News Release

TCF Reports Record Third-Quarter Earnings

MINNEAPOLIS, Oct. 18 /PRNewswire/ --

EARNINGS SUMMARY

($ in thousands, except per-share data)	Three Months Ended Sept. 30, 2000	Three Months Ended Sept. 30, 1999	Nine Months Ended Sept. 30, 2000	Nine Months Ended Sept. 30, 1999
Net income	$46,697	$42,760	$134,080	$121,089
Diluted earnings per common share	.59	.52	1.69	1.45
Basic earnings per common share	.60	.52	1.70	1.46
Net interest margin	4.38%	4.46%	4.36%	4.50%
Return on average assets	1.71	1.66	1.66	1.58
Return on average realized common equity	21.52	20.37	20.94	19.42
Return on average common equity	22.55	21.29	22.23	19.78
Diluted cash earnings per common share	$.61	$.54	$1.76	$1.52
Cash return on average assets	1.78%	1.73%	1.73%	1.65%
Cash return on average realized common equity	22.39	21.27	21.83	20.33

TCF Financial Corporation (TCF) (NYSE: TCB) today reported record net income of $46.7 million for the 2000 third quarter, up 9 percent from $42.8 million for the 1999 third quarter. Diluted earnings per common share was 59 cents for the 2000 third quarter, up 13 percent from 52 cents for the same period in 1999 (the 1999 third quarter results included a $4 million after-tax gain on sale of branches, or 5 cents per diluted common share). Diluted cash earnings per common share, which excludes goodwill charges, was 61 cents for the 2000 third quarter, up 13 percent from 54 cents for the same period in 1999. Return on average assets was 1.71 percent and return on average realized common equity was 21.52 percent for the 2000 third quarter, compared with 1.66 percent and 20.37 percent, respectively, for the 1999 third quarter.

Year-to-date 2000 earnings totaled $134.1 million, up 11 percent from $121.1 million for the same 1999 period. Diluted earnings per common share was $1.69 for the first nine months of 2000, up 17 percent from $1.45 for the same 1999 period. Year-to-date 2000 diluted cash earnings per common share was $1.76, compared with $1.52 for the same 1999 period. Return on average assets was 1.66 percent and return on average realized common equity was 20.94 percent for the first nine months of 2000, compared with 1.58 percent and 19.42 percent, respectively, for the same prior-year period.

"Our unique strategy of growing the TCF franchise through de novo expansion continued to pay off," said TCF Chairman and Chief Executive Officer William A. Cooper. "We posted another quarter of top-line revenue growth consisting of an 18 percent increase in fee income and an improvement in net interest income while holding non-interest expenses flat. Credit quality remained strong with net loan and lease charge-offs of 3 basis points for the third quarter. Power Assets(R) continued to grow and have increased $586.6 million, or 15 percent from year-end. Power Liabilities(R) also increased from year-end, with our lower-interest cost checking account deposits posting an 11 percent increase.

"Our 212 supermarket branches reached $1 billion in deposits during the quarter and are a significant contributor to the growth in deposit balances, fee income, and consumer loans. TCF has opened 20 new supermarket branches this year and plans to open another 4 supermarket branches by year-end. TCF now has a total of 351 branches, of which 173 were opened within the last three years."

Net interest income was $110.7 million for the 2000 third quarter, up from $106.5 million for the 1999 third quarter. TCF's net interest margin was 4.38 percent for the 2000 third quarter, unchanged from the 2000 second quarter, and compares with 4.46 percent for the 1999 third quarter. The increase in net interest income from the 1999 third quarter is primarily due to the continued increase in lower-interest cost retail deposits in a rising interest rate environment. Also contributing to the increase is the growth in assets, with the continued growth in Power Assets(R) accompanied by a decrease in residential mortgages and mortgage-backed securities. Year-to-date 2000, net interest income was $327.7 million, up from $318.1 million for the same 1999 period.

Non-interest income (excluding title insurance revenues, a business TCF sold in 1999, and gains on sales of branches, securities and loan servicing) totaled $85.3 million for the 2000 third quarter, up 18 percent from $72.1 million for the 1999 third quarter. On the same basis, year-to-date non-interest income totaled $240.7 million, up 18 percent from $204.4 million for the same 1999 period. These improvements were largely due to increased fee and service charges, and electronic funds transfer (debit card revenue up 51 percent year-to-date 2000 over the same 1999 period) and leasing revenues, reflecting TCF's expanded retail banking and leasing operations and customer base.

Non-interest expense (excluding the amortization of goodwill and deposit base intangibles) totaled $113.8 million for the 2000 third quarter, down from $114.1 million for the 1999 third quarter. On the same basis, non-interest expense totaled $336.7 million for the first nine months of 2000, up 2 percent from $329.8 million for the same 1999 period. The year-to-date increase was primarily due to the costs associated with TCF's continued retail banking and leasing expansion, offset by cost savings from discontinued businesses.

Credit quality remained strong in the 2000 third quarter. Non-performing assets, excluding amounts funded by non-recourse discounted lease rentals, were $39.5 million at Sept. 30, down from $47 million at Sept. 30, 1999, and compared with $34.8 million at Dec. 31, 1999. TCF provided $3.7 million for credit losses in the 2000 third quarter, compared with $2.8 million in the 1999 third quarter. Net loan and lease charge-offs were $700,000, or 0.03 percent of average loans and leases in the 2000 third quarter, compared with $7.4 million, or 0.39 percent of average loans and leases in the same 1999 period. For the first nine months of 2000, net loan and lease charge-offs were $1.8 million, as compared with $23.4 million in the same 1999 period. At Sept. 30, TCF's allowance for loan and lease losses totaled $64 million, up from $55.8 million at year-end 1999, and was 205 percent of non-accrual loans and leases. TCF's over-30-day delinquency rate was 0.46 percent at Sept. 30, compared with 0.42 percent at year-end 1999.

Total loans and leases were $8.4 billion at Sept. 30, up $463.9 million from year-end 1999. Higher-yielding consumer and commercial loans and leases totaled $4.6 billion, up $586.6 million from year-end 1999. At Sept. 30, TCF's home equity loan portfolio totaled $2.1 billion, up $145.4 million from year-end 1999, and TCF's leasing and equipment finance portfolio totaled $743.3 million, up $250.6 million from year-end 1999.

Deposits totaled $6.8 billion at Sept. 30, up $226.1 million from year-end 1999. Year-to-date, the average balances in non-interest bearing deposit accounts increased $140.2 million, or 12 percent as compared with the same 1999 period. TCF had 1,133,000 checking accounts at Sept. 30, a net increase of 89,000 accounts from year-end 1999, and an increase of 101,000 accounts or 10 percent from Sept. 30, 1999. The weighted-average rate on total deposits for the 2000 third quarter was 3.04 percent, compared with 2.64 percent for the 1999 third quarter.

At Sept. 30, book value per common share was $10.68 based on 80,445,803 common shares outstanding. Year-to-date, TCF repurchased 3 million shares of its common stock, of which 105,000 shares were repurchased in the 2000 third quarter under its stock repurchase program. TCF has 2.9 million shares remaining in a 5 percent stock repurchase program authorized by the board of directors in March 2000.

TCF is an $11 billion national bank holding company with banking offices in Minnesota, Illinois, Michigan, Wisconsin, and Colorado. Other TCF affiliates provide leasing, mortgage banking, and annuity and mutual fund sales.

This earnings release contains "forward-looking" statements that deal with future results, plans or performance. In addition, TCF's management may make such statements orally to the media, or to securities analysts, investors or others. Forward-looking statements deal with matters that do not relate strictly to historical facts. TCF's future results may differ materially from historical performance and forward-looking statements about TCF's expected financial results or other plans are subject to a number of risks and uncertainties. These include but are not limited to possible legislative changes and adverse economic, business and competitive developments such as shrinking interest margins; deposit outflows; reduced demand for financial services and loan and lease products; changes in accounting policies and guidelines, or monetary and fiscal policies of the federal government; changes in credit and other risks posed by TCF's loan, lease and investment portfolios; technological, computer-related or operational difficulties; adverse changes in securities markets; results of litigation or other significant uncertainties. Additional factors that could cause TCF's results to differ from those discussed in such forward-looking statements are discussed in its 1999 Annual Report on Form 10-K and in quarterly and other reports filed with the Securities and Exchange Commission. SOURCE TCF Financial Corporation

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