



Strategic Merger:

**Creating Michigan's Community Bank
And Building Scale in Neighboring States**

January 26, 2016





Forward – Looking Statements

This presentation and the accompanying audio presentation contains forward-looking statements regarding the outlook and expectations of Chemical Financial Corporation (“Chemical” or “CHFC”) and Talmer Bancorp, Inc. (“Talmer” or “TLMR”) with respect to their planned strategic partnership, including the expected costs to be incurred and cost savings to be realized in connection with the transaction, the expected impact of the transaction on Chemical's future financial performance (including anticipated accretion to earnings per share, tangible book value earn-back period and internal rate of return), the assumed purchase accounting adjustments, credit marks, and intangibles and other key transaction assumptions, anticipated regulatory cost, timing of closing of transaction, and consequences of Talmer’s integration into Chemical. Words such as "anticipated," "estimated," "expected," "projected," "assumed," "approximately," "continued," "should," "will" and variations of such words and similar expressions are intended to identify such forward-looking statements. Pro forma financial information is not a guaranty of future results and is presented for informational purposes only.

Forward-looking statements are not guarantees of future financial performance and are subject to risks, uncertainties and assumptions ("risk factors") that are difficult to predict with regard to timing, extent, likelihood and degree of occurrence. Therefore, actual results and outcomes may materially differ from what may be expressed or forecasted in such forward-looking statements. Neither Chemical nor Talmer undertakes any obligation to update, amend or clarify forward-looking statements, whether as a result of new information, future events or otherwise. Risk factors relating both to the transaction and the integration of Talmer into Chemical after closing include, without limitation:

- Completion of the transaction is dependent on, among other things, receipt of regulatory approvals and Talmer and Chemical shareholder approvals, the timing of which cannot be predicted with precision at this point and which may not be received at all.
- The impact of the completion of the transaction on Chemical's and Talmer’s financial statements will be affected by the timing of the transaction.
- The transaction may be more expensive to complete and the anticipated benefits, including anticipated cost savings and strategic gains, may be significantly harder or take longer to achieve than expected or may not be achieved in their entirety as a result of unexpected factors or events.
- The integration of Talmer's business and operations into Chemical, which will include conversion of Talmer’s operating systems and procedures, may take longer than anticipated or be more costly than anticipated or have unanticipated adverse results relating to Talmer’s or Chemical's existing businesses.
- Chemical’s ability to achieve anticipated results from the transaction is dependent on the state of the economic and financial markets going forward. Specifically, Chemical may incur more credit losses than expected and customer attrition may be greater than expected.

In addition, risk factors include, but are not limited to, the risk factors described in Item 1A of each of Chemical's and Talmer’s Annual Report on Form 10-K for the year ended December 31, 2014. These and other factors are representative of the risk factors that may emerge and could cause a difference between an ultimate actual outcome and a forward-looking statement.



Additional Information

Non-GAAP Financial Measures

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

Additional Information about the Transaction

This communication is being made in respect of the merger involving Talmer and Chemical. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities or a solicitation of any vote or approval.

Chemical will file a registration statement on Form S-4 with the Securities and Exchange Commission (SEC) to register the securities that the Talmer shareholders will receive if the transaction is consummated. The registration statement will contain a prospectus for Chemical and a joint proxy statement to be used by Chemical and Talmer to solicit the required approvals of their respective shareholders of the merger and other relevant documents concerning the transaction. Chemical and Talmer may also file other documents with the SEC concerning the proposed merger. **BEFORE MAKING AN INVESTMENT OR VOTING DECISION, INVESTORS AND SHAREHOLDERS OF CHEMICAL AND TALMER ARE URGED TO READ THE REGISTRATION STATEMENT, THE PROSPECTUS AND JOINT PROXY STATEMENT, AND ANY OTHER RELEVANT DOCUMENTS WHEN THEY BECOME AVAILABLE BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION ABOUT CHEMICAL, TALMER, AND THE TRANSACTION.** Investors will be able to obtain these documents free of charge at the SEC's website at www.sec.gov. Copies of the documents filed with the SEC in connection with the merger can also be obtained, when available, without charge, from Chemical's website at <http://www.chemicalbankmi.com> (which website is not incorporated herein by reference), or by contacting Chemical Financial Corporation, 235 East Main Street, P.O. Box 569, Midland, MI 48640-0569, Attention: Ms. Lori A. Gwizdala, Investor Relations, telephone 800-867-9757, or at Talmer's website at <http://www.talmerbank.com> (which website is not incorporated herein by reference), or by contacting Talmer Bancorp, Inc., 2301 West Big Beaver Road, Suite 525, Troy, Michigan 48084, Attention: Mr. Brad Adams, Investor Relations, telephone 248-498-2862.

Participants in the Merger Solicitation

Chemical and Talmer, and their respective directors, executive officers, and certain other members of management and employees, may be soliciting proxies from Chemical and Talmer shareholders in favor of the transaction. Information regarding the persons who may, under the rules of the SEC, be considered participants in the solicitation of Chemical and Talmer shareholders in connection with the proposed transaction will be set forth in the prospectus and joint proxy statement when it is filed with the SEC. Free copies of this document may be obtained as described above. Information about Chemical's directors and executive officers can be found in Chemical's definitive proxy statement in connection with its 2015 annual meeting of shareholders, as filed with the SEC on March 6, 2015, and other documents subsequently filed by Chemical with the SEC. Information about Talmer's directors and executive officers can be found in Talmer's definitive proxy statement in connection with its 2015 annual meeting of shareholders, as filed with the SEC on April 27, 2015, and other documents subsequently filed by Talmer with the SEC. Additional information regarding the interests of such participants will be included in the prospectus and joint proxy statement and other relevant documents regarding the merger filed with the SEC when they become available.



CHFC Q4 2015 Highlights

- Earnings per share, excluding nonrecurring acquisition-related expenses, of \$0.70; up 25% over 4th qtr. 2014 and up 8% over 3rd qtr. 2015
 - Incremental earnings from acquisitions (4th qtr. 2015 vs. 4th qtr. 2014)
 - Net interest income increase attributable to organic loan growth during 2015
 - Decrease in core operating expenses of 2.8% in 4th qtr. 2015 vs. 3rd qtr. 2015
- Loan Growth
 - Organic: \$56 million in 4th qtr. 2015 (\$476 million, or 8%, for twelve months ended 12/31/15)
- Solid asset quality ratios
 - Net loan charge-offs/total loans of 0.24% in 4th qtr. 2015 vs. 0.21% in 4th qtr. 2014 and 0.05% in 3rd qtr. 2015
 - Nonperforming assets/total assets of 1.02% at 12/31/2015
- Return on average assets and return on average equity, excluding nonrecurring acquisition-related expenses, of 1.16% and 10.7%, respectively, in 4th qtr. 2015



CHFC Income Statement Highlights

Financial Highlights

(in thousands except per share data)	2015 4 th Qtr.	2014 4 th Qtr.	2015 3 rd Qtr.
Net interest income	\$75,476	\$58,244	\$73,617
Provision for loan losses	2,000	1,500	1,500
Noninterest income	20,052	18,227	20,215
Operating expenses ⁽¹⁾	55,739	48,477	57,365
Acquisition-related expenses	2,085	4,139	900
Net income	25,504	15,305	24,467
Diluted EPS	0.66	0.46	0.64
Diluted EPS – excl. nonrecurring acquisition-related expenses	0.70	0.56	0.65
Avg. Diluted Shares Outstanding	38,498	33,033	38,393
Return on Avg. Assets	1.10%	0.87%	1.05%
Return on Avg. Shareholders' Equity	10.1%	7.5%	9.8%
Efficiency Ratio	57.1%	62.2%	59.9%
Tangible Equity/Total Assets	8.0%	8.4%	7.8%
Tangible Book Value/Share	\$18.78	\$18.57	\$18.32

Prior-Year Quarter Comparison

- Significant increase in net interest income; attributable to \$476 million, or 8%, organic growth in total loans during the twelve months ended December 31, 2015
- Impact of acquisitions of Northwestern Bancorp, Inc. ("Northwestern"), Monarch Community Bancorp, Inc. ("Monarch") and Lake Michigan Financial Corporation ("LMFC")

Prior Quarter Comparison

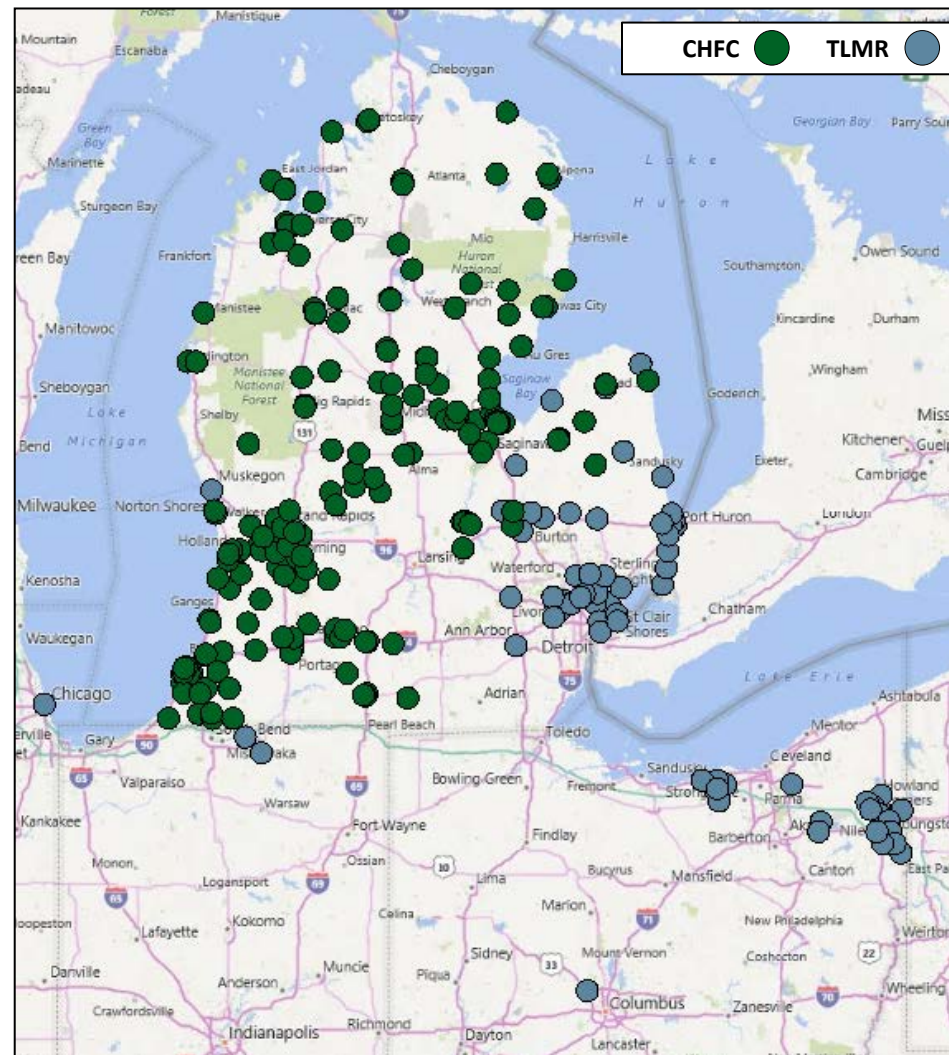
- Increase in net interest income
- Reduction in operating expenses

⁽¹⁾Excludes acquisition-related expenses



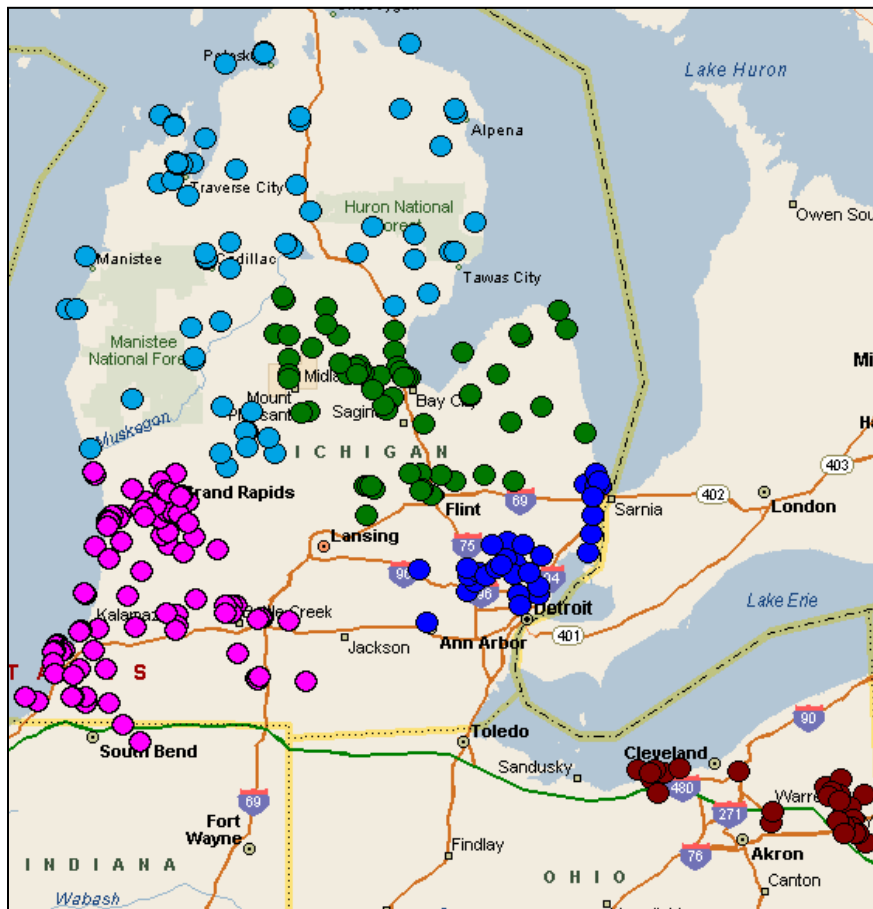
Strategic and Financial Rationale

- Creates the preeminent Michigan-based banking franchise
- Largest community bank headquartered in Michigan with approximately \$16 billion in assets, \$12 billion in loans and \$13 billion in deposits as of December 31, 2015
- Provides material scale in nearly all Michigan communities and immediate scale in northern Ohio
 - Detroit MSA accounts for more than 50% of Michigan's population and annual GDP (5.3 million and \$213 billion, respectively)
 - Coverage of high performing metro markets
- Comprehensive retail branch delivery system in Michigan with access to new customers and markets
- Deep, experienced team based on combined management strengths of Chemical and Talmer
- Compatible cultures with similar strategies, customer focus and strong service and community orientation
- Efficiently crosses \$10 billion in assets, mitigating additional regulatory costs ⁽¹⁾
- Expected to result in approximately 8% EPS accretion in the first full year and a tangible book value earnback of 3.25 years





Vision: Michigan's Community Bank



Five major regional areas of operations (color code)

- 1) Central Region
 - 2) Upper Michigan
 - 3) Southwest Michigan
 - 4) Southeast Michigan (Greater Detroit)
 - 5) Northern Ohio
- } New

Source: SNL Financial. Deposit data as of 6/30/2015.

Note: The two branches in Indiana are not included in the Southwest Michigan region.

Pro Forma Entity is Largest MI-Headquartered Bank

No.	Institution (ST)	No. of Branches	Deposits in Market (\$000)	Market Share (%)
1	JPMorgan Chase & Co. (NY)	251	39,107,603	20.53
2	C Comerica Inc. (TX)	216	27,494,072	14.43
3	PNC Financial Services Group (PA)	216	16,346,603	8.58
4	Bank of America Corp. (NC)	127	15,677,060	8.23
5	Fifth Third Bancorp (OH)	249	15,161,647	7.96
Pro Forma CHFC / TLMR		236	10,850,698	5.70
6	Huntington Bancshares Inc. (OH)	210	9,489,560	4.98
7	Flagstar Bancorp Inc. (MI)	99	7,837,454	4.11
8	CHFC	185	7,304,268	3.83
9	FirstMerit Corp. (OH)	139	5,107,580	2.68
10	Citizens Financial Group Inc. (RI)	98	4,951,004	2.60
11	TLMR	51	3,546,430	1.86
12	Wells Fargo & Co. (CA)	18	2,690,610	1.41
13	TCF Financial Corp. (MN)	54	2,600,298	1.36
14	Mercantile Bank Corp. (MI)	54	2,280,590	1.20
15	Independent Bank Corp. (MI)	64	1,984,846	1.04
Total For Institutions In Market		2,763	190,508,930	100.00

Pro Forma CHFC Operating Markets

Chemical Region	Deposit Market Share Rank	Number of Branches	Deposits in Market (\$000)	Market Share (%)
Central Region	1	65	2,625,086	18.5%
Upper Michigan	1	61	2,106,867	18.0%
Southwest Michigan	2	79	3,334,883	9.5%
Southeast Michigan	9	31	2,783,862	2.2%
Northern Ohio	13	27	1,107,149	1.0%



Transaction Summary



Combined²

	CHEMICAL FINANCIAL CORPORATION	TALMER BANCORP, INC.	Combined ²
Assets (\$ in billions)	\$9.2	\$6.6	\$15.8
Loans (\$ in billions)	\$7.3	\$4.8	\$12.1
Deposits (\$ in billions)	\$7.5	\$5.0	\$12.5
Equity (\$ in billions)	\$1.0	\$0.7	\$1.7
Market Capitalization (\$ in billions)³	\$1.1	\$1.1	\$2.2
2016 Consensus Net Income (\$ in millions)¹	\$103	\$86	\$189
Branches	185	81	266

Consideration³

- Exchange ratio of 0.4725 CHFC shares and \$1.61 of cash for each share of TLMR common stock
- Approximately 90% stock / 10% cash
- \$1.1 billion transaction value

Ownership³

- 55% CHFC / 45% TLMR

Senior Management

- | | |
|---|---|
| <ul style="list-style-type: none"> • BHC CEO: David Ramaker • BHC Chairman: Gary Torgow • CFO: Lori Gwizdala • Transition Role: David Provost | <ul style="list-style-type: none"> • Bank CEO: David Ramaker • Bank Chairman: David Ramaker • EVP Bank: Tom Shafer • TB&T CFO: Dennis Klaeser |
|---|---|

Board of Directors

- 7 CHFC Directors / 5 TLMR Directors

Name & Headquarters

- Chemical Financial Corporation will be headquartered in Midland, MI

Anticipated Close

- Second half of 2016, subject to customary regulatory approvals and shareholder approvals

(1) Consensus mean estimates

(2) Combined represents the sum of CHFC and TLMR data and is not reflective of any purchase accounting marks or merger adjustments

(3) Based upon closing prices as of January 25, 2016

Note: Financial data as of December 31, 2015



Key Transaction Terms



Transaction Consideration

- Exchange ratio of 0.4725 CHFC shares and \$1.61 of cash for each share of TLMR common stock
- Approximately 90% stock / 10% cash consideration
- Transaction value of approximately \$1.1 billion¹

Option Treatment

- At least 75% of TLMR options are converted into CHFC options at closing, up to 25% of TLMR options may be cashed out at closing

Cost Savings

- Expected to be approximately \$52 million (fully phased-in)
- Approximately 26% of Talmer's noninterest expense, 12% of combined 2016 noninterest expense²

Credit Mark

- Estimated increase in the fair value of the loan portfolio of \$10 million as part of the transaction
- The total fair value discount of the loan portfolio is projected at 5% when considering the credit and interest marks already recorded, the current allowance for loan losses that will be reversed and recorded as part of the fair value discount

Merger & Integration Costs

- Expected to be approximately \$62 million pre-tax

Regulatory Costs

- Annual pre-tax Durbin costs of \$5 million and \$10 million in 2017 and 2018+, respectively
- Annual pre-tax incremental cost of \$2 million to comply with advanced supervisory requirements (FDIC insurance and stress testing)

Other Adjustments

- Core deposit intangible of 1.75% (\$62 million) assumed on non-time deposits, amortized over 10 years
- Other purchase accounting fair value adjustments total approximately \$22 million

(1) Based upon fully diluted basis using CHFC closing price of \$29.70 as of January 25, 2016

(2) Based on mean consensus estimates



Strong EPS Accretion, IRR & Robust Capital Position



Key Transaction Impacts to CHFC

2017e EPS Accretion ¹

8%

IRR ²

20-21%

Tangible Book Value Earnback Period ³

3.25 years

Capital Ratios	As of December 31, 2015		Pro Forma ⁴
	CHFC	TLMR	
TCE/TA	8.1%	10.8%	8.2%
Leverage Ratio	8.6%	10.2%	8.4%
Common Equity Tier 1 Ratio	10.6%	12.0%	10.1%
Tier 1 Ratio	10.7%	12.0%	10.3%
Total Risk-based Capital Ratio	11.8%	13.0%	10.9%

(1) Estimated financial impact is presented solely for illustrative purposes using mean analyst estimates per research analyst reports. Includes purchase accounting marks and cost savings

(2) From the perspective of CHFC assuming a terminal multiple of 13.0x

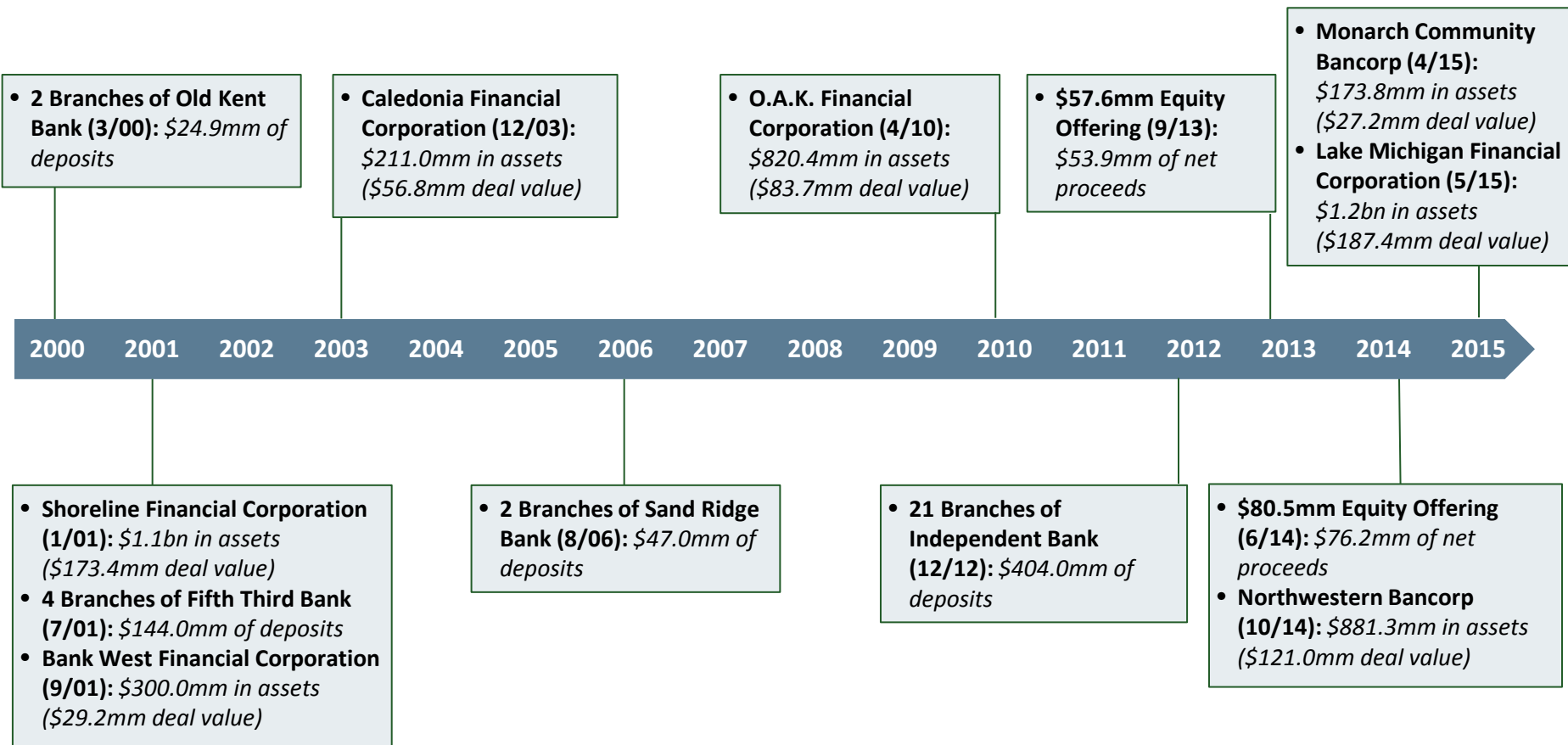
(3) Tangible Book Value Earnback Period per the cross-over method

(4) Pro Forma Capital Ratios projected for a June 30, 2016 close, including purchase accounting for the transaction



Depth of Transaction History – CHFC

CHFC Successful Acquisition Experience – 11 M&A Transactions Since 2000

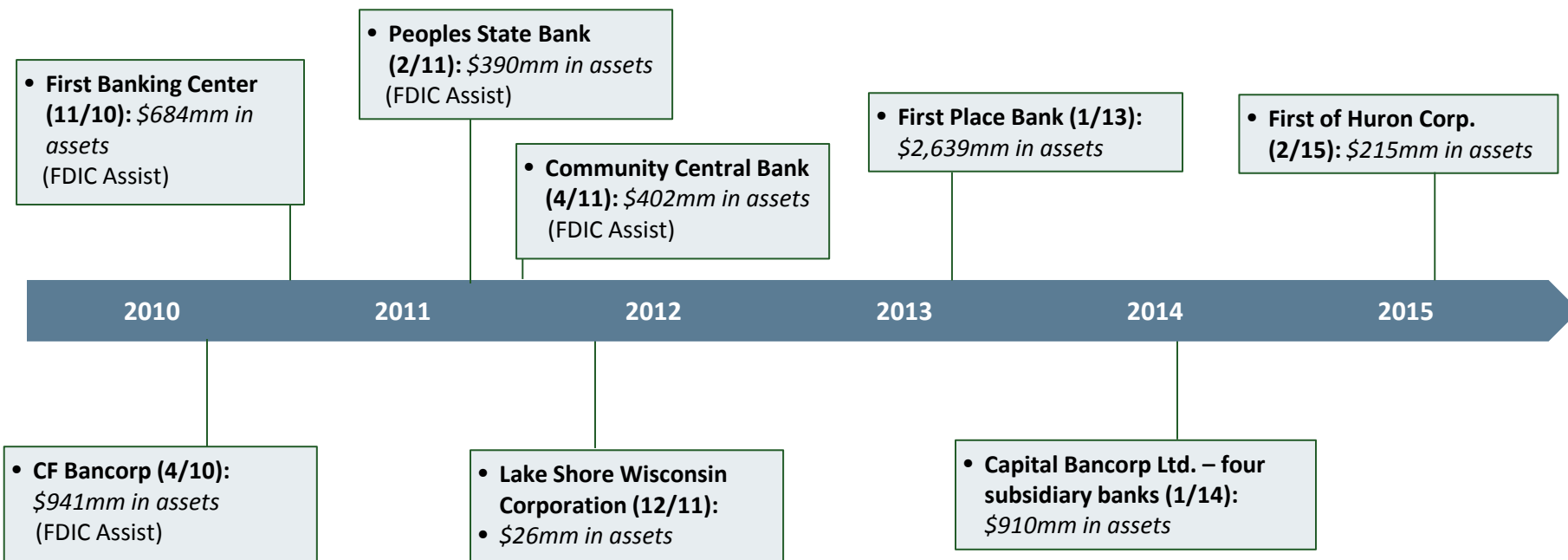




Depth of Transaction History – TLMR



TLMR Successful Acquisition Experience – 8 M&A Transactions Since 2010





Q&A

Presented by:



David B. Ramaker
*Chairman, Chief Executive Officer
and President*

Lori A. Gwizdala
*Executive Vice President and Chief
Financial Officer*



David T. Provost
*Chief Executive Officer
and President*

Dennis L. Klaeser
*Chief Financial Officer and
Executive Managing Director*

Appendix



Earnings Per Share Accretion

		Pro Forma	
	\$ Millions	Millions of Shares	\$ per Share
CHFC 2017 Consensus Mean Estimate	\$110	38	\$2.86
TLMR 2017 Consensus Mean Estimate	95	70	\$1.36
<u>After-Tax Adjustments</u>			
Cost Savings ¹	34		
Increased Regulatory Costs ²	(5)		
Amortization of CDI Created ³	(6)		
Reduction of Accretable Yield / Accretable Discount on Loans ⁴	(12)		
Other Adjustments ⁵	3		
Pro Forma 2017 CHFC Net Income	\$220	71 ⁶	\$3.09
\$ Accretion to CHFC			\$0.23
% Accretion to CHFC			8.0%

(1) \$52 million pre-tax reduction in TLMR's total non-interest expense base

(2) Includes \$7.0 million (pre-tax) of additional Durbin, FDIC insurance premium and stress testing costs in 2017, \$12.0 million (pre-tax) in 2018

(3) Core deposit intangible estimate of 1.75% (\$62.3 million) assumed on non-time deposits, amortized 10 years; accelerated method

(4) Estimated \$40 million of "interest mark" allocated to nonaccretable discount in purchase accounting, reduces accretable yield / accretable discount on loans

(5) Includes other purchase accounting and merger adjustments

(6) Pro forma shares outstanding include CHFC shares and shares issued to TLMR based on 0.4725 exchange ratio and 75% of TLMR options converted to CHFC options

Note: Pro forma adjustments assume 35% marginal tax rate



Tangible Book Value Per Share Dilution



	Pro Forma		
	\$ Millions	Millions of Shares	\$ per Share
CHFC Standalone			
CHFC Tangible Book Value as of December 31, 2015	\$717	38	
Two Quarters of Consensus Mean Earnings Prior to Close	50		
Two Quarters of \$0.26 Per Share Common Dividends	(20)		
Amortization of Existing Core Deposit Intangibles	2		
Standalone CHFC Tangible Book Value at Close	\$749	38	\$19.63
Pro Forma			
Standalone CHFC Tangible Book Value at Close	\$749	38	\$19.63
Equity Consideration to TLMR ¹	928	31	
TLMR Options Converted to CHFC Options ²	47		
Goodwill and Intangibles Created ³	(415)		
CHFC After-Tax Acquisitions Expenses ⁴	(22)		
Pro Forma CHFC Tangible Book Value at Close	\$1,287	69	\$18.54
\$ Dilution to CHFC			(\$1.09)
% Dilution to CHFC			(5.6%)
Tangible Book Value Per Share Earnback ⁵			~ 3.25 Years

Calculation of Intangibles Created	
	\$ Millions
Deal Value	\$1,097
TLMR TCE at Close ⁶	\$749
(+) TLMR After-Tax Acquisition Expenses ⁷	(22)
(+) Net After-Tax Credit Mark	7
(+) Other Fair Value Adjustments	(29)
Adjusted Tangible Book Value	\$704
Excess over Adjusted TBV	\$393
(+) Core Deposit Intangible Created	(62)
(+) DTL on CDI	22
Goodwill Created	\$353
Intangibles Created	\$415

(1) Based on 0.4725 shares of CHFC common stock for each TLMR common share outstanding

(2) Assumes 75% of TLMR options are converted into CHFC options at closing

(3) Based on expectations and assumptions as of announcement date; subject to change at transaction closing

(4) Reflects acquisition expenses allocated to CHFC

(5) Based on when pro forma tangible book value per share crosses over and begins to exceed projected standalone CHFC tangible book value per share

(6) Estimated TLMR tangible common equity at close based on 1Q'16 and 2Q'16 consensus mean earnings and dividend estimates provided by TLMR management

(7) Reflects acquisition expenses allocated to TLMR

Note: Pro forma adjustments assume 35% marginal tax rate



Overview of Merger Partners



- \$9.2 billion financial holding company
 - Headquartered in Midland, MI
- Preeminent Michigan banking franchise outside of Detroit MSA
 - Capitalizing on and contributing to Michigan's vibrant economy
 - Recent strategic acquisitions have enhanced organization's market presence, banking capabilities and earnings power
- Strong operating performance history through cycles
- Scalable core strategies
- Proven ability to increase market share in core markets through:
 - Strong organic growth
 - Accretive acquisitions (4 deals since 2010)
- Clean balance sheet
 - Well capitalized (8.1% TCE ratio, 11.8% Total RBC ratio)
 - High asset quality
- 4Q'15 Financial Performance
 - Earnings per share, excluding nonrecurring acquisition-related expenses, of \$0.70; up 25% over 4th qtr. 2014 and up 8% over 3rd qtr. 2015



- \$6.6 billion bank holding company
 - Headquartered in Troy, MI (Greater Detroit MSA)
- A high performing Midwest Bank
 - Built through organic growth & successful acquisitions
 - Experience and accomplished Executive Management team
 - 81 branches (51 in South MI, 27 in Northern OH)
- Strong operating performance
 - Attractive NIM, even when excluding Excess Accretable Yield
 - Core efficiency ratio ⁽¹⁾ of 59.5% in 4Q'15
 - Low cost deposit funding
- Recapitalized and retooled several banking platforms following the distress of the previous credit crisis (recession)
 - Completed 8 acquisitions in 5 years
 - Streamlining and redundancy work complete
 - Well past pruning phase, well into net growth phase
- 4Q'15 Financial Performance
 - Record core earnings⁽²⁾ (\$27.0 mm) for quarter
 - 10.8% TCE ratio, 12.0% CET1 ratio
 - NPLs / Loans – 1.2%
 - Loss share agreement extinguished in 4Q'15

(1) Defined as noninterest expense divided by total revenue, adjusted for (expense)/benefit due to change in the fair value of loan servicing rights, FDIC loss sharing income, transaction and integration related costs and net loss on early termination of FDIC loss share and warrant agreements

(2) Excludes \$13.9mm after-tax net loss on early termination of FDIC loss share and warrant agreements

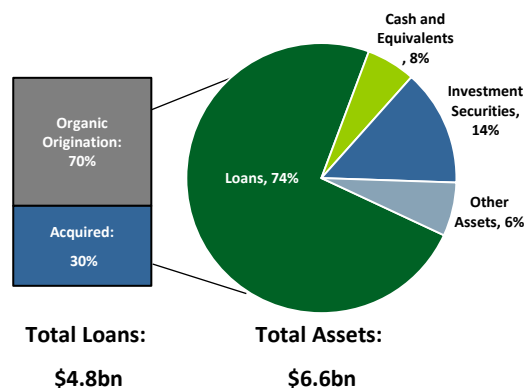


Transformation of Talmer Bancorp

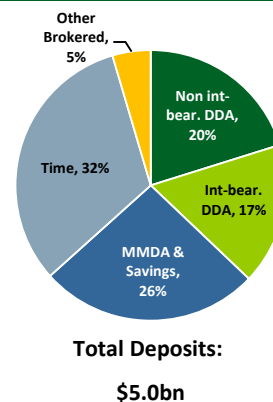
Enhanced Transparency of Talmer Bancorp

- ✓ All bank acquisitions have been completed and successful conversions have occurred
- ✓ Material share repurchase in 3Q'15 (retired 5.1 million common shares August 31, 2015)
- ✓ FDIC loss share agreement was terminated in 4Q'15
- ✓ Warrants held by FDIC were repurchased in conjunction with termination of loss share agreement
- ✓ TLMR has reduced exposure to mortgage banking and MSR asset volatility by closing wholesale/correspondent platform

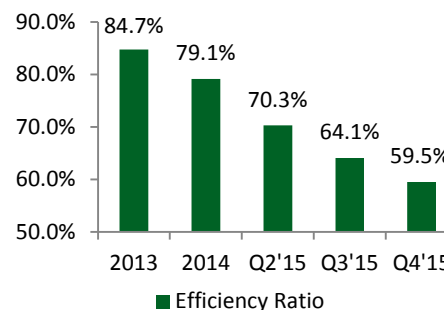
Diversified Asset Mix



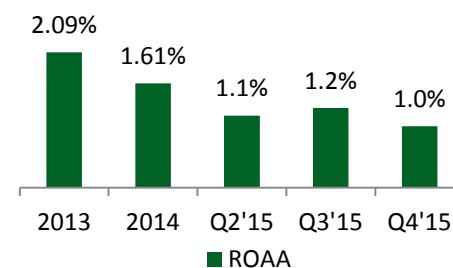
Improved Deposit Base



Focus on Efficiency



Strong Returns



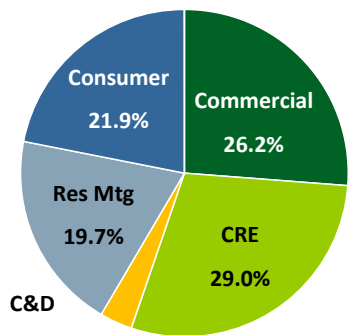


Diversified Loan Portfolio and Low Cost Core Deposit Base



Loan Composition

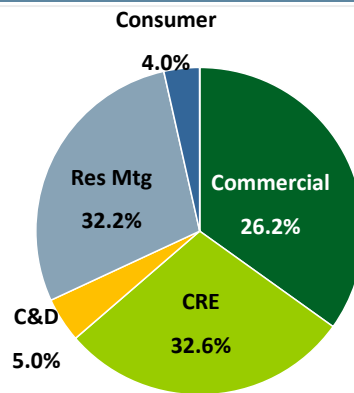
Chemical Financial Corporation



MRQ Yield on Loans: 4.16%

Total Loans: \$7.3bn

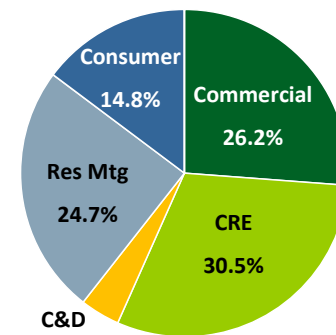
Talmer Bancorp, Inc.



MRQ Yield on Loans: 4.83%

Total Loans: \$4.8bn

Pro Forma¹

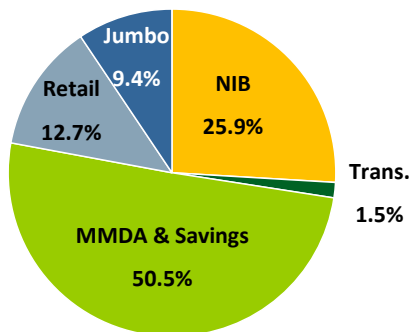


MRQ Yield on Loans: 3.9%

Total Loans: \$12.0bn

Deposit Composition

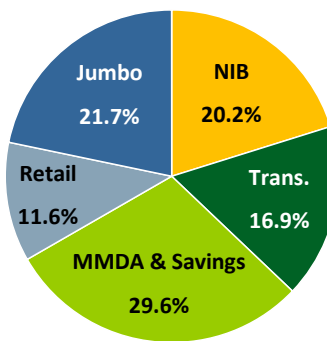
Chemical Financial Corporation



MRQ Cost of Deposits: 0.22%

Total Deposits: \$7.5bn

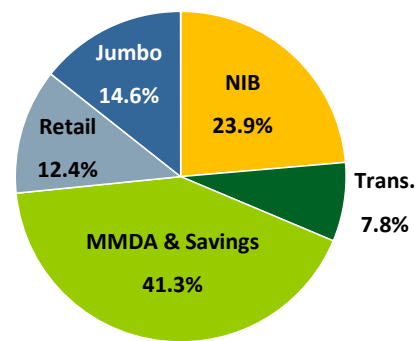
Talmer Bancorp, Inc.



MRQ Cost of Deposits: 0.44%

Total Deposits: \$5.0bn

Pro Forma¹



MRQ Cost of Deposits: 7.8%

Total Deposits: \$12.5bn

(1) Excludes purchase accounting adjustments

Note: Data as of December 31, 2015

Source: SNL Financial, Company documents