarter of 2012, or 38% of the income before income tax expense, compared with income tax expense of $19.1 million, or 37.3%, in 2011. For the first six months of 2012, income tax benefit totaled $149.7 million, or 37.6% of the loss before income tax expense, compared with income tax expense of $37.9 million, or 37.4%, 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 June 30, 2012	At December 31, 2011	Percentage Change
Consumer real estate:			
Consumer real estate:			
First mortgage lien	$ 4,610,837	$ 4,742,423	(2.8)%
Junior lien	2,200,947	2,152,868	2.2
Total consumer real estate	6,811,784	6,895,291	(1.2)
Commercial:			
Commercial real estate:			
Permanent	3,133,812	3,039,488	3.1
Construction and development	116,685	159,210	(26.7)
Total commercial real estate	3,250,497	3,198,698	1.6
Commercial business	272,573	250,794	8.7
Total commercial	3,523,070	3,449,492	2.1
Leasing and equipment finance:(1)			
Equipment finance loans	1,186,762	1,110,803	6.8
Lease financings:			
Direct financing leases	1,962,041	2,039,096	(3.8)
Sales-type leases	29,244	29,219	.1
Lease residuals	125,954	129,100	(2.4)
Unearned income and deferred lease costs	(152,896)	(165,959)	7.9
Total lease financings	1,964,343	2,031,456	(3.3)
Total leasing and equipment finance	3,151,105	3,142,259	.3

Inventory finance		1,457,263		624,700	133.3
Auto finance		262,188		3,628	N.M.
Other		29,094		34,885	(16.6)
Total loans and leases	$	15,234,504	$	14,150,255	7.7%

N.M. Not meaningful.

(1) Operating leases of $65.2 million and $69.6 million at June 30, 2012 and December 31, 2011, respectively, are included in other assets in the Consolidated Statements of Financial Condition.

Approximately 72.6% of the consumer real estate portfolio at June 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 $1.9 billion and $1.8 billion at June 30, 2012 and December 31, 2011, respectively. The average Fair Isaac Corporation ("FICO") credit score at loan origination for the retail lending portfolio was 728 as of June 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 728 at June 30, 2012, compared with 727 at December 31, 2011. As of June 30, 2012, 30.9% of the consumer real estate loan balance has been originated since January 1, 2009, with 2012 net charge offs of .2% (annualized).

TCF continues to expand its commercial lending activities, generally to borrowers located in its primary markets, with a focus on secured lending. At June 30, 2012, approximately 93% of TCF's commercial real estate loans outstanding were secured by real estate located in its primary banking markets. At June 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 $520.1 million at June 30, 2012, up from $455.3 million at December 31, 2011.

Credit Quality

The following tables summarize TCF's loan and lease portfolio based on what TCF believes are the most important credit quality data that should be used to understand the overall condition of the portfolio. Performing classified loans and leases have well-defined weaknesses, but may never become non-performing or result in a loss.

	At June 30, 2012					
	Performing Loans and Leases (1)					
(Dollars in thousands)	Non-classified	Classified (2)	Total	60+ Days Delinquent and Accruing	Non-accrual Loans and Leases	Total Loans and Leases
Consumer real estate	$ 6,547,940	$ 22,485	$ 6,570,425	$ 100,681	$ 140,678	$ 6,811,784
Commercial	3,070,917	296,322	3,367,239	5,616	150,215	3,523,070
Leasing and equipment finance	3,103,094	15,687	3,118,781	2,895	29,429	3,151,105
Inventory finance	1,446,730	8,427	1,455,157	206	1,900	1,457,263
Auto finance	262,046	-	262,046	142	-	262,188
Other	26,856	-	26,856	34	2,204	29,094
Total loans and leases	$ 14,457,583	$ 342,921	$ 14,800,504	$ 109,574	$ 324,426	$ 15,234,504
Percent of total loans and leases	94.9%	2.3%	97.2%	.7%	2.1%	100.0%

	At December 31, 2011					
	Performing Loans and Leases (1)					
(Dollars in thousands)	Non-classified	Classified (2)	Total	60+ Days Delinquent and Accruing	Non-accrual Loans and Leases	Total Loans and Leases
Consumer real estate	$ 6,614,679	$ 21,606	$ 6,636,285	$ 109,635	$ 149,371	$ 6,895,291
Commercial	2,990,515	330,310	3,320,825	1,148	127,519	3,449,492
Leasing and equipment finance	3,093,194	22,227	3,115,421	6,255	20,583	3,142,259
Inventory finance	616,677	7,040	623,717	160	823	624,700
Auto finance	3,231	-	3,231	397	-	3,628
Other	34,829	-	34,829	41	15	34,885
Total loans and leases	$ 13,353,125	$ 381,183	$ 13,734,308	$ 117,636	$ 298,311	$ 14,150,255
Percent of total loans and leases	94.4%	2.7%	97.1%	.8%	2.1%	100.0%

(1) Includes all loans and leases that are not 60+ days delinquent or on non-accrual status.

(2) Excludes classified loans and leases that are 60+ days delinquent. Classified loans and leases are those for which management has concerns regarding the borrower's ability to meet the existing terms and conditions, but may never become non-performing or result in a loss.

Performing loans and leases includes all loans and leases that are not over 60-days delinquent or on non-accrual status. Performing loans and leases were 97.2% of total loans and leases at June 30, 2012, a slight increase from 97.1% at December 31, 2011. The increase was due to the growth of higher credit quality inventory finance and auto finance loans.

Total non-accrual loans at June 30, 2012 increased $26.1 million from December 31, 2011. The increase was primarily due to commercial and leasing and equipment finance non-accrual loans and leases increasing $31.5 million, partially offset by an $8.7 million decrease in consumer real estate non-accrual loans. During the six months ended June 30, 2012, non-accrual loans totaling $55.6 million were transferred to real estate owned and $43.4 million returned to accruing status.

Past Due Loans and Leases

The following tables set forth information regarding TCF's delinquent loan and lease portfolio, excluding non-accrual loans and leases. 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 June 30, 2012	At December 31, 2011
Principal balances:		
60-89 days	$ 48,362	$ 45,531
90 days or more	61,212	72,105
Total	$ 109,574	$ 117,636
Percentage of loans and leases:		
60-89 days	.32 %	.33 %
90 days or more	.41	.52
Total	.73 %	.85 %

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

	At June 30, 2012		At December 31, 2011	
(Dollars in thousands)	Principal Balances	Percentage of Portfolio	Principal Balances	Percentage of Portfolio
Consumer real estate:				
First mortgage lien	$ 86,714	1.93 %	$ 87,358	1.89 %
Junior lien	13,967	.64	22,277	1.04
Total consumer real estate	100,681	1.51	109,635	1.63
Commercial real estate	5,505	.18	1,099	.04
Commercial business	111	.04	49	.02
Total commercial	5,616	.17	1,148	.03
Leasing and equipment finance:				
Middle market	812	.05	1,061	.07
Small ticket	676	.09	2,018	.28
Winthrop	4	-	235	.07
Other	-	-	198	.11
Total leasing and equipment finance	1,492	.05	3,512	.13
Inventory finance	206	.01	160	.03
Auto finance	62	.02	-	-
Other	34	.13	41	.12
Subtotal (1)	108,091	.74	114,496	.85
Delinquencies in acquired portfolios (2)	1,483	.58	3,140	.84
Total	$ 109,574	.73 %	$ 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 $267 million and $371.9 at June 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.

Based on clarifying guidance from regulatory bodies, beginning in the second quarter of 2012, TCF now classifies trial modifications as troubled debt restructurings ("TDRs") at the beginning of the trial period. Previously, these loans were not classified as TDRs until performance was demonstrated at a reduced payment amount for a short trial period. This change resulted in a $13.4 million increase in TDRs in the second quarter of 2012. 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 54% and 53% of the contractual interest due on accruing consumer real estate TDRs for the three and six months ended June 30, 2012, respectively, by modifying the loan to a qualified customer instead of foreclosing on the property. Only 8.1% of accruing consumer real estate TDRs were more than 60-days delinquent at June 30, 2012. Approximately 3.3% of the $229.6 million accruing consumer real estate TDRs modified during the 15 months preceding June 30, 2012 defaulted during the three months ended June 30, 2012.

The following table summarizes the balance of accruing modified consumer real estate loans as of June 30, 2012 and December 31, 2011.

	At June 30, 2012		At December 31, 2011	
(Dollars in thousands)	Loan Balance	60+ Days Delinquent As a % of Balance	Loan Balance	60+ Days Delinquent As a % of Balance
Permanently modified accruing TDRs	$ 317,125	5.39 %	$ 198,882	4.63 %
Temporarily modified accruing TDRs	148,522	14.00	234,196	9.01
Total accruing TDRs	465,647	8.13	433,078	7.00
Other loan modifications	4,287	52.39	13,397	20.66
Total accruing loan modifications	$ 469,934	8.54	$ 446,475	7.41

The following table summarizes the regulatory classification of accruing consumer real estate TDRs at June 30, 2012 and December 31, 2011.

	At June 30, 2012		At December 31, 2011	
(Dollars in thousands)	Balance	Percent of Total	Balance	Percent of Total
Pass	$ 336,437	72.3 %	$ 267,491	61.8 %
Special mention	68,854	14.7	113,673	26.2
Substandard	60,356	13.0	51,914	12.0
Total Accruing TDRs	$ 465,647	100.0 %	$ 433,078	100.0 %

Consumer real estate TDRs classified as “Pass” are loans that are current and have demonstrated at least six months of non-delinquent payment performance. Loans classified as “Special Mention” are accruing TDRs that are current, but have not yet made six payments following modification. Loans classified as “Substandard” are all accruing TDRs that are 30 or more days past due.

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 June 30, 2012, over 49% 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 six months of 2012. Only 7 of the 77 accruing commercial TDRs that were modified during the 15 months preceding June 30, 2012, totaling $12 million, defaulted during the three months ended June 30, 2012.

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 June 30, 2012, five loans with a contractual balance of $13.6 million and a remaining book balance of $9.8 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 June 30, 2012 and December 31, 2011.

	At June 30, 2012			
	Commercial		Leasing and Equipment Finance	
(Dollars in thousands)	Loan Balance	60+ Days Delinquent as a % of Balance	Loan Balance	60+ Days Delinquent as a % of Balance
TDRs	$ 103,056	- %	$ 714	- %
Other loan modifications	4,627	-	2,061	8.64
Total accruing loan modifications	$ 107,683	-	$ 2,775	6.41

	At December 31, 2011			
	Commercial		Leasing and Equipment Finance	
(Dollars in thousands)	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 increased $26.1 million, or 8.8%, from December 31, 2011, primarily due to increases in non-accrual commercial real estate loans and one large lease. 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.

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

(In thousands)	At June 30, 2012	At December 31, 2011
Consumer real estate:		
First mortgage lien	$ 122,406	$ 129,114
Junior lien	18,272	20,257
Total consumer real estate	140,678	149,371
Commercial real estate	135,675	104,744
Commercial business	14,540	22,775
Total commercial	150,215	127,519
Leasing and equipment finance	29,429	20,583
Inventory finance	1,900	823
Other	2,204	15

Total non-accrual loans and leases	$	324,426	$	298,311

At June 30, 2012 and December 31, 2011, non-accrual loans and leases included $161.2 million and $130.9 million, respectively, of loans that were modified and categorized as TDRs. The increase in non-accrual TDRs at June 30, 2012, compared with December 31, 2011, was primarily due to a $22.5 million increase in commercial non-accrual TDRs.

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

	At or For the Three Months Ended June 30, 2012					
(In thousands)	Consumer Real Estate	Commercial	Leasing and Equipment Finance	Inventory Finance	Other	Total
Balance, beginning of period	$ 149,304	$ 135,677	$ 20,015	$ 1,109	$ 2,838	$ 308,943
Additions	56,200	35,138	16,850	3,551	-	111,739
Charge-offs	(17,188)	(8,639)	(2,158)	(218)	(25)	(28,228)
Transfers to other assets	(24,766)	(7,431)	(1,320)	(594)	(362)	(34,473)
Return to accrual status	(20,464)	-	(905)	(831)	-	(22,200)
Payments received	(2,416)	(5,247)	(3,052)	(1,299)	(247)	(12,261)
Other, net	8	717	(1)	182	-	906
Balance, end of period	$ 140,678	$ 150,215	$ 29,429	$ 1,900	$ 2,204	$ 324,426

	At or For the Six Months Ended June 30, 2012					
(In thousands)	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	117,877	53,041	21,505	4,982	4	197,409
Charge-offs	(33,102)	(10,101)	(3,406)	(219)	(1,083)	(47,911)
Transfers to other assets	(47,588)	(9,074)	(2,299)	(753)	(362)	(60,076)
Return to accrual status	(40,988)	(26)	(1,005)	(1,424)	-	(43,443)
Payments received	(4,794)	(8,753)	(5,948)	(1,690)	(278)	(21,463)
Other, net	(98)	(2,391)	(1)	181	3,908	1,599
Balance, end of period	$ 140,678	$ 150,215	$ 29,429	$ 1,900	$ 2,204	$ 324,426

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.

TCF considers the allowance for loan and lease losses of $274.2 million appropriate to cover probable losses incurred in the loan and lease portfolios as of June 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.

	At June 30, 2012	At December 31, 2011

(Dollars in thousands)	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	$ 119,177	$ 4,610,837	2.58 %	$ 115,740	$ 4,742,423	2.44 %
Junior lien	68,910	2,200,947	3.13	67,695	2,152,868	3.14
Consumer real estate	188,087	6,811,784	2.76	183,435	6,895,291	2.66
Commercial	50,699	3,523,070	1.44	46,954	3,449,492	1.36
Leasing and equipment finance	25,450	3,151,105	.81	21,173	3,142,259	.67
Inventory finance	7,072	1,457,263	.49	2,996	624,700	.48
Auto finance	1,951	262,188	.74	-	3,628	-
Other	902	29,094	3.10	1,114	34,885	3.19
Total allowance for loan and lease losses	$ 274,161	$ 15,234,504	1.80	$ 255,672	$ 14,150,255	1.81

The increase in the allowance from December 31, 2011, in inventory finance and auto finance was primarily due to increased loan balances and the related reserves. At June 30, 2012, the allowance as a percent of total loans and leases was 1.8%, compared with 1.81% at December 31, 2011. The decrease in the allowance as a percent of total loans and leases was primarily due to loan growth in the high credit quality inventory finance portfolio. The increase in allowance for the consumer real estate portfolio was primarily due to increases in the provision for credit losses as a result of increased reserves for TDRs. 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 increase in the allowance for commercial loans from December 31, 2011 was primarily due to increased provision expense in the commercial real estate portfolio.

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

	Three Months Ended			
	June 30, 2012		June 30, 2011	
(Dollars in thousands)	Net Charge-offs	Loss Rate (1)	Net Charge-offs	Loss Rate (1)
Consumer real estate:				
First mortgage liens	$ 18,369	1.58 %	$ 21,593	1.78 %
Junior liens	16,487	3.07	15,078	2.75
Total consumer real estate	34,856	2.05	36,671	2.09
Commercial real estate	8,492	1.05	2,090	.25
Commercial business	(37)	(.06)	594	.78
Total commercial	8,455	.97	2,684	.30
Leasing and equipment finance	1,173	.15	3,478	.45
Inventory finance	225	.06	328	.13
Auto Finance	81	.14	-	-
Other	69	N.M.	684	N.M.
Total	$ 44,859	1.18 %	$ 43,845	1.19 %

	Six Months Ended			
	June 30, 2012		June 30, 2011	
(Dollars in thousands)	Net Charge-offs	Loss Rate (1)	Net Charge-offs	Loss Rate (1)
Consumer real estate:				
First mortgage liens	$ 37,895	1.62 %	$ 43,543	1.80 %
Junior liens	32,650	3.05	28,431	2.56
Total consumer real estate	70,545	2.07	71,974	2.04
Commercial real estate	9,464	.59	16,571	1.00
Commercial business	515	.41	3,891	2.53
Total commercial	9,979	.57	20,462	1.13
Leasing and equipment finance	1,324	.08	6,267	.41
Inventory finance	868	.13	536	.12
Auto Finance	83	.11	-	-
Other	994	N.M.	418	N.M.
Total	$ 83,793	1.12 %	$ 99,657	1.35 %

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

For the six months ended June 30, 2012, commercial net charge-offs decreased $10.5 million, compared with the same 2011 period. The decrease in net charge-offs was primarily due to a reduction in net charge-offs on office buildings and apartments. Leasing and equipment finance net charge-offs for the six months ended June 30, 2012 decreased $4.9 million, compared with the same 2011 period, primarily due to decreases in the small ticket and middle market segments, as customer performance continued to improve in these areas.

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 June 30, 2012	At December 31, 2011
Other real estate owned: (1)		
Residential real estate	$ 83,176	$ 87,792
Commercial real estate	42,700	47,106
Total other real estate owned	125,876	134,898
Repossessed and returned assets	5,280	4,758
Total other real estate owned and repossessed and returned equipment	$ 131,156	$ 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 June 30, 2012, TCF owned 426 consumer real estate properties that were not subject to redemption, a decrease of 39 from December 31, 2011, as a result of the sale of 564 properties exceeding 525 property additions. The average length of time to sell consumer real estate properties during the second 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 six months ended June 30, 2012 are summarized in the following tables.

	At or For the Three Months Ended June 30, 2012		
(In thousands)	Consumer	Commercial	Total
Balance, beginning of period	$ 84,996	$ 42,232	$ 127,228
Transferred in, net of charge-offs	26,308	7,431	33,739
Sales	(25,340)	(4,108)	(29,448)
Write-downs	(2,880)	(3,357)	(6,237)
Other, net	92	502	594
Balance, end of period	$ 83,176	$ 42,700	$ 125,876

	At or For the Six Months Ended June 30, 2012		
(In thousands)	Consumer	Commercial	Total
Balance, beginning of period	$ 87,792	$ 47,106	$ 134,898
Transferred in, net of charge-offs	51,473	7,890	59,363
Sales	(51,332)	(6,717)	(58,049)
Write-downs	(5,434)	(6,070)	(11,504)
Other, net	677	491	1,168
Balance, end of period	$ 83,176	$ 42,700	$ 125,876

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 June 30, 2012, an increase of $1.5 billion, or 12.3%, 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 both the second quarter and first six months of 2012 was .31%, down 7 basis points and 9 basis points, respectively, from the same periods in 2011 and up 1 basis point from the first quarter of 2012. Decreases in the average interest cost of deposits from the second quarter and first six months of 2011 were primarily due to pricing strategies on certain deposit products, partially offset by changes in deposit mix. TCF’s weighted-average interest rate on deposits, including non-interest bearing deposits, was .35% at June 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 intends to use 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 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 allows TCF to redeem the Trust Preferred Securities. The Trust Preferred Securities will be redeemed on July 30, 2012 at the redemption price of $25 per Trust Preferred Security plus accumulated and unpaid distributions to the redemption date. The redemption will be 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 June 30, 2012, down $2.3 billion from December 31, 2011. The weighted-average rate on borrowings was 2.14% at June 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 June 30, 2012, TCF had $2.7 billion in unused, secured borrowing capacity at the FHLB of Des Moines.

At June 30, 2012, TCF, through its indirect subsidiary TCF Commercial Finance Canada, Inc., had $30.5 million available under a Canadian-denominated line of credit facility. Advances under this credit facility are fully collateralized by pledged securities, and TCF Commercial Finance Canada, Inc. could draw $9.8 million on the unused credit line without additional collateral being pledged.

At June 30, 2012, interest-bearing deposits held at the Federal Reserve and unencumbered securities were $1.1 billion, an increase of $395 million from the second quarter of 2011 and a decrease of $273 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 June 30, 2012, the aggregate contractual obligations (excluding demand deposits) and commitments are as follows.

(In thousands)	Payments Due by Period				
Contractual Obligations	Total	Less than 1 year	1-3 years	3-5 years	More than 5 years
Total borrowings	$ 2,083,410	$ 291,259	$ 1,293,530	$ 386,853	$ 111,768
Time deposits	1,894,711	1,294,958	482,828	41,994	74,931
Annual rental commitments under non-cancelable operating leases	211,624	26,599	54,704	46,502	83,819
Contractual interest payments(1)	166,505	50,873	50,945	26,791	37,896
Campus marketing agreements	45,138	3,995	6,957	6,004	28,182
Construction contracts and land purchase commitments for future branch sites	1,551	1,551	-	-	-
Total	$ 4,402,939	$ 1,669,235	$ 1,888,964	$ 508,144	$ 336,596

(In thousands)	Amount of Commitment - Expiration by Period				
Commitments	Total	Less than 1 year	1-3 years	3-5 years	More Than 5 years
Commitments to lend:					
Consumer real estate and other	$ 1,188,154	$ 67,628	$ 92,307	$ 92,781	$ 935,438
Commercial	312,014	161,755	98,575	13,345	38,339
Leasing and equipment finance	207,775	207,775	-	-	-

Total commitments to lend		1,707,943		437,158		190,882		106,126		973,777
Standby letters of credit and guarantees on industrial revenue bonds		26,977		17,388		9,354		235		-
Total	$	1,734,920	$	454,546	$	200,236	$	106,361	$	973,777

(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 June 30, 2012 was $1.8 billion, or 9.83% 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. Dividends will be payable on the 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, commencing on September 1, 2012, 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.

Dividends to common stockholders on a per share basis totaled 5 cents for each of the quarters ended June 30, 2012 and June 30, 2011. TCF's dividend payout ratio was 25.3% for the quarter ended June 30, 2012. The Company's primary funding sources for dividends are earnings and dividends received from TCF Bank.

At June 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 June 30, 2012 was $1.3 billion, or 7.5% of total tangible assets, compared with $1.6 billion, or 8.4% 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 June 30, 2012		At December 31, 2011
Computation of total equity to total assets:				
Total equity	$	1,755,908	$	1,878,627
Total assets		17,870,597		18,979,388
Total equity to total assets		9.83 %		9.90 %

Computation of tangible realized common equity to tangible assets:				
Total equity	$	1,755,908	$	1,878,627
Less: Non-controlling interest in subsidiaries		14,937		10,494
Total TCF Financial Corporation stockholders' equity		1,740,971		1,868,133
Less:				
Preferred Stock		166,721		-
Goodwill		225,640		225,640
Other intangibles		9,516		7,134
Accumulated other comprehensive income		15,703		56,826
Tangible realized common equity	$	1,323,391	$	1,578,533
Total assets	$	17,870,597	$	18,979,388
Less:				
Goodwill		225,640		225,640
Other intangibles		9,516		7,134
Tangible assets	$	17,635,441	$	18,746,614
Tangible realized common equity to tangible assets		7.50 %		8.42 %

Total Tier 1 capital at June 30, 2012 was $1.5 billion, or 10.53% 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 June 30, 2012 was $1.3 billion, or 9.26% 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 June 30, 2012		At December 31, 2011
Tier 1 risk-based capital ratio:				
Total Tier 1 capital	$	1,508,176	$	1,706,926
Total risk-weighted assets		14,319,406		13,475,330
Total Tier 1 risk-based capital ratio		10.53 %		12.67 %
Tier 1 common risk-based capital ratio:				
Total Tier 1 capital	$	1,508,176	$	1,706,926
Less:				
Preferred stock		166,721		-
Qualifying non-controlling interest in subsidiaries		14,937		10,494
Qualifying trust preferred securities		-		115,000
Total Tier 1 common capital	$	1,326,518	$	1,581,432
Total Tier 1 common risk-based capital ratio		9.26 %		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 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

The Board of Governors of the Federal Reserve System on June 7, 2012 approved for publication 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; 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 the phase out of trust preferred securities in tier 1 capital called for by the Dodd-Frank Act, or 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.

Technological and Operational Matters. Technological or operational difficulties, loss or theft of information, counterparty failures and the possibility that deposit account losses (fraudulent checks, etc.) may increase; failure to keep pace with technological change.

Litigation Risks. Results of litigation, including class action litigation concerning TCF's lending or deposit activities including account servicing processes or fees or charges, or employment practices, 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.

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 June 30, 2012, net interest income is estimated to increase by 2.1%, 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 $856.2 million, or 4.8% of total assets, at June 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 $5.1 billion of fixed rate consumer real estate loans and fixed-rate mortgage-backed securities at June 30, 2012, by approximately $124 million, or 22.8%, 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 June 30, 2012, by approximately $134 million, or 24.7%, 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 June 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.

The company implemented an outsourced deposit activity system during the quarter to support the deposits assumed in the Prudential Bank & Trust, FSB transaction. The new system includes new operational and accounting controls and procedures that were tested and reconciled as part of the implementation 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 June 30, 2012	At March 31, 2012	At December 31, 2011	At September 30, 2011	At June 30, 2011
SELECTED FINANCIAL CONDITION DATA:					
Total loans and leases	$ 15,234,504	$ 15,207,936	$ 14,150,255	$ 14,339,715	$ 14,631,945
Securities available for sale	757,233	728,894	2,324,038	2,600,806	2,463,367
Goodwill	225,640	225,640	225,640	152,599	152,599
Total assets	17,870,597	17,833,457	18,979,388	19,092,027	18,834,416
Deposits	13,704,306	12,759,040	12,202,004	12,320,502	11,939,476
Short-term borrowings	7,487	1,157,189	6,416	7,204	9,514
Long-term borrowings	2,075,923	1,962,053	4,381,664	4,397,750	4,415,362
Total equity	1,755,908	1,549,325	1,878,627	1,872,044	1,769,619

	Three Months Ended				
	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011	June 30, 2011
SELECTED OPERATIONS DATA:					
Net interest income	$ 198,224	$ 180,173	$ 173,434	$ 176,064	$ 176,150
Provision for credit losses	54,106	48,542	59,249	52,315	44,005
Net interest income after provision for credit losses	144,118	131,631	114,185	123,749	132,145
Non-interest income:					
Fees and other revenue	99,767	88,734	92,448	116,108	114,369

Gain (loss) on securities, net	13,116	76,611	5,842	1,648	(227)
Total non-interest income	112,883	165,345	98,290	117,756	114,142
Non-interest expense	202,989	748,708	187,533	188,848	195,091
Income (loss) before income tax expense	54,012	(451,732)	24,942	52,657	51,196
Income tax expense (benefit)	20,542	(170,244)	7,424	19,159	19,086
Income (loss) after income tax expense (benefit)	33,470	(281,488)	17,518	33,498	32,110
Income attributable to non-controlling interest	1,939	1,406	1,075	1,243	1,686
Net income (loss) available to common stockholders	31,531	(282,894)	16,443	32,255	30,424
Per common share:					
Basic earnings	$ 0.20	$ (1.78)	$ 0.10	$ 0.20	$ 0.19
Diluted earnings	$ 0.20	$ (1.78)	$ 0.10	$ 0.20	$ 0.19
Dividends declared	$ 0.05	$ 0.05	$ 0.05	$ 0.05	$ 0.05
FINANCIAL RATIOS:					
Return on average assets [(1)]	.76 %	(5.96)%	.37 %	.71 %	.68 %
Return on average common equity [(1)]	8.13	(63.38)	3.55	7.12	7.00
Net interest margin [(1)]	4.86	4.14	3.92	3.96	4.02
Net charge-offs as a percentage of average loans and leases [(1)]	1.18	1.06	1.63	1.48	1.19
Average total equity to average assets	8.96	9.52	9.81	9.58	9.32

(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 June 30, 2012.

	Total Number of Shares	Average Price Paid	Total Number of Shares Purchased as Part of Publicly	Maximum Number of Shares that May Yet Be Purchased

Period	Purchased	Per Share	Announced Plan	Under the Plan
April 1 to April 30,				
Share repurchase program [1]	-	$ -	-	5,384,130
Employee transactions [2]	36,293	$ 12.02	N.A.	N.A.
May 1 to May 31,				
Share repurchase program [1]	-	$ -	-	5,384,130
Employee transactions [2]	2,104	$ 11.60	N.A.	N.A.
June 1 to June 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]	38,397	$ 11.99	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 67 of this report.

SIGNATURES

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

TCF FINANCIAL CORPORATION

/s/ 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: July 26, 2012

TCF FINANCIAL CORPORATION
INDEX TO EXHIBITS
FOR FORM 10-Q

Exhibit Number	Description
3(a)#	Amended and Restated Certificate of Incorporation of TCF Financial Corporation
4(k)	Specimen Common Stock Certificate of TCF Financial Corporation [incorporated by reference to Exhibit 4.3 to TCF Financial Corporation's Registration Statement on Form S-3ASR filed on May 29, 2012]
4(l)	Form of Certificate for Series A Non-Cumulative Perpetual Preferred Stock [incorporated by reference to Exhibit 4.1 to TCF Financial Corporation's Current Report on Form 8-K filed June 22, 2012]
4(m)	Deposit Agreement dated June 25, 2012 by and among TCF Financial Corporation, Computershare Trust Company, N.A. and Computershare Inc. and the holders from time to time of the Depositary Receipts described therein [incorporated by reference to Exhibit 4.1 to TCF Financial Corporation's Current Report on Form 8-K filed June 25, 2012]
4(n)	Form of Depositary Receipt (included as part of Exhibit 4(m)) [incorporated by reference to Exhibit 4.1 to TCF Financial Corporation's Current Report on Form 8-K filed June 25, 2012]
10(b)-22	TCF Financial Incentive Stock Program, as amended and restated April 25, 2012 [incorporated by reference to TCF Financial Corporation's Current Report on Form 8-K filed April 30, 2012]
10(j)#	Directors Stock Grant Program, as amended and restated on April 25, 2012
10(j)-1#	Form of Director's Restricted Stock Agreement dated January 24, 2012
10(j)-2#	Form of Deferred Director's Restricted Stock Agreement dated January 24, 2012
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 June 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-3.(A) (EX-3.(A))

EXHIBIT 3(a)

AMENDED AND RESTATED
CERTIFICATE OF INCORPORATION
OF

TCF FINANCIAL CORPORATION
(INCORPORATED APRIL 28, 1987)

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

(As amended through June 18, 2012)

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

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

ARTICLE 1. CORPORATE TITLE

The name of the Corporation is TCF Financial Corporation.

ARTICLE 2. ADDRESS

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

ARTICLE 3. PURPOSE

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

ARTICLE 4. CAPITAL STOCK

A. AUTHORIZED SHARES

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

B. COMMON STOCK

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

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

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

C. PREFERRED STOCK

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

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

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

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

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

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

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

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

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

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

(2) Subject to any limitations or restrictions stated in the resolution or resolutions of the Board of Directors originally fixing the number of shares constituting a series, the Board of Directors may by resolution or resolutions likewise adopted increase or decrease (but not below the number of shares of the series then outstanding) the number of shares of the series subsequent to the issue of that series, and in case the number of shares of any series shall be so decreased the shares constituting the decrease shall resume that status which they had prior to the adoption of the resolution originally fixing the number of shares.

ARTICLE 5. [Omitted]

ARTICLE 6. [Omitted]

ARTICLE 7. BOARD OF DIRECTORS

A. NUMBER OF DIRECTORS

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

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

B. ELECTION OF DIRECTORS

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

C. NEWLY CREATED DIRECTORSHIPS AND VACANCIES

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

D. REMOVAL

A director may be removed only for cause, as determined by the affirmative vote of the holders of at least a majority of the shares then entitled to vote in an election of directors, which vote may only be taken at a meeting of stockholders (and not by written consent), the notice of which meeting expressly states such purpose. Cause for removal shall be deemed to exist only if the director whose removal is proposed has been convicted of a felony by a court of competent jurisdiction or has been adjudged by a court of competent jurisdiction to be liable for gross negligence or misconduct in the performance of such director's duty to the Corporation and such adjudication is no longer subject to direct appeal.

ARTICLE 8. [Omitted]

ARTICLE 9. ACTION BY WRITTEN CONSENT

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

ARTICLE 10. SPECIAL MEETINGS

Special meetings of the stockholders may only be called by a majority of the Continuing Directors (as defined in Article 7.A).

ARTICLE 11. BYLAWS

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

ARTICLE 12. LIMITATION OF DIRECTORS' LIABILITY

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

ARTICLE 13. INDEMNIFICATION

A. Each person who was or is made a party or is threatened to be made a party to or is involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (hereinafter a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or a subsidiary thereof or is or was serving at the request of the Corporation, as a director, officer, partner, member or trustee of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, whether the basis of such proceeding is alleged action in an official capacity as a director, officer, partner, member or trustee or in any other capacity while so serving, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware Corporation Law, as the same exists or may hereinafter be amended (but, in the case of any such amendment to the Delaware Corporation Law, the right to indemnification shall be retroactive only to the extent that such amendment permits the Corporation to provide broader indemnification rights than such law prior to such amendment permitted the Corporation to provide), against all expense, liability, and loss (including, without limitation, attorneys' fees and related disbursements, judgments, fines, ERISA excise taxes or penalties, and amounts paid or to be paid in settlement thereof) reasonably incurred or suffered by such person in connection therewith, and such indemnification shall continue as to a person who has ceased to be a director, officer, partner, member or trustee and shall inure to the benefit of his or her heirs, executors and administrators;

PROVIDED, HOWEVER, that, except as provided in Paragraph B hereof with respect to proceedings seeking to enforce rights to indemnification, the Corporation shall indemnify any such person seeking indemnification in connection with a proceeding (or part thereof) initiated by such person only if such proceeding (or part thereof) was authorized by the Board of Directors of the Corporation. The right to indemnification conferred in this Paragraph A shall be a contract right and shall include the right to be paid the expenses incurred in defending any such proceeding in advance of its final disposition; PROVIDED, HOWEVER, that, if the Delaware Corporation Law so requires, the payment of such expenses incurred by a director or officer in his or her capacity as a director or officer (and not in any other capacity in which service was or is rendered by such person while a director or officer, including, without limitation, service to an employee benefit plan) in advance of the final disposition of a proceeding shall be made only upon delivery to the Corporation of an undertaking, by or on behalf of such director or officer, to repay all amounts so advanced if it shall ultimately be determined that such director or officer is not entitled to be indemnified under this Paragraph A or otherwise. Such right to indemnification and the payment of expenses incurred in defending a proceeding in advance of the final disposition may be conferred upon any person who is or was an employee or agent of the Corporation or a subsidiary thereof or is or was serving at the request of the Corporation as an employee or agent of another corporation or of a partnership, joint venture, trust or other enterprise, including service with respect to employee benefit plans, if, and to the extent, authorized by the Bylaws or the Board of Directors, and shall inure to the benefit or his or her heirs, executors and administrators.

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

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

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

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

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

ARTICLE 14. AMENDMENT OF CERTIFICATE OF INCORPORATION

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

CERTIFICATE OF DESIGNATIONS

OF

SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK

OF

TCF FINANCIAL CORPORATION

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

1. On June 11, 2012, the Board of Directors of the Corporation (the "Board"), adopted resolutions establishing the terms of the Corporation's Series A Non-Cumulative Perpetual Preferred Stock, $25,000 liquidation preference per share (the "Series A Preferred Stock"), and authorized a committee of the Board (the "Committee") to act on behalf of the Board in establishing the dividend rate, optional redemption date, number of authorized shares and certain other terms of the Series A Preferred Stock.

2. On June 18, 2012, the Committee duly adopted the following resolutions at a special meeting of the Board:

   "**NOW, THEREFORE, BE IT RESOLVED,** that the authorized number of shares of Series A Preferred Stock shall be 6,900.

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

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

TCF FINANCIAL CORPORATION

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

EXHIBIT 3(a)

EXHIBIT A

TO

CERTIFICATE OF DESIGNATIONS

OF

SERIES A NON-CUMULATIVE PERPETUAL PREFERRED STOCK

OF

TCF FINANCIAL CORPORATION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Section 4. Dividends.

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

to fail to comply with laws and regulations applicable thereto, including applicable capital adequacy guidelines.

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

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

the Series A Preferred Stock prior to such date. Subject to the foregoing, and not otherwise, dividends (payable in cash, stock or otherwise) as may be determined by the Board of Directors of the Corporation or any duly authorized committee of the Board of Directors of the Corporation may be declared and paid on any Junior Stock from time to time out of any assets legally available therefor, and the shares of Series A Preferred Stock shall not be entitled to participate in any such dividend.

Section 5. Liquidation Rights.

(a) *Liquidation*. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation, holders of Series A Preferred Stock shall be entitled, out of assets legally available therefor, before any distribution or payment out of the assets of the Corporation may be made to or set aside for the holders of any Junior Stock and subject to the rights of the holders of any class or series of securities ranking senior to or on parity with Series A Preferred Stock upon liquidation and the rights of the Corporation’s depositors and other creditors, to receive in full a liquidating distribution in the amount of the liquidation preference of $25,000 per share, plus any authorized, declared and unpaid dividends, without accumulation of any undeclared dividends, to the date of liquidation. The holder of Series A

Preferred Stock shall not be entitled to any further payments in the event of any such voluntary or involuntary liquidation, dissolution or winding up of the affairs of the Corporation other than what is expressly provided for in this Section 5.

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

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

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

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consolidation or any other business combination transaction of any other corporation or person into or with the Corporation be deemed to be a voluntary or involuntary dissolution, liquidation or winding up of the affairs of the Corporation.

Section 6. Redemption.

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

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

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

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

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

(a) *Supermajority Voting Rights—Amendments*. Unless the vote or consent of the holders of a greater number of shares shall then be required by law, the

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

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

(c) *Special Voting Right*.

(i) Voting Right. If and whenever dividends on the Series A Preferred Stock or any other class or series of preferred stock that ranks on parity with the Series A Preferred Stock as to payment of dividends, and upon which voting rights equivalent to those granted by this Section 7(c) have been conferred and are exercisable, have not been paid in an aggregate amount equal, as to any class or series, to at least six quarterly Dividend Periods (whether consecutive or not), the number of directors constituting the Board of Directors of the Corporation shall be increased by two, and the holders of the Series A Preferred Stock (together with holders of any other class of the Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist), shall have the right, voting separately as a single class without regard to series, to the exclusion of the holders of Common Stock, to elect two directors of the Corporation to fill such newly created directorships (and to fill any vacancies in the terms of such directorships),

provided that the Board of Directors of the Corporation shall at no time include more than two such directors. Each such director elected by the holders of shares of Series A Preferred Stock and any other class or series of preferred stock that ranks on parity with the Series A Preferred Stock as to payment of dividends is a "Preferred Director."

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

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

(iv) Termination; Removal. Whenever full dividends have been paid regularly on the Series A Preferred Stock and any other class or series of preferred stock that ranks on parity with Series A Preferred Stock as to payment of dividends, if any, for at least four consecutive Dividend

Periods, then the right of the holders of Series A Preferred Stock to elect such additional two directors will cease (but subject always to the same provisions for the vesting of the special voting rights in the case of any similar non-payment of dividends in respect of future Dividend Periods) and the terms of office of the Preferred Directors will immediately terminate and the number of directors constituting the Corporation's Board of Directors will be reduced accordingly. Any Preferred Director may be removed at any time without cause by the holders of record of a majority of the outstanding shares of Series A Preferred Stock (together with holders of any other class of the

Corporation's authorized preferred stock having equivalent voting rights, whether or not the holders of such preferred stock would be entitled to vote for the election of directors if such default in dividends did not exist) when they have the voting rights described in this Section 7(c).

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

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

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

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

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

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Section 3: EX-10.(J) (EX-10.(J))

Exhibit 10(j)

DIRECTORS STOCK GRANT PROGRAM
(amended and restated)

1. PURPOSE
The purpose of the Directors Stock Grant Program (the "Program") is to attract and retain qualified individuals to serve as directors of TCF Financial Corporation ("TCF Financial"), and to encourage and enhance ownership of TCF common stock, par value $.01 per share ("TCF Stock") by these individuals.

2. ADMINISTRATION
Full power to construe, interpret and administer the program is vested with a committee consisting of the non-employee directors (as defined by Rule 16b-3 of the Securities and Exchange Commission (the "SEC")) of the Board of TCF Financial (the "Committee"). In the event such directors at some time do not qualify as non-employee directors for the purposes of Rule 16b-3, if approval by a committee composed solely of non-employee_directors is then appropriate in order for the shares of TCF Stock awarded under the Program to be exempt under Rule 16b-3, then the Board of Directors will appoint a new Committee which qualifies under the provisions of Rule 16b-3 as then in effect. The Committee shall interpret the Program, prescribe, amend and rescind rules and regulations relating thereto, and make all other determinations necessary or advisable for the administration of the Program.

3. PARTICIPANTS
Participants in the Program will consist of the outside directors of TCF Financial from time to time.

4. BENEFITS

Each director of TCF Financial will periodically receive formula awards of restricted shares of TCF Stock without other payment as additional compensation for their services to TCF Financial.

Awards Granted Prior to January 17, 2012:

Awards will be made upon the full vesting of an award previously granted to directors under the Program (each, a "Grant Date"). Each award will be equal in value to three (3) times the total amount of his or her annual retainer fee. A director elected by the board between Grant Dates will receive a pro-rated award based on the number of months from the beginning of board service until the next anticipated Grant Date. Value will be determined on the basis of the Fair Market Value of TCF Stock on the day the award is made, based on the annual retainer (not including Committee chair retainer fees) in effect at the beginning of that day.

Vesting will occur over a minimum of three years from the applicable Grant Date (or a shorter period for a pro rata award made upon a director's election between Grant Dates), and is based on the attainment of the goal set for the award by the Committee. If the goal is not achieved, no vesting occurs for that year. There is not, however, a forfeiture in years (if any) when the goal is not achieved, so that the grant is effectively extended for an additional year in such circumstances. The director must be on the board on December 31 of the year in order to receive shares vesting based on that year's performance. If the goal is achieved, one-third of the shares will vest as soon as reasonably feasible following the fiscal year in which the goal is achieved, as determined by the Committee. For a pro rata award made between Grant Dates, vesting shall occur ratably based on the remaining vesting of awards granted to incumbent directors on the last preceding Grant Date. If some or all of the restricted shares are not vested on the basis of goals by ten (10) years after the applicable Grant Date, and if the director is still with TCF Financial on that date, then any remaining restricted shares will become vested on that date.

Awards Granted On or After January 17, 2012

Commencing on January 17, 2012, awards will be made automatically on the third Tuesday of each January (each, a "Grant Date").

Each award will be equal in value to $45,000. A director first elected by the board between Grant Dates will receive a pro-rated award based on the number of months from the beginning of board service until the next Grant Date. The number of restricted shares of TCF Stock subject to each award will be determined on the basis of the Fair Market Value of TCF Stock on the day the award is made.

Each award will vest on the next Grant Date after the date the award was made. The director must be on the board on the vesting date in order to receive the vested shares.

All Awards

If a director retires from service on the board of TCF Financial pursuant to board policy on director retirement in effect at that time, the restricted period will lapse and all shares will become fully vested. There is no vesting in the event of a full or partial disability.

During the time the shares are restricted, they will not be transferable by the directors and a legend will be placed on the stock certificates (or book-entry shares, if applicable) to that effect.

5. DEFINITIONS

FAIR MARKET VALUE

The term "Fair Market Value" of shares of TCF Stock at any time shall be the average of the high and low sales prices for TCF Stock for the date, as reported by the New York Stock Exchange.

CHANGE IN CONTROL

A "Change in Control" shall be deemed to have occurred if:

(a) any "person" as defined in Section 13(d) and 14(d) of the Securities Exchange Act of 1934 (the "Exchange Act") is or becomes the "beneficial owner" as defined in Rule 13d-3 under the Exchange Act, directly or indirectly, of securities of TCF Financial representing thirty percent (30%) or more of the combined voting power of TCF Financial's then outstanding securities. For purposes of this clause (a), the term "beneficial owner" does not include any employee benefit plan maintained by TCF Financial that invests in TCF Financial's voting securities; or

(b) during any period of two (2) consecutive years (not including any period prior to April 1995) there shall cease to be a majority of the Board comprised as follows: individuals who at the beginning of such period constitute the Board or as new directors whose nomination for election by TCF Financial's shareholders was approved by a vote of at least two-thirds (2/3) of the directors then still in office who either were directors at the beginning of the period or whose election or nomination for election previously so approved; or

(c) the shareholders of TCF Financial approve a merger or consolidation of TCF Financial with any other corporation, other than a merger or consolidation which would result in the voting securities of TCF Financial outstanding immediately prior thereto continuing to represent (either by remaining outstanding or by being converted into voting securities of the surviving entity) at least 70% of the combined voting power of the voting securities of TCF Financial or such surviving entity outstanding immediately after such merger of consolidation, or the shareholders of TCF Financial approve a plan of complete liquidation of TCF Financial or an agreement for the sale or disposition by TCF Financial of all or substantially all TCF Financial's assets; provided, however, that no change in control will be deemed to have occurred if such merger, consolidation, sale or disposition of assets, or liquidation is not subsequently consummated.

DISABILITY

The term "disability" for all purposes of this Program shall be determined by the Committee in such manner as the Committee deems equitable or required by the applicable laws or regulations.

RETIREMENT

The term "retirement" means a retirement under the policies of the Board of Directors of TCF Financial in effect at the time of a director's departure from the Board.

6. ADJUSTMENT PROVISIONS

If TCF Financial shall at any time change the number of issued shares of TCF Stock_without new consideration to TCF Financial (such as by stock dividends or stock splits), then the total number of shares reserved for issuance under this Program and the number of shares covered by each outstanding award shall be adjusted so that the limitations, the aggregate consideration payable to TCF Financial, and the value of each such award shall not be changed. The Committee shall also have the right to provide for the continuation of awards or for other equitable adjustments after changes in the shares of TCF Stock resulting from reorganization, sale, merger, consolidation or similar occurrence.

Notwithstanding any other provision of this Program, and without affecting the number of shares otherwise reserved or available hereunder, the Committee may authorize the issuance or assumption of the grants in connection with any merger, consolidation, acquisition of property or stock, or reorganization upon such terms and conditions as it may deem appropriate.

All terms and conditions of all restricted stock awards outstanding shall be deemed satisfied and all such awards shall vest as of the date of a Change in Control.

7. AMENDMENT AND TERMINATION OF PROGRAM
The Board of Directors of TCF Financial or the Committee may amend this Program from time to time, but not more often than once every six months, other than to comply with requirements of the Internal Revenue Code, or may terminate this Program at any time, but no action shall reduce the then existing amount of any participant's benefit or adversely change the terms and conditions thereof without the participant's consent. No amendment of this Program shall result in any Committee member losing his or her status as a "non-employee_director" as defined in Rule 16b-3 of the Securities and Exchange Commission with respect to any employee benefit plan of TCF Financial. This Program shall expire ten years from the date of its most recent approval by shareholders, unless the shareholders approve renewal of this Program before it expires.

8. SHAREHOLDER APPROVAL
This Program will be submitted to the TCF Shareholders for approval on April 25, 2012.

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Section 4: EX-10.(J)-1 (EX-10.(J)-1)

Exhibit 10(j)-1

FORM OF
DIRECTORS
RESTRICTED STOCK AGREEMENT

DIRECTORS RS NO. «Agr_No» (Non-Deferred Shares)

Shares of Restricted Stock are hereby awarded effective as of January 17, 2012 by TCF Financial Corporation ("TCF Financial") to «Director_Name» (the "Grantee") in accordance with the following terms and conditions:

1. Share Award. TCF Financial hereby awards to the Grantee 4,025 shares (the "Shares") of Common Stock, par value $.01 per share ("Common Stock") of TCF Financial, pursuant to the Amended and Restated Directors Stock Grant Program (the "Program") upon the terms and conditions therein and hereinafter set forth. This award is subject to forfeiture if the Program is not approved at the 2012 Annual Meeting of Stockholders. A copy of the Program is incorporated herein by reference and is attached hereto.

2. Restrictions on Transfer and Restricted Periods.

   a. Beginning on the date of this Agreement (the "Commencement Date"), Shares may not be sold, assigned, transferred, pledged, or otherwise encumbered by the Grantee, except to TCF Financial or as hereinafter provided, and are subject to the restrictions set forth in the Program (collectively, the "Restrictions").

   b. The period beginning on the Commencement Date and ending upon lapse of the Restrictions shall be referred to as the "Restricted Period" and the Shares will vest, subject to the acceleration and forfeiture provisions herein, with respect to one hundred percent (100%) of the Shares on January 15, 2013.

   c. The Compensation Committee of the Board (the "Committee") shall have the authority, in its discretion, to accelerate the time at which any or all of the Restrictions shall lapse with respect to any Shares, or to remove any or all such Restrictions, whenever the Committee may determine that such action is appropriate by reason of changes in applicable tax or other laws or other changes occurring after the commencement of the Restricted Period.

3. Termination of Service. Except as provided in Section 8 below, if the Grantee ceases to be a member of all boards of directors of TCF Financial and its affiliated companies for any reason (including, but not limited to death, total or partial

disability, or normal or early retirement), all Shares which at the time of such termination of board service are subject to the Restrictions shall upon termination of such service be forfeited and returned to TCF Financial unless the Committee, pursuant to its discretion under Section 2(c), shall

determine to remove any or all of the Restrictions on such Shares prior to such forfeiture; provided that in the event of Grantee's retirement from service on any of the boards of directors of TCF Financial or its affiliated companies pursuant to the board policy on director retirement in effect at that time, the Restricted Periods for any Shares still subject to Restricted Periods on that date shall lapse and all Shares shall be fully vested.

4. Certificates for Shares. TCF Financial shall issue one or more certificates in respect of the Shares and shall hold such certificates on deposit for the account of the Grantee until the expiration of the Restricted Period with respect to the Shares represented thereby. Certificate(s) for Shares subject to a Restricted Period shall bear the following legend:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) contained in the TCF Directors Stock Grant Program and an Agreement entered into between the registered owner and TCF Financial Corporation. Copies of the TCF Directors Stock Grant Program and Agreement are on file in the offices of the Secretary of TCF Financial Corporation, 200 Lake Street East, Wayzata, MN 55391."

The Grantee further agrees that, if at any time requested by the Company during the Restricted Period, s/he shall execute a stock power endorsed in blank and that s/he shall promptly deliver such stock power to TCF Financial. Alternatively, TCF Financial may cause the Shares to be issued in the name of the Grantee in a sub-issue of Common Stock managed by the transfer agent which is subject to the Restrictions.

5. Grantee's Rights. Except as otherwise provided herein, Grantee, as owner of the Shares, shall have all rights of a stockholder, including, but not limited to, the right to receive all dividends paid on Shares and the right to vote the Shares. Dividends payable on Shares that are subject to the Restrictions shall be paid to the Grantee at the same time as such dividends are paid to other shareholders; provided, that shares of Common Stock issued in payment of such dividends shall be subject to all of the Restrictions that apply to the Shares with respect to which such dividends are paid until all of the Restrictions applicable to such Shares have lapsed or otherwise have been removed.

6. Expiration of Restricted Period. Upon the expiration of the Restricted Period with respect to any Shares, TCF Financial shall redeliver to the Grantee (or, if the Grantee is deceased, to his legal representative, beneficiary or heir) the certificate (s) in respect of such Shares, without the restrictive legend provided for in Section 4 above, and the related stock power (s) held by TCF Financial pursuant to Section 4 above. The Shares as to which the Restricted Period shall have lapsed or expired shall be free of the Restrictions and such certificates shall not bear the legend provided for in Section 4 above.

7. Adjustments for Changes in Capitalization of TCF Financial. In the event of any change in the outstanding Common Stock of TCF Financial by reason of any reorganization, recapitalization, stock split, combination or exchange of shares, merger, consolidation or any change in the corporate structure of TCF Financial or in the shares of Common Stock, or in the event of any issuance of preferred stock or other change in the capital structure of TCF Financial which the Committee deems significant for purposes of this Agreement, the number and class of Shares covered by this Agreement shall be appropriately adjusted by the Committee, whose determination of the appropriate adjustment, or whose determination

that there shall be no adjustment, shall be conclusive. Any Shares of Common Stock or other securities received, as a result of the foregoing, by the Grantee will be subject to the Restrictions and the certificate or other instruments representing or evidencing such Shares shall be legended and deposited with TCF Financial in the manner provided in Section 4 above.

8. Effect of Change in Control. Subject to the six-month holding requirement, if any, of Rule 16b-3 under the Securities Exchange Act of 1934, as amended but notwithstanding any other provision in this Program (including, but not limited to, Sections 2(b) and 3 of this Agreement) in the event of a Change in Control, as defined in the Program, all terms and

conditions of this Restricted Stock Award shall be deemed satisfied, and all the Shares shall vest as of the date of the Change in Control. Such vested Shares shall be distributed in accordance with the procedures described in Section 6 of this Agreement.

9. Delivery and Registration of Shares of Common Stock. TCF Financial's obligation to deliver Shares of Common Stock hereunder shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the Grantee or any other person to whom such Shares are to be delivered, in such form as the Committee shall determine to be necessary or advisable to comply with the provisions of the Securities Act of 1933, as amended, or any other federal, state, or local securities law or regulation. It may be provided that any representation requirement shall become inoperative upon a registration of such Shares or other action eliminating the necessity of such representation under the Securities Act or other securities law or regulation. TCF Financial shall not be required to deliver any Shares under the Program prior to the completion of such registration or other qualification of such Shares under state or federal law, rule, or regulation, as the Committee shall determine to be necessary or advisable.

10. Program and Committee Interpretations as Controlling. The Shares hereby awarded and the terms and conditions herein set forth are subject in all respects to the terms and conditions of the Program, which are controlling. All determinations and interpretations of the Committee shall be binding and conclusive upon the Grantee or his or her legal representatives with regard to any question arising hereunder or under the Program.

11. Grantee Service. Nothing in this Agreement shall limit the right of the Board, Board committees, or shareholders of TCF Financial to remove the Grantee from service as a Director, to refuse to renominate or reelect the Grantee as a Director or to enforce the duly adopted retirement policies of the Board of TCF Financial.

12. Grantee Acceptance. The Grantee shall signify acceptance of the terms and conditions of this Agreement by signing in the space provided below and returning a signed copy hereof to TCF Financial.

13. Section 409A of the Internal Revenue Code. The arrangements described in this Agreement are not deferred arrangements and are intended to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended. In the event the Agreement (or any portion thereof) is determined to be subject to Section 409A, then the Agreement (or such portion) shall be interpreted as necessary to comply with the

requirements of Section 409A, as interpreted by guidance issued by the Internal Revenue Service.

IN WITNESS WHEREOF, the parties hereto have caused this RESTRICTED STOCK AGREEMENT to be executed as of the date first above written.

TCF FINANCIAL CORPORATION

By ______________________________

General Counsel

ACCEPTED:

____

Signature - «Director_Name»

____

(Street Address)

____

(City, State and Zip Code)

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Section 5: EX-10.(J)-2 (EX-10.(J)-2)

Exhibit 10(j)-2

FORM OF
DIRECTORS
RESTRICTED STOCK AGREEMENT

DIRECTORS RS NO. «Agr_No» (Deferred Shares)

Shares of Restricted Stock are hereby awarded effective as of January 17, 2012 by TCF Financial Corporation ("TCF Financial") to «Director_Name» (the "Grantee") or to the Grantee's account in the trust hereinafter described, in accordance with the following terms and conditions:

1. Share Award. TCF Financial hereby awards to the Grantee's account in the TCF Directors Deferred Compensation Trust Agreement (the "Trust") 4,025 shares (the "Deferred Shares") of Common Stock, pursuant to the Amended and Restated Directors Stock Grant Program (the "Program") upon the terms and conditions therein and hereinafter set forth. This award is subject to forfeiture if the Program is not approved at the 2012 Annual Meeting of Stockholders. A copy of the Program is incorporated herein by reference and is attached hereto. The Deferred Shares shall be issued in the name of the trustee under the Trust (the "Trustee") for the account of the Grantee, and shall be held by the Trustee pursuant to the terms of the Trust.

2. Restrictions on Transfer and Restricted Periods.

   a. Beginning on the date of this Agreement (the "Commencement Date"), the Deferred Shares may not be sold, assigned, transferred, pledged or otherwise encumbered by the Trustee (except that the Trustee may transfer Deferred Shares to a successor Trustee or as provided in Section 2.3 of the Trust in the event of insolvency), except to TCF Financial or as hereinafter provided, and are subject to the restrictions set forth in the Program (collectively, the "Restrictions").

   b. The period beginning on the Commencement Date and ending on the lapse of the Restrictions shall be referred to as the "Restricted Period." The Restrictions will lapse and the Deferred Shares will vest, subject to the acceleration and forfeiture provisions herein, with respect to one hundred percent (100%) of the Deferred Shares on January 15, 2013.

   c. The Compensation Committee of the Board (the "Committee") shall have the authority, in its discretion, to accelerate the time at which any or all of the Restrictions shall lapse with respect to any Deferred Shares, or to remove any or all such Restrictions, whenever the Committee may determine that such action is appropriate by reason of changes in applicable tax or other laws or other changes occurring after the commencement of the Restricted Period.

3. Termination of Service. Except as provided in Section 8 below, if the Grantee ceases to be a member of all boards of directors of TCF Financial and its affiliated companies for any reason (including, but not limited to death, total or partial disability, or normal or early retirement), all Deferred Shares which at the time of such termination of board service are subject to the Restrictions shall upon termination of such service be forfeited and returned to TCF Financial unless the Committee, pursuant to its discretion under Section 2(c), shall determine to remove any or all of the Restrictions on such

Deferred Shares prior to such forfeiture; provided that in the event of Grantee's retirement from service on any of the boards of directors of TCF Financial or its affiliated companies pursuant to the board policy on director retirement in effect at that time, the Restricted Period for any Deferred Shares still subject to Restricted Period on that date shall lapse and all Deferred Shares shall be fully vested.

4. Certificates for Shares. TCF Financial shall issue one or more certificates in respect of the Deferred Shares to be held by the Trustee in the name of the Trustee for the account of the Grantee until the expiration of the Restricted Period with respect to the Deferred Shares represented thereby. Certificate(s) for Deferred Shares subject to a Restricted Period shall bear the following legend:

> "The transferability of this certificate and the shares of stock represented hereby are subject to the terms and conditions (including forfeiture) contained in the TCF Directors Stock Grant Program and an Agreement entered into between the registered owner and TCF Financial Corporation. Copies of the TCF Directors Stock Grant Program and Agreement are on file in the offices of the Secretary of TCF Financial Corporation, 200 Lake Street East, Wayzata, MN 55391."

The Grantee further agrees that, if at any time requested by the Company during the Restricted Period, s/he shall execute a stock power endorsed in blank and that s/he shall promptly deliver such stock power to TCF Financial. The Trustee shall, if requested by TCF Financial, execute a stock power endorsed in blank with respect to any Deferred Shares held by the Trustee.

Alternatively, TCF Financial may cause the Deferred Shares to be issued in the name of the Trustee in a sub-issue of Common Stock managed by the transfer agent which is subject to transferability restrictions set forth above.

5. Grantee's Rights. Except as otherwise provided herein, the Trustee shall exercise the rights as stockholder including, but not limited to, the right to receive all dividends paid on Deferred Shares and the right to vote the Deferred Shares as directed by TCF Financial Corporation, provided that any dividends paid on Deferred Shares of a Grantee shall be credited to Trustee's account for Grantee and shall be reinvested in Common Stock. Deferred Shares shall be subject in all respects to the terms of the Trust, including (but not limited to) the provisions which make such Deferred Shares subject to the claims of creditors in the event of insolvency of the company. Dividends payable on Deferred Shares

that are subject to the Restrictions shall be paid to the Trustee at the same time as such dividends are paid to other shareholders; provided, that shares of Common Stock issued in payment of such dividends shall be subject to all of the Restrictions that apply to the Deferred Shares with respect to which such dividends are paid until all of the Restrictions applicable to such Deferred Shares have lapsed or otherwise have been removed.

6. Expiration of Restricted Period. Upon the expiration of the Restricted Period with respect to any Deferred Shares, TCF Financial shall redeliver to the Trustee for the Grantee's account the certificate(s) for Deferred Shares with respect to which Restricted Periods have expired without the restrictive legend provided for in Section 4 above. The Trustee shall hold such Deferred Shares for the account of the Grantee until such time as they become distributable pursuant to the provisions of the TCF Directors 2005 Deferred Compensation Plan (the "Deferred Compensation Plan"). The Trustee shall accomplish such distribution by sending the certificates for the Deferred Shares to TCF Financial's transfer agent, with instructions to reissue them in the name of Grantee. Subject to the provisions of Section 3 above, any Deferred Shares for which Restricted Periods are still in effect at the time of such termination of service shall be forfeited and Trustee shall deliver the certificates for such Deferred Shares to TCF Financial for cancellation.

9. Adjustments for Changes in Capitalization of TCF Financial. In the event of any change in the outstanding Common Stock of TCF Financial by reason of any reorganization, recapitalization, stock split, combination or exchange of shares, merger, consolidation or any change in the corporate structure of TCF Financial or in the shares of Common Stock, or in the event of any issuance of preferred stock or other change in the capital structure of TCF Financial which the Committee deems significant for purposes of this Agreement, the number and class of Deferred Shares covered by this Agreement shall be appropriately adjusted by the Committee, whose determination of the appropriate adjustment, or whose determination that there shall be no adjustment, shall be conclusive. Any Deferred Shares of Common Stock or other securities received, as a result of the foregoing, by the Grantee or the Trustee will be subject to the Restrictions and the certificate or

other instruments representing or evidencing such Deferred Shares shall be legended and deposited with TCF Financial or the Trustee in the manner provided in Section 4 above.

10. Effect of Change in Control. Subject to the six-month holding requirement, if any, of the Rule 16b-3 under the Securities Exchange Act of 1934, as amended, but notwithstanding any other provision in this Program (including, but not limited to, Sections 2(b) and 3 of this Agreement) in the event of a Change in Control, as defined in the Program, all terms and conditions of this Restricted Stock Award shall be deemed satisfied, and all the Deferred Shares shall vest as of the date of the Change in Control. Such vested Deferred Shares shall be distributed as provided in the Deferred Compensation Plan, in accordance with the procedures described in Section 6 of this Agreement.

9. Delivery and Registration of Shares of Common Stock. TCF Financial's obligation to deliver Deferred Shares of Common Stock hereunder shall, if the Committee so requests, be conditioned upon the receipt of a representation as to the investment intention of the Grantee or any other person to whom such Deferred Shares are to be delivered, in such form as the

Committee shall determine to be necessary or advisable to comply with the provisions of the Securities Act of 1933, as amended, or any other federal, state, or local securities law or regulation. It may be provided that any representation requirement shall become inoperative upon a registration of such Deferred Shares or other action eliminating the necessity of such representation under the Securities Act or other securities law or regulation. TCF Financial shall not be required to deliver any Deferred Shares under the Program prior to the completion of such registration or other qualification of such Deferred Shares under state or federal law, rule, or regulation, as the Committee shall determine to be necessary or advisable.

10. Program and Committee Interpretations as Controlling. The Deferred Shares hereby awarded and the terms and conditions herein set forth are subject in all respects to the terms and conditions of the Program, which are controlling. All determinations and interpretations of the Committee shall be binding and conclusive upon the Grantee or his or her legal representatives with regard to any question arising hereunder or under the Program.

11. Grantee Service. Nothing in this Agreement shall limit the right of the Board, Board committees, or shareholders of TCF Financial to remove the Grantee from service as a Director, to refuse to renominate or reelect the Grantee as a Director or to enforce the duly adopted retirement policies of the Board of TCF Financial.

12. Grantee and Trustee Acceptance. The Grantee shall signify acceptance of the terms and conditions of this Agreement by signing in the space provided below and returning a signed copy hereof to TCF Financial. The Trustee (if applicable) shall signify its acceptance of the terms and conditions of this Agreement by signing in the space provided below and returning a signed copy hereof to TCF Financial.

13. Section 409A of the Internal Revenue Code. Insofar as the arrangements described in this Agreement are subject to Section 409A of the Internal Revenue Code of 1986, as amended, the terms of this Agreement shall be interpreted as necessary to comply with the requirements of Section 409A, as interpreted by guidance issued by the Internal Revenue Service.

IN WITNESS WHEREOF, the parties hereto have caused this RESTRICTED STOCK AGREEMENT to be executed as of the date first above written.

TCF FINANCIAL CORPORATION

By ______________________________

General Counsel

ACCEPTED:

____

Signature - «Director_Name»

____

(Street Address)

____

(City, State and Zip Code)

TRUSTEE

The First National Bank in Sioux Falls

By: ______________________________

Title: ______________________________

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Section 6: 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: July 26, 2012

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

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Section 7: 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: July 26, 2012

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

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Section 8: 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 June 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: July 26, 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.

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Section 9: 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 June 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: July 26, 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.

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