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## TCF Financial Q1 2009 Earnings Call Transcript

### Question-and-Answer Session

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#### Operator

Thank you, sir. We'll now begin the question-and-answer session. (Operator Instructions). And our first question comes from the line of Jon Arfstrom with RBC Capital Markets. Please go ahead.

#### Jon Arfstrom - RBC Capital Markets

Thanks. Good morning guys.

#### William Cooper

Hi, Jon.

#### Jon Arfstrom - RBC Capital Markets

Just a couple of questions for you. The first on the consumer portfolio with the delinquencies flattening out. I'm just wondering if you've seen any, are you clearly seeing stability there. Are you seeing maybe some potential improvement in that portfolio?

#### William Cooper

Well we're seeing stability in certain areas, particularly for instance in Michigan, which is kind of a surprise. But all the credit metrics in Michigan where we've had the biggest problems seemed to have stabilized. Why, I cannot tell you, because there is a lot of other data that indicates that it should be going the other way, including home values and unemployment and so forth.

But, we also have some impact as a result of the rewrites, which are now incurred by regulators that maybe as making those numbers looks slightly better than they are. But in general, we see a relatively stable situation in the consumer side.

#### Jon Arfstrom - RBC Capital Markets

Thank you. And then the other category that seems to be on everybody mind is commercial real estate. And your delinquencies picked up a bit. It looks its below where it was two and three quarters ago, but its obviously a bigger category for you and we also look at the potential problem loans increasing. I'm just wondering if you can give us an idea of your outlook there and how you feel about how you're going to write in that portfolio?

#### William Cooper

Barry Winslow is here, and he can comment on that.

**Barry Winslow**

Well Jon, I guess, our outlook there I could say is guardedly optimistic net of Michigan. We're obviously got a number of things in Michigan we're working through. We stopped making most in Michigan sometime ago. And as many of our peers who are in that market, we're just working through that saving, setting Michigan aside for a second. We're guardedly optimistic about where we are in Minneapolis in Chicago.

I mean, right now, we've got, I was counting them up, we've got five problem credits of any size in our commercial real estate portfolio between Chicago and Minneapolis. And I think we have just one in Denver. Obviously the Denver portfolio is relatively small. We're... and everybody seems to be concern about the retail services part and that sort of thing, that's about 28% right now, of our portfolio.

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