



## News Release

### TCF Reports Record Third-Quarter Earnings

#### QUARTERLY HIGHLIGHTS

- Record net income and diluted earnings per common share
- Increased Power Assets(R) by \$230 million
- Opened one millionth retail checking account
- Opened fifteen branches
- Liquidated substantially all of remaining consumer finance automobile portfolio

#### EARNINGS SUMMARY

(\$ in thousands,  
except per-share data)

	Three Months		Nine Months	
	Ended Sept. 30, 1999	1998	Ended Sept. 30, 1999	1998
Net income	\$42,760	\$36,581	\$121,089	\$116,675
Diluted earnings per common share	.52	.42	1.45	1.30
Basic earnings per common share	.52	.42	1.46	1.31
Net interest margin	4.46%	4.82%	4.50%	4.90%
Return on average assets	1.66	1.54	1.58	1.63
Return on average realized common equity	20.37	16.75	19.42	17.13
Return on average common equity	21.29	16.58	19.78	16.96
Diluted cash earnings per common share	\$ .54	\$ .44	\$1.52	\$1.40
Cash return on average assets	1.73%	1.62%	1.65%	1.75%
Cash return on average tangible equity	28.48	22.13	26.52	23.09

MINNEAPOLIS, Oct. 18 /PRNewswire/ -- TCF Financial Corporation (TCF) (NYSE: TCB) today reported record net income of \$42.8 million for the 1999 third quarter, up 17 percent from \$36.6 million for the 1998 third quarter. Diluted earnings per common share was 52 cents for the 1999 third quarter, up 24 percent from 42 cents for the same period in 1998. Cash earnings per common share, which excludes goodwill charges, was 54 cents for the 1999 third quarter, up 23 percent from 44 cents for the same 1998 period. Return on average assets was 1.66 percent and return on average realized common equity was 20.37 percent for the 1999 third quarter, compared with 1.54 percent and 16.75 percent, respectively, for the 1998 third quarter.

Year-to-date 1999 earnings totaled \$121.1 million, compared with \$116.7 million for the same 1998 period. Diluted earnings per common share was \$1.45 for the first nine months of 1999, up 12 percent from \$1.30 for the same 1998 period. Year-to-date 1999 cash earnings per common share was \$1.52, compared with \$1.40 for the same 1998 period. Return on average assets was 1.58 percent and return on average realized common equity was 19.42 percent for the first nine months of 1999, compared with 1.63 percent and 17.13 percent, respectively, for the prior-year period.

"Our third quarter results were highlighted by strong growth in Power Assets(R) contributing to record earnings and driving up shareholder value," stated William A. Cooper, TCF chairman and chief executive officer. "Power Assets(R), which are higher-yielding consumer and commercial loans and leases, grew \$230 million during the quarter and \$628

million from year-end 1998 and now comprise 36 percent of our assets, up from 31 percent at year-end. We continue to see strong growth in our new home equity products as well as commercial loans and leases."

Cooper noted that TCF still believes it is more profitable in the long run to grow its franchise internally rather than through acquisition. "In the first nine months of this year we have opened 28 new bank branches, including 15 new branches in the third quarter. We now have 188 supermarket branches, which is the fourth-largest supermarket banking system in the country, and a total banking franchise of 334 branches. TCF has opened 163 new branches in the last three years. This is certainly one of the largest de novo expansions in the banking business."

Net interest income was \$106.5 million for the 1999 third quarter, compared with \$104.6 million for the 1998 third quarter. TCF's net interest margin was 4.46 percent for the 1999 third quarter, compared with 4.82 percent for the 1998 third quarter. Year-to-date 1999, net interest income and net interest margin were \$318.1 million and 4.50 percent, respectively, compared with \$321.1 million and 4.90 percent for the same 1998 period. TCF's net interest income and net interest margin were negatively impacted, as compared to last year, by the discontinuation of the higher-yielding consumer finance automobile business which is down \$242 million from Sept. 30, 1998.

Non-interest income (excluding gains on sales of branches, loan servicing, securities, and a joint venture interest) totaled \$76.1 million for the 1999 third quarter, up 7 percent from \$71.3 million for the 1998 third quarter. On the same basis, year-to-date non-interest income for 1999 totaled \$217.4 million, up 13 percent from \$192.6 million for the same 1998 period. These improvements were largely due to increased deposit and electronic funds transfer revenues, and reflect TCF's expanded retail banking operations and customer base.

Non-interest expense (excluding the amortization of goodwill and deposit base intangibles) totaled \$114.1 million for the 1999 third quarter, up 5 percent from \$109.1 million for the 1998 third quarter. On the same basis, non-interest expense totaled \$329.8 million for the first nine months of 1999, up 6 percent from \$310.2 million. These increases were primarily due to the costs associated with expanded retail banking operations.

Non-performing assets (principally non-accrual loans and leases, and real estate acquired through foreclosure) were \$48.7 million at Sept. 30, unchanged from the total at Dec. 31, 1998 and down from \$50.1 million at June 30. TCF provided \$2.8 million for credit losses in the 1999 third quarter, compared with \$4.5 million in the 1998 third quarter. Net loan and lease charge-offs were \$7.4 million (including \$6.1 million of consumer finance automobile loans), or 0.39 percent of average loans and leases outstanding in the 1999 third quarter as compared with \$5.7 million, or 0.32 percent of average loans and leases, for the same 1998 period. At Sept. 30, TCF's allowance for loan and lease losses totaled \$55.7 million, compared with \$80 million at year-end 1998, and was 161 percent of non-accrual loans and leases. The decrease in the allowance primarily reflects the decrease in the consumer finance automobile loan portfolio, partially offset by overall loan growth.

During the 1999 third quarter, TCF sold \$85.4 million of its consumer finance automobile loan portfolio and closed its Florida collections facility. The 1999 third quarter results include a loss on sale of loans held for sale of \$842,000, and other expenses related to the closing of \$1 million. The remaining consumer finance automobile loan portfolio totaled \$12.8 million at Sept. 30 with an allowance of \$2.6 million.

Total loans and leases were \$7.6 billion at Sept. 30, up \$461 million from year-end 1998. Higher-yielding consumer and commercial loans and leases, excluding consumer finance automobile loans, totaled \$3.8 billion, up \$627.7 million from year-end 1998. At Sept. 30, TCF's home equity loan portfolio totaled \$1.9 billion, up \$365.8 million from year-end 1998.

Deposits totaled \$6.6 billion at Sept. 30, down \$81.4 million from year-end 1998. During the 1999 third quarter, TCF sold four underperforming Wisconsin branches with \$63.1 million in deposits for a pre-tax gain of \$6.4 million. Average Power Liabilities(R) increased \$250 million during the first nine months of 1999 as compared with the same 1998 period, including a \$217.7 million increase in checking account deposits. TCF had 1,033,000 checking accounts at Sept. 30, a net increase of 120,000 accounts from year-end 1998. The year-to-date weighted average rate on total

deposits for 1999 was 2.64 percent, down from 3.21 percent from the same 1998 period.

At Sept. 30, book value per common share was \$9.84 based on 82,835,987 common shares outstanding. TCF repurchased 3 million shares of its common stock in the first nine months of 1999 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 December 1998.

TCF is a \$10.3 billion national bank holding company based in Minneapolis. TCF's banks are based in Minnesota, Illinois, Michigan, Wisconsin, and Colorado. Other TCF affiliates provide business-equipment and commercial leasing, mortgage banking, title insurance, and annuity and mutual fund sales.

TCF's future results may differ materially from historical performance and forward-looking statements about TCF's financial results 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 or 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; adverse changes in securities markets; results of litigation or other significant uncertainties. TCF's Year 2000 compliance initiatives or other required technological changes are subject to certain uncertainties which may delay or increase the cost of implementation, including the dependency of TCF's operations of Year 2000 compliance achieved by outside vendors, borrowers and government agencies or instrumentalities.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF OPERATIONS  
(In thousands, except per-share data)  
(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	1999	1998	1999	1998
Interest income:				
Loans and leases	\$155,361	\$157,974	\$457,779	\$478,149
Securities available for sale	27,741	21,480	84,512	66,573
Loans held for sale	3,063	3,402	9,855	10,655
Investments	2,491	2,373	6,912	8,231
Total interest income	188,656	185,229	559,058	563,608
Interest expense:				
Deposits	44,316	53,662	131,171	164,130
Borrowings	37,800	26,943	109,786	78,405
Total interest expense	82,116	80,605	240,957	242,535
Net interest income	106,540	104,624	318,101	321,073
Provision for credit losses	2,845	4,544	13,552	13,519
Net interest income after provision for credit losses	103,695	100,080	304,549	307,554
Non-interest income:				
Fee and service charge revenues	39,515	33,875	110,825	92,320
Electronic funds transfer revenues	18,016	13,509	49,303	36,239
Leasing revenues	7,106	9,688	20,089	23,949
Title insurance revenues	3,953	5,247	12,931	14,790
Commissions on sales of annuities	2,499	2,059	7,150	6,482
Commissions on sales of mutual funds	1,498	1,566	4,756	4,301
Gain on sales of loans held for sale	1,119	2,679	3,749	6,041
Other	2,384	2,640	8,569	8,482

	76,090	71,263	217,372	192,604
Gain (loss) on sales of securities available for sale	--	(43)	3,194	2,246
Gain on sales of loan servicing	--	2,414	3,076	2,414
Gain on sales of branches	6,429	226	8,811	6,534
Gain on sale of joint venture interest	--	--	--	5,580
	6,429	2,597	15,081	16,774
Total non-interest income	82,519	73,860	232,453	209,378
Non-interest expense:				
Compensation and employee benefits	60,989	56,446	179,193	164,395
Occupancy and equipment	18,781	18,299	55,021	53,246
Advertising and promotions	4,297	5,157	13,681	15,881
Federal deposit insurance premiums and assessments	1,309	1,375	3,995	4,154
Amortization of goodwill and other intangibles	2,676	2,828	8,024	8,570
Other	28,685	27,777	77,927	72,529
Total non-interest expense	116,737	111,882	337,841	318,775
Income before income tax expense	69,477	62,058	199,161	198,157
Income tax expense	26,717	25,477	78,072	81,482
Net income	\$42,760	\$36,581	\$121,089	\$116,675
Net income per common share:				
Basic	\$.52	\$.42	\$1.46	\$1.31
Diluted	\$.52	\$.42	\$1.45	\$1.30
Earnings before goodwill charges (Cash Earnings) per diluted common share	\$.54	\$.44	\$1.52	\$1.40
Dividends declared per common share	\$.1875	\$.1625	\$.5375	\$.45
Average common and common equivalent shares outstanding:				
Basic	82,070	87,134	82,766	89,157
Diluted	82,751	87,973	83,362	90,020

TCF FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
(Dollars in thousands, except per-share data)  
(Unaudited)

	At September 30, 1999	At December 31, 1998
ASSETS		
Cash and due from banks	\$345,412	\$420,477
Investments	127,701	277,715
Securities available for sale	1,599,438	1,677,919
Loans held for sale	203,508	213,073
Loans and leases:		
Residential real estate	3,819,673	3,765,280
Commercial real estate	1,018,144	811,428
Commercial business	356,581	289,104
Consumer	1,986,416	1,876,554
Lease financing	421,316	398,812
Total loans and leases	7,602,130	7,141,178

Allowance for loan and lease losses	(55,663)	(80,013)
Net loans and leases	7,546,467	7,061,165
Goodwill	160,853	166,645
Deposit base intangibles	14,006	16,238
Other assets	344,863	331,362
	\$10,342,248	\$10,164,594

#### LIABILITIES AND STOCKHOLDERS' EQUITY

Deposits:		
Checking	\$1,873,477	\$1,879,623
Passbook and statement	1,154,214	1,176,931
Money market	726,893	700,004
Certificates	2,879,154	2,958,588
Total deposits	6,633,738	6,715,146
Securities sold under repurchase agreements	535,000	367,280
Federal Home Loan Bank advances	1,767,201	1,804,208
Discounted lease rentals	163,597	183,684
Other borrowings	255,402	105,874
Total borrowings	2,721,200	2,461,046
Accrued interest payable	25,543	27,601
Accrued expenses and other liabilities	146,463	115,299
Total liabilities	9,526,944	9,319,092
Stockholders' equity:		
Preferred stock, par value \$.01 per share, 30,000,000 shares authorized; none issued and outstanding	--	--
Common stock, par value \$.01 per share, 280,000,000 shares authorized; 92,805,454 and 92,912,246 shares issued	928	929
Additional paid-in capital	500,780	507,534
Retained earnings, subject to certain restrictions	686,065	610,177
Unamortized deferred compensation	(16,887)	(24,217)
Loan to Executive Deferred Compensation Plan	(5,182)	(6,111)
Shares held in trust for deferred compensation plans, at cost	(45,725)	(45,740)
Accumulated other comprehensive income (loss)	(33,758)	7,591
Treasury stock, at cost, 9,969,467 and 7,343,117 shares	(270,917)	(204,661)
Total stockholders' equity	815,304	845,502
	\$10,342,248	\$10,164,594

TCF FINANCIAL CORPORATION AND SUBSIDIARIES  
FINANCIAL HIGHLIGHTS  
(Dollars in thousands, except per-share data)  
(Unaudited)

SUPERMARKET BANKING DATA:	At or For the Quarter		Increase (Decrease)	%Change
	Ended September 30, 1999	1998		
Number of branches	188	153	35	22.9%
Number of deposit accounts	535,940	379,983	155,957	41.0
Deposits:				
Checking	\$333,925	\$227,935	\$105,990	46.5
Passbook and statement	122,242	91,933	30,309	33.0
Money market	61,957	53,590	8,367	15.6
Total Power Liabilities	518,124	373,458	144,666	38.7
Certificates	263,481	189,745	73,736	38.9
Total deposits	\$781,605	\$563,203	\$218,402	38.8
Average rate on deposits	2.10%	2.44%	(0.34)%	(13.9)
Total fees and other revenues	\$23,081	\$14,687	\$8,394	57.2

Consumer loans	\$177,628	\$100,149	\$77,479	77.4
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CREDIT QUALITY DATA:

	At September 30, 1999			
	Total Loans and Leases	Allowance	Allowance as a % of Portfolio	Net Charge Offs (a)
Commercial real estate	\$1,018,144	\$13,037	1.28%	(0.06)%
Commercial business	356,581	7,464	2.09	(0.08)
Consumer Direct	1,973,614	7,645	0.39	0.27
Lease financing	421,316	3,611	0.86	0.29
Sales Finance Auto	12,802	2,559	19.99	14.76
Unallocated	--	18,341	n/a	n/a
Subtotal	3,782,457	52,657	1.39	0.90
Residential real estate	3,819,673	3,006	0.08	--
Total	\$7,602,130	\$55,663	0.73	0.44

	At December 31, 1998			
	Total Loans and Leases	Allowance	Allowance as a % of Portfolio	Net Charge Offs (a)
Commercial real estate	\$811,428	\$12,525	1.54%	0.09%
Commercial business	289,104	5,756	1.99	(0.23)
Consumer Direct	1,642,606	9,338	0.57	0.30
Lease financing	398,812	2,955	0.74	0.17
Sales Finance Auto	233,948	22,673	9.69	7.26
Unallocated	--	23,295	n/a	n/a
Subtotal	3,375,898	76,542	2.27	0.76
Residential real estate	3,765,280	3,471	0.09	0.01
Total	\$7,141,178	\$80,013	1.12	0.36

	At September 30, 1999	At December 31, 1998
Non-performing assets:		
Non-accrual loans and leases:		
Residential real estate	\$8,422	\$8,078
Commercial real estate	8,058	4,352
Commercial business	3,157	2,797
Consumer	11,742	17,745
Lease financing	3,249 (b)	725
	34,628	33,697
Other real estate owned and other assets	14,039	14,972
Total non-performing assets	\$48,667	\$48,669

Delinquency data:

Total loans and leases over 30 days	.39%	.94%
Total consumer loans over 30 days	.71	2.83

OTHER FINANCIAL CONDITION DATA:

	At September 30, 1999	At December 31, 1998
Tangible net worth	\$640,445	\$662,619
Stockholders' equity to total assets	7.88%	8.32%
Book value per common share	\$9.84	\$9.88
Tangible book value per common share	7.73	7.74

(a) Net charge-offs during the preceding twelve months as a percentage of related average loans and leases.

(b) Includes \$1.6 million of lease financings that have been funded on a non-recourse basis by third-party financial institutions.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED AVERAGE BALANCE SHEETS, INTEREST AND DIVIDENDS  
EARNED OR PAID, AND RELATED INTEREST YIELDS AND RATES  
(Dollars in thousands)  
(Unaudited)

		Three Months Ended September 30, 1999		Interest Yields and Rates (a)
		Average Balance	Interest	
Assets:				
%	Investments	\$151,872	\$2,491	6.56
	Securities available for sale	1,690,541	27,741	6.56
	Loans held for sale	183,995	3,063	6.66
	Loans and leases	7,518,673	155,361	8.27
	Total interest-earning assets	9,545,081	188,656	7.91
	Other assets	760,391		
	Total assets	\$ 10,305,472		
Liabilities and Stockholders' Equity:				
	Non-interest bearing deposits	\$1,202,368		
	Interest-bearing deposits	5,501,518	44,316	3.22
	Total deposits	6,703,886	44,316	2.64
	Borrowings	2,634,759	37,800	5.74
	Total interest-bearing liabilities	8,136,277	82,116	4.04
	Other liabilities	163,565		
	Total liabilities	9,502,210		
	Stockholders' equity	803,262		
	Total liabilities and stockholders' equity	\$ 10,305,472		
	Net interest income		\$106,540	
	Net interest-rate spread			3.87 %
	Net interest margin			4.46 %

Three Months Ended September 30,  
1998

	Average Balance	Interest	Interest Yields and Rates (a)
Assets			
Investments	\$143,364	\$2,373	6.62
Securities available for sale	1,259,758	21,480	6.82
Loans held for sale	188,196	3,402	7.23
Loans and leases	7,088,368	157,974	8.91
Total interest-earning assets	8,679,686	185,229	8.54
Other assets	826,899		
Total assets	\$9,506,585		
Liability and Stockholders' Equity:			
Non-interest bearing deposits	\$1,058,019		
Interest-bearing deposits	5,691,901	53,662	3.77
Total deposits	6,749,920	53,662	3.18
Borrowings	1,724,400	26,943	6.25
Total interest-bearing liabilities	7,416,301	80,605	4.35
Other liabilities	149,763		
Total liabilities	8,624,083		
Stockholders' equity	882,502		
Total liabilities and stockholders' equity	\$9,506,585		
Net interest income		\$104,624	
Net interest-rate spread			4.19 %
Net interest margin			4.82 %

(a) Annualized.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES  
CONSOLIDATED AVERAGE BALANCE SHEETS, INTEREST AND DIVIDENDS  
EARNED OR PAID, AND RELATED INTEREST YIELDS AND RATES  
(Dollars in thousands)  
(Unaudited)

Nine Months Ended September 30,			
1999		1998	
Average	Interest Yields and	Average	Interest Yields and



	Balance	Interest	Rates(a)	Balance	Interest	Rates(a)
Assets:						
Investments	\$142,261	\$6,912	6.48%	\$172,749	\$8,231	6.35%
Securities available for sale	1,715,104	84,512	6.57	1,279,872	66,573	6.94
Loans held for sale	199,362	9,855	6.59	199,286	10,655	7.13
Loans and leases	7,372,427	457,779	8.28	7,081,240	478,149	9.00
Total interest-earning assets	9,429,154	559,058	7.91	8,733,147	563,608	8.60
Other assets	796,561			817,553		
Total assets	\$10,225,715			\$9,550,700		
Liabilities and Stockholders' Equity:						
Non-interest bearing deposits	\$1,169,600			\$985,558		
Interest-bearing deposits	5,465,261	131,171	3.20	5,821,554	164,130	3.76
Total deposits	6,634,861	131,171	2.64	6,807,112	164,130	3.21
Borrowings	2,601,007	109,786	5.63	1,669,979	78,405	6.26
Total interest-bearing liabilities	8,066,268	240,957	3.98	7,491,533	242,535	4.32
Other liabilities	173,669			156,585		
Total liabilities	9,409,537			8,633,676		
Stockholders' equity	816,178			917,024		
Total liabilities and stockholders' equity	\$10,225,715			\$9,550,700		
Net interest income		\$318,101			\$321,073	
Net interest-rate spread			3.93%			4.28%
Net interest margin			4.50%			4.90%

(a) Annualized.