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
September 30, 2000

or

[ ] Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

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Commission File
No. 001-10253

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TCF FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

DELAWARE                          41
(State or other jurisdiction of       (I.R.S. Employer Identification No.)
incorporation or organization)

801 MARQUETTE AVENUE, MAIL CODE EX0-03-A, MINNEAPOLIS, MINNESOTA 55402
(Address and Zip Code of principal executive offices)

Registrant's telephone number, including area code: (612) 661-6500

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

Outstanding at
October 31, 2000

Class
Common Stock, $.01 par value

80,374,433 shares
Part I. Financial Information

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ITEM 1. FINANCIAL STATEMENTS
TCF FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION
(DOLLARS IN THOUSANDS, EXCEPT PER-SHARE DATA)
(UNAUDITED)

<table>
<thead>
<tr>
<th></th>
<th>AT SEPTEMBER 30, 2000</th>
<th>AT DECEMBER 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>ASSETS</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Due from Banks</td>
<td>$364,016</td>
<td>$429,262</td>
</tr>
<tr>
<td>Investments</td>
<td>132,173</td>
<td>148,154</td>
</tr>
<tr>
<td>Securities Available for Sale</td>
<td>1,413,218</td>
<td>1,521,661</td>
</tr>
<tr>
<td>Loans Held for Sale</td>
<td>226,587</td>
<td>198,928</td>
</tr>
<tr>
<td><strong>Loans and Leases:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential Real Estate</td>
<td>3,797,023</td>
<td>3,919,678</td>
</tr>
<tr>
<td>Commercial Real Estate</td>
<td>2,189,615</td>
<td>2,058,584</td>
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<tr>
<td>Commercial Business</td>
<td>1,250,532</td>
<td>1,073,472</td>
</tr>
<tr>
<td>Leasing and Equipment Finance</td>
<td>379,222</td>
<td>351,353</td>
</tr>
<tr>
<td><strong>Total Loans and Leases</strong></td>
<td>8,359,667</td>
<td>7,895,743</td>
</tr>
<tr>
<td><strong>Allowance for Loan and Lease Losses</strong></td>
<td>(63,985)</td>
<td>(55,755)</td>
</tr>
<tr>
<td><strong>Net Loans and Leases</strong></td>
<td>8,295,682</td>
<td>7,839,988</td>
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<tr>
<td>Goodwill</td>
<td>154,495</td>
<td>158,468</td>
</tr>
<tr>
<td>Deposit Base Intangibles</td>
<td>11,762</td>
<td>13,262</td>
</tr>
<tr>
<td>Other Assets</td>
<td>382,067</td>
<td>351,993</td>
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<tr>
<td><strong>Total</strong></td>
<td>$10,980,000</td>
<td>$10,661,716</td>
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</table>

<table>
<thead>
<tr>
<th><strong>LIABILITIES AND STOCKHOLDERS' EQUITY</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td>Checking</td>
</tr>
<tr>
<td>Passbook and Statement</td>
</tr>
<tr>
<td>Money Market</td>
</tr>
<tr>
<td>Certificates</td>
</tr>
</tbody>
</table>

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PART II - OTHER INFORMATION

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### Consolidated Statements of Operations

#### (In thousands, except per-share data) (Unaudited)

<table>
<thead>
<tr>
<th></th>
<th>THREE MONTHS ENDED</th>
<th>NINE MONTHS ENDED</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>SEPTEMBER 30,</td>
<td>SEPTEMBER 30,</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>1999</td>
</tr>
<tr>
<td></td>
<td>2000</td>
<td>2000</td>
</tr>
<tr>
<td><strong>INTEREST INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans and Leases</td>
<td>$179,243</td>
<td>$155,361</td>
</tr>
<tr>
<td>Securities Available for Sale</td>
<td>24,436</td>
<td>27,741</td>
</tr>
<tr>
<td>Loans Held for Sale</td>
<td>4,529</td>
<td>3,063</td>
</tr>
<tr>
<td>Investments</td>
<td>2,501</td>
<td>2,491</td>
</tr>
<tr>
<td><strong>TOTAL INTEREST INCOME</strong></td>
<td>210,709</td>
<td>188,656</td>
</tr>
<tr>
<td><strong>INTEREST EXPENSE:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposits</td>
<td>51,178</td>
<td>44,316</td>
</tr>
<tr>
<td>Borrowings</td>
<td>48,857</td>
<td>37,800</td>
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<tr>
<td><strong>TOTAL INTEREST EXPENSE</strong></td>
<td>100,035</td>
<td>82,116</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME</strong></td>
<td>110,674</td>
<td>106,540</td>
</tr>
<tr>
<td>Provision for Credit Losses</td>
<td>3,688</td>
<td>2,845</td>
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<tr>
<td><strong>NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES</strong></td>
<td>106,986</td>
<td>103,695</td>
</tr>
<tr>
<td><strong>NON-INTEREST INCOME:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Fee and Service Charge Revenues</td>
<td>46,780</td>
<td>39,515</td>
</tr>
<tr>
<td>Electronic Funds Transfer Revenues</td>
<td>20,853</td>
<td>18,016</td>
</tr>
<tr>
<td>Leasing Revenues</td>
<td>7,791</td>
<td>7,106</td>
</tr>
<tr>
<td>Commissions on Sales of Annuities</td>
<td>1,848</td>
<td>2,499</td>
</tr>
<tr>
<td>Commissions on Sales of Mutual Funds</td>
<td>1,282</td>
<td>1,498</td>
</tr>
<tr>
<td>Gain on Sales of Loans Held for Sale</td>
<td>1,234</td>
<td>1,119</td>
</tr>
<tr>
<td>Other</td>
<td>5,488</td>
<td>2,384</td>
</tr>
<tr>
<td><strong>TOTAL NON-INTEREST INCOME</strong></td>
<td>85,276</td>
<td>72,137</td>
</tr>
<tr>
<td>Gain on Sales of Securities Available for Sale</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on Sales of Loan Servicing</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Gain on Sales of Branches</td>
<td>-</td>
<td>6,429</td>
</tr>
<tr>
<td>Title Insurance Revenues</td>
<td>-</td>
<td>3,953</td>
</tr>
</tbody>
</table>

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**See accompanying notes to consolidated financial statements. Annual financial statements are subject to audit.**
CONSOLIDATED STATEMENTS OF CASH FLOWS
TCF FINANCIAL CORPORATION AND SUBSIDIARIES

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS. ANNUAL FINANCIAL STATEMENTS ARE SUBJECT TO AUDIT.

CASH FLOWS FROM OPERATING ACTIVITIES:

NET INCOME $134,080 $121,089

ADJUSTMENTS TO RECONCILE NET INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:

- DEPRECIATION AND AMORTIZATION 22,666 21,731
- AMORTIZATION OF GOODWILL AND OTHER INTANGIBLES 7,482 8,024
- PROVISION FOR CREDIT LOSSES 10,061 13,552
- PROCEEDS FROM SALES OF LOANS HELD FOR SALE 385,128 479,711
- PRINCIPAL COLLECTED ON LOANS HELD FOR SALE 7,623 8,066
- ORIGINATIONS AND PURCHASES OF LOANS HELD FOR SALE (420,329) (354,604)
- NET (INCREASE) DECREASE IN OTHER ASSETS AND LIABILITIES, AND ACCRUED INTEREST (4,177) 41,425
- GAINS ON SALES OF ASSETS (3,866) (15,081)
- OTHER, NET 1,870 13,853

TOTAL ADJUSTMENTS 6,458 216,677

NET CASH PROVIDED BY OPERATING ACTIVITIES 140,538 337,766

CASH FLOWS FROM INVESTING ACTIVITIES:

- PRINCIPAL COLLECTED ON LOANS AND LEASES 1,576,329 1,791,174
- ORIGINATIONS AND PURCHASES OF LOANS (1,721,566) (2,343,780)
- PURCHASES OF EQUIPMENT FOR LEASE FINANCING (391,229) (165,366)
- NET DECREASE IN INTEREST-BEARING DEPOSITS WITH BANKS 19,989 115,360
- PROCEEDS FROM SALES OF SECURITIES AVAILABLE FOR SALE - 288,718
- PROCEEDS FROM MATURITIES OF AND PRINCIPAL COLLECTED ON SECURITIES AVAILABLE FOR SALE 135,247 521,482
- PURCHASES OF SECURITIES AVAILABLE FOR SALE (264) (791,495)
- NET DECREASE IN FEDERAL FUNDS SOLD 41,000 74,580
- SALES OF DEPOSITS, NET OF CASH PAID (27,212) (74,580)
- OTHER, NET (41,633) (7,237)

TOTAL CASH FLOWS FROM INVESTING ACTIVITIES 284,012 337,841

CASH FLOWS FROM FINANCING ACTIVITIES:

- INTEREST EXPENSE 116,333 116,737
- BEARING DEPOSITS WITH BANKS 19,989 115,360
- INTEREST INCOME 85,276 82,519
- OTHER, NET (41,633) (7,237)
- SALES OF DEPOSITS, NET OF CASH PAID (27,212) (74,580)
- PRINCIPAL COLLECTED ON LOANS AND LEASES 1,576,329 1,791,174
- PURCHASES OF EQUIPMENT FOR LEASE FINANCING (391,229) (165,366)
- PRINCIPAL COLLECTED ON LOANS HELD FOR SALE 7,623 8,066
- PROCEEDS FROM SALES OF LOANS HELD FOR SALE 385,128 479,711
- AMORTIZATION OF GOODWILL AND OTHER INTANGIBLES 7,482 8,024
- DEPRECIATION AND AMORTIZATION 22,666 21,731

TOTAL CASH FLOWS FROM FINANCING ACTIVITIES 284,012 337,841

NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS 85,276 244,533

CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD 10,382 3,866

CASH AND CASH EQUIVALENTS AT END OF PERIOD 125,668 248,399

STATEMENTS ARE SUBJECT TO AUDIT.

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS. ANNUAL FINANCIAL STATEMENTS ARE SUBJECT TO AUDIT.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(IN THOUSANDS)
(UNAUDITED)
NET CASH USED BY INVESTING ACTIVITIES
(450,339) (624,724)

CASH FLOWS FROM FINANCING ACTIVITIES:

NET INCREASE IN DEPOSITS 257,093 1,671
NET INCREASE (DECREASE) IN SECURITIES SOLD UNDER REPURCHASE AGREEMENTS AND FEDERAL FUNDS PURCHASED (151,621) 167,720
PROCEEDS FROM BORROWINGS 4,535,376 3,127,641
PAYMENTS ON BORROWINGS (4,278,469) (2,960,481)
PURCHASES OF COMMON STOCK TO BE HELD IN TREASURY (63,143) (76,709)
PAYMENTS OF DIVIDENDS ON COMMON STOCK (49,180) (45,201)
OTHER, NET (5,501) (2,748)

NET CASH PROVIDED BY FINANCING ACTIVITIES 244,555 211,893

NET DECREASE IN CASH AND DUE FROM BANKS (65,246) (75,065)
CASH AND DUE FROM BANKS AT BEGINNING OF PERIOD 429,262 420,477

CASH AND DUE FROM BANKS AT END OF PERIOD $364,016 $345,412

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

CASH PAID FOR:
INTEREST ON DEPOSITS AND BORROWINGS $286,046 $233,344
INCOME TAXES $66,859 $44,239
TRANSFER OF LOANS TO OTHER REAL ESTATE OWNED AND OTHER ASSETS $12,167 $29,139

SEE ACCOMPANYING NOTES TO CONSOLIDATED FINANCIAL STATEMENTS. ANNUAL FINANCIAL STATEMENTS ARE SUBJECT TO AUDIT.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(DOLLARS IN THOUSANDS)
(UNAUDITED)

<p>| NUMBER OF COMMON | ACCUMULATED OTHER |</p>
<table>
<thead>
<tr>
<th>COMMON SHARES ISSUED</th>
<th>COMMON STOCK</th>
<th>ADDITIONAL PAID-IN CAPITAL</th>
<th>RETAINED EARNINGS</th>
<th>INCOME (LOSS)</th>
<th>TREASURY STOCK AND OTHER</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>BALANCE, DECEMBER 31, 1998</td>
<td>92,912,246</td>
<td>$929</td>
<td>$507,534</td>
<td>$610,177</td>
<td>$7,591</td>
<td>$280,729</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>NET INCOME</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>UNREALIZED LOSS ON SECURITIES AVAILABLE FOR SALE, NET OF TAX AND RECLASSIFICATION ADJUSTMENT</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(54,973)</td>
<td>-</td>
</tr>
<tr>
<td>DIVIDENDS ON COMMON STOCK</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(60,755)</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>PURCHASE OF 4,091,611 SHARES TO BE HELD IN TREASURY</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>(106,106)</td>
<td>(106,106)</td>
</tr>
<tr>
<td>ISSUANCE OF 21,050 SHARES FROM TREASURY</td>
<td>-</td>
<td>-</td>
<td>(30)</td>
<td>-</td>
<td>-</td>
<td>(30)</td>
</tr>
<tr>
<td>CANCELLATION OF SHARES</td>
<td>(108,041)</td>
<td>(1)</td>
<td>(2,569)</td>
<td>-</td>
<td>-</td>
<td>392</td>
</tr>
<tr>
<td>AMORTIZATION OF DEFERRED COMPENSATION</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,543</td>
</tr>
<tr>
<td>AMORTIZATION OF DEFERRED COMPENSATION</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>9,543</td>
</tr>
<tr>
<td>EXERCISE OF STOCK OPTIONS, 550,661 SHARES FROM TREASURY</td>
<td>-</td>
<td>-</td>
<td>(4,464)</td>
<td>-</td>
<td>-</td>
<td>15,044</td>
</tr>
<tr>
<td>SHARES HELD IN TRUST FOR DEFERRED COMPENSATION PLANS</td>
<td>-</td>
<td>-</td>
<td>326</td>
<td>-</td>
<td>-</td>
<td>(326)</td>
</tr>
<tr>
<td>LOAN PAYMENTS BY EXECUTIVE DEFERRED COMPENSATION PLAN</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>1,390</td>
</tr>
</tbody>
</table>
BALANCE, DECEMBER 31, 1999     92,804,205         928        505,797       715,461       (47,382)        (360,822)       808,982

NET INCOME                  -       -       -         134,080       -        -         134,080

UNREALIZED GAIN ON SECURITIES AVAILABLE FOR SALE, NET OF TAX AND RECLASSIFICATION ADJUSTMENT - - - 16,263 - 16,263

DIVIDENDS ON COMMON STOCK    -       -       -       (49,180)       -        -       (49,180)

PURCHASE OF 2,966,300 SHARES TO BE HELD IN TO BE HELD IN TREASURY - - - (63,143) (63,143)

ISSUANCE OF 1,236,014 SHARES FROM TREASURY - - (8,405) - (8,405) -

CANCELLATION OF SHARES (47,288) - (1,230) - - 375 (855)

AMORTIZATION OF DEFERRED COMPENSATION - - - - 6,898 6,898

ISSUANCE OF STOCK OPTIONS - - - 1 - - 1

EXERCISE OF STOCK OPTIONS, 282,189 SHARES FROM TREASURY - - (82) - - 7,314 7,232

SHARES HELD IN TRUST FOR DEFERRED COMPENSATION PLANS - - 14,396 - - (14,396) -

PURCHASE OF TCF STOCK TO PREFUND THE 401(K) PLAN, NET - - 349 - - (338) 11

LOAN TO EXECUTIVE DEFERRED COMPENSATION PLAN, NET OF PAYMENTS - - - - (845) (845)

BALANCE, SEPTEMBER 30, 2000  92,756,917 $ 928 $ 505,826 $ 800,361 $ (31,119) $ (416,552) $ 859,444

See accompanying notes to consolidated financial statements. Annual financial statements are subject to audit.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

Notes to Consolidated Financial Statements (Unaudited)

(1) BASIS OF PRESENTATION

In the opinion of management, the accompanying unaudited consolidated financial statements contain all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation. The results of operations for interim periods are not necessarily indicative of the results to be expected for the entire year.

The accompanying unaudited consolidated financial statements have been prepared in accordance with the instructions to Form 10-Q and therefore do not include all information and notes necessary for complete financial statements in conformity with generally accepted accounting principles. The material under the heading "Management's Discussion and Analysis of Financial Condition and Results of Operations" 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, 1999 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 flows purposes, cash and cash equivalents
include cash and due from banks.

(2) ACCOUNTING FOR STOCK-BASED COMPENSATION

Effective January 1, 2000, TCF adopted the recognition provisions of Statement of Financial Accounting Standards ("SFAS") No. 123, "Accounting for Stock-Based Compensation," for stock-based transactions beginning in 2000. Under SFAS No. 123, the fair value of an option or similar equity instrument on the date of grant is amortized to expense over the vesting period of the grant. The recognition provisions of SFAS No. 123 are applied prospectively upon adoption. TCF applied the intrinsic value based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," for stock-based transactions through December 31, 1999.

TCF believes the fair value method of accounting more appropriately reflects the substance of the transaction between an entity that issues stock options, or other stock-based instruments, and its employees; that is, an entity has granted something of value to an employee generally in return for their continued employment and services. TCF believes the value of the instrument granted to the employees should be recognized in the financial statements because nonrecognition implies that either the instruments have no value or that they are free to employees, neither of which is an accurate reflection of the substance of the transaction. The fair value based method is designated as the preferred method of accounting by SFAS No. 123.

On a pro forma basis, adopting the recognition provisions of SFAS No. 123 as of the beginning of the periods presented in the accompanying consolidated financial statements did not have a material effect on TCF's results of operations for the three or nine months ended September 30, 1999.

(3) UNEARNED ESOP SHARES

During the first quarter of 2000, TCF contributed $1.5 million to the TCF Employees Stock Purchase Plan (the "Plan") in order to prefund a portion of TCF's employer match of employee contributions for 2000. The Plan used the proceeds to purchase 74,919 shares of TCF common stock which are held as unallocated shares until released to employee accounts as employer matching contributions. TCF anticipates that all shares will be allocated to employee accounts by the end of the year. The unallocated shares of TCF common stock held by the Plan at September 30, 2000 are reflected as a reduction of stockholders' equity as required by generally accepted accounting principles, and are included in treasury stock and other in the consolidated statements of financial condition.

(4) COMPREHENSIVE INCOME

The following table summarizes the components of comprehensive income for the periods noted. Comprehensive income is the total of net income and other comprehensive income (loss), which for TCF is comprised entirely of unrealized gains and losses on securities available for sale. Such unrealized gains or losses only pertain to a portion of TCF's balance sheet and do not reflect the increased economic value of TCF's demand deposit accounts.

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Three Months Ended September 30,</th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2000</td>
<td>1999</td>
</tr>
<tr>
<td>Net income</td>
<td>$ 46,697</td>
<td>$ 42,760</td>
</tr>
<tr>
<td>Other comprehensive income (loss) before tax:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrealized holding gains (losses) arising during the period on securities available for sale</td>
<td>24,973</td>
<td>(11,710)</td>
</tr>
<tr>
<td>Reclassification adjustment for gains included in net income</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Other comprehensive income (loss), before tax</td>
<td>24,973</td>
<td>(11,710)</td>
</tr>
<tr>
<td>Income tax expense (benefit)</td>
<td>9,201</td>
<td>(4,069)</td>
</tr>
<tr>
<td>Total other comprehensive income (loss), net of tax</td>
<td>15,772</td>
<td>(7,641)</td>
</tr>
<tr>
<td>Comprehensive income</td>
<td>$ 62,469</td>
<td>$ 35,119</td>
</tr>
</tbody>
</table>
The weighted average number of common shares outstanding used to compute basic earnings per common share were 78,212,563 and 82,069,575 for the three months ended September 30, 2000 and 1999, respectively, and 78,844,075 and 82,766,220 for the nine months ended September 30, 2000 and 1999, respectively. The weighted average number of common and common equivalent shares outstanding used to compute diluted earnings per common share were 79,041,223 and 82,751,447 for the three months ended September 30, 2000 and 1999, respectively, and 79,513,927 and 83,361,762 for the nine months ended September 30, 2000 and 1999, respectively.

Prior to April 1, 2000, TCF's wholly owned bank subsidiaries located in Minnesota, Illinois, Wisconsin and Michigan had been identified as reportable segments. During the fourth quarter of 1999, TCF received the approval of the Office of the Comptroller of the Currency to merge these four bank charters into one national bank charter based in Minnesota. The merger of the bank charters was completed in April 2000 and segment reporting by individual bank is no longer available.

With the bank charter merger, certain management responsibilities were realigned within the organization. Management reporting was revised to reflect this change in responsibilities. Following the bank charter merger, banking, leasing and equipment finance, and mortgage banking have been identified as reportable operating segments. Management of TCF's banking area, which includes commercial lending, consumer lending, residential lending, treasury services and retail branches, is organized by geographic region. These separate geographic operations have been aggregated for purposes of segment disclosures.

The following table sets forth certain information about the reported profit or loss and assets for each of TCF's reportable segments, including reconciliations to TCF's consolidated totals. The results of TCF's parent banking company and other administrative areas comprise the "other" category in the table below. Prior period data has been restated to reflect the change in composition of TCF's operating segments.

### Revenues from External Customers:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Banking</th>
<th>Leasing and Equipment Finance</th>
<th>Mortgage Banking</th>
<th>Other</th>
<th>Eliminations and Reclassifications</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>At or For the Three Months Ended September 30, 2000</td>
<td>$ 191,007</td>
<td>$ 19,234</td>
<td>$ 352</td>
<td>$ 116</td>
<td>$ -</td>
<td>$ 210,709</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>73,496</td>
<td>7,795</td>
<td>3,957</td>
<td>28</td>
<td>-</td>
<td>85,276</td>
</tr>
<tr>
<td>Total</td>
<td>$ 264,503</td>
<td>$ 27,029</td>
<td>$ 4,309</td>
<td>$ 144</td>
<td>$ -</td>
<td>$ 295,985</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$ 99,129</td>
<td>$ 8,555</td>
<td>$ 1,598</td>
<td>$ 212</td>
<td>$ -</td>
<td>$ 110,674</td>
</tr>
<tr>
<td>Provision for Credit Losses</td>
<td>2,522</td>
<td>1,166</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>3,688</td>
</tr>
<tr>
<td>Non-Interest Income</td>
<td>$ 73,496</td>
<td>$ 7,795</td>
<td>6,355</td>
<td>22,431</td>
<td>$ (24,801)</td>
<td>85,276</td>
</tr>
<tr>
<td>Amortization of Goodwill and Other Intangibles</td>
<td>2,416</td>
<td>99</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>2,515</td>
</tr>
<tr>
<td>Other Non-Interest Expense</td>
<td>$ 100,727</td>
<td>$ 6,177</td>
<td>$ 7,062</td>
<td>$ 23,473</td>
<td>$ (23,621)</td>
<td>113,818</td>
</tr>
<tr>
<td>Income Tax Expense (Benefit)</td>
<td>25,812</td>
<td>3,418</td>
<td>337</td>
<td>(335)</td>
<td>-</td>
<td>29,232</td>
</tr>
<tr>
<td>Net Income (Loss)</td>
<td>$ 41,148</td>
<td>$ 5,490</td>
<td>$ 1,523</td>
<td>(870)</td>
<td>$ -</td>
<td>$ 46,697</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 10,624,159</td>
<td>$ 760,043</td>
<td>$ 124,054</td>
<td>$ 67,349</td>
<td>$ (595,605)</td>
<td>$ 10,980,000</td>
</tr>
</tbody>
</table>

At or For the Three Months Ended September 30, 1999

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>Banking</th>
<th>Leasing and Equipment Finance</th>
<th>Mortgage Banking</th>
<th>Other</th>
<th>Eliminations and Reclassifications</th>
<th>Consolidated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues from External Customers:</td>
<td>$ 175,859</td>
<td>$ 11,649</td>
<td>$ 1,041</td>
<td>$ 107</td>
<td>$ -</td>
<td>$ 188,656</td>
</tr>
<tr>
<td>Interest Income</td>
<td>71,321</td>
<td>7,106</td>
<td>4,087</td>
<td>5</td>
<td>-</td>
<td>82,519</td>
</tr>
<tr>
<td>Total</td>
<td>$ 247,180</td>
<td>$ 18,755</td>
<td>$ 5,128</td>
<td>$ 112</td>
<td>$ -</td>
<td>$ 271,175</td>
</tr>
<tr>
<td>Net Interest Income</td>
<td>$ 98,557</td>
<td>$ 6,288</td>
<td>$ 1,523</td>
<td>(870)</td>
<td>$ -</td>
<td>$ 106,540</td>
</tr>
</tbody>
</table>
TCF FINANCIAL CORPORATION AND SUBSIDIARIES

Item 2. - Management's Discussion and Analysis of Financial Condition and Results of Operations

RESULTS OF OPERATIONS

TCF reported net income of $46.7 million and $134.1 million for the third quarter and first nine months of 2000, respectively, compared with $42.8 million and $121.1 million for the same 1999 periods. Diluted earnings per common share were 59 cents and $1.69 for the third quarter and first nine months of 2000, respectively, compared with 52 cents and $1.45 for the same 1999 periods. Return on average assets was 1.71% and 1.66% for the third quarter and first nine months of 2000, respectively, compared with 52 cents and $1.69 for the third quarter and first nine months of 2000, respectively, compared with $42.8 million and $121.1 million for the same 1999 periods. Return on average realized common equity was 21.52% and 20.94% for the
third quarter and first nine months of 2000, respectively, compared with 20.37% and 19.42% for the same 1999 periods. Diluted cash earnings per common share, which excludes amortization and reduction of goodwill, net of income tax benefit, was 61 cents and $1.76 for the third quarter and first nine months of 2000, respectively, compared with 54 cents and $1.52 for the same 1999 periods.

On the same basis, cash return on average assets was 1.78% and 1.73% for the third quarter and first nine months of 2000, respectively, compared with 1.73% and 1.65% for the same 1999 periods, and cash return on average realized equity was 22.39% and 21.83% for the third quarter and first nine months of 2000, compared with 21.27% and 20.33% for the same 1999 periods.

TCF has significantly expanded its retail banking franchise in recent periods and had 351 retail banking branches at September 30, 2000. Since July 1, 1997, TCF has opened 173 new branches, of which 162 were supermarket branches. TCF continued to expand its supermarket franchise by opening six new branches during the 2000 third quarter. TCF anticipates opening approximately six more new branches in the remainder of 2000, which will bring the total branch openings, including one branch acquisition, during 2000 to 27 branches. Management currently anticipates opening between 25 and 35 more new branches during 2001.

### NET INTEREST INCOME

Net interest income for the third quarter of 2000 was $110.7 million, compared with $106.5 million for the third quarter of 1999 and $110.2 million for the 2000 second quarter. The net interest margin for the third quarter of 2000 was 4.38%, compared with 4.46% for the same 1999 period and 4.38% for the second quarter of 2000. Net interest income for the first nine months of 2000 was $327.7 million, compared with $318.1 million for the same 1999 period. The net interest margin for the first nine months of 2000 was 4.36%, compared with 4.50% for the same period of 1999. Changes in net interest income are dependent upon the movement of interest rates, the volume and mix of interest-earning assets and interest-bearing liabilities, and the level of non-performing assets. Achieving net interest margin growth is dependent on TCF’s ability to generate higher-yielding assets and lower interest-cost retail deposits. If variable index rates (e.g., prime) were to decline, TCF may experience compression of its net interest margin depending on the timing and amount of any reductions, as it is possible that interest rates paid on retail deposits will not decline as quickly, or to the same extent, as the decline in the yield on interest-rate-sensitive assets such as variable-rate home equity loans. Competition for checking, savings and money market deposits, important sources of lower cost funds for TCF, is intense. TCF may also experience compression in its net interest margin if the rates paid on deposits increase or as a result of new pricing strategies and lower rates offered on loan and lease products in order to respond to competitive conditions. See "Market Risk – Interest-Rate Risk" and "Financial Condition – Deposits."

The following rate/volume analysis details the increases (decreases) in net interest income resulting from interest rate and volume changes during the third quarter and first nine months of 2000 as compared with the same periods last year. Changes attributable to the combined impact of volume and rate have been allocated proportionately to the change due to volume and the change due to rate.

### Rate/Volume Analysis

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Increase (Decrease) Due to Volume</td>
<td>Increase (Decrease) Due to Rate</td>
</tr>
<tr>
<td><strong>(In thousands)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>(3,555)</td>
<td>250</td>
</tr>
<tr>
<td>Loans held for sale</td>
<td>818</td>
<td>648</td>
</tr>
<tr>
<td>Loans and leases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential real estate</td>
<td>991</td>
<td>1,522</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>5,364</td>
<td>1,235</td>
</tr>
<tr>
<td>Commercial business</td>
<td>350</td>
<td>1,199</td>
</tr>
<tr>
<td>Consumer direct</td>
<td>6,219</td>
<td>2,742</td>
</tr>
<tr>
<td>Consumer finance automobile</td>
<td>(3,392)</td>
<td>42</td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td>7,999</td>
<td>(389)</td>
</tr>
<tr>
<td>Total loans and leases</td>
<td>17,531</td>
<td>6,351</td>
</tr>
</tbody>
</table>
interest income is a significant source of revenues for TCF and an important off-slings from off-slings recognized in 1999 off-slings were year period. TCF provided $10.1 million interest income increased $13.1 million ATM cards, of which 911,000 were debit cards, outstanding at September 30, 2000, of which 1.1 million were debit cards. This compares with 1.1 million ATM cards, of which 911,000 were debit cards, outstanding at September 30, 1999. TCF's network of automated teller machines (*ATMs*)

### PROVISION FOR CREDIT LOSSES

TCF provided $3.7 million for credit losses in the third quarter of 2000, compared with $2.6 million for the same prior-year period. TCF provided $10.1 million for credit losses for the first nine months of 2000, compared with $13.6 million for the same period in 1999. Net loan and lease charge-offs were $700,000 and $1.8 million during the third quarter and first nine months of 2000, respectively, compared with $7.4 million and $23.4 million during the same 1999 periods. The decrease in provisions and net loan and lease charge-offs from 1999 reflect the significant provisions and charge-offs recognized in 1999 related to TCF's discontinued consumer finance automobile loan portfolio. At September 30, 2000, the allowance for loan and lease losses totaled $64 million, compared with $55.8 million at December 31, 1999. See "Financial Condition - Allowance for Loan and Lease Losses."

### NON-INTEREST INCOME

Non-interest income is a significant source of revenues for TCF and 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. Excluding gain on sales of securities available for sale, gain on sales of loan servicing, gain on sales of branches and title insurance revenues, non-interest income increased $13.1 million, or

18.2%, to $85.3 million for the third quarter of 2000, compared with $72.1 million for the same period in 1999. On the same basis, non-interest income increased $36.2 million, or 17.7%, to $240.7 million for the first nine months of 2000, compared with $204.4 million for the same period in 1999. The increases were primarily due to increased fee and service charge, electronic funds transfer and leasing revenues, and reflect TCF's expanded retail banking and leasing operations and customer base. Title insurance revenues totaled $4 million and $12.9 million for the third quarter and first nine months of 1999. During the fourth quarter of 1999, TCF sold its title insurance and appraisal operations. Title insurance revenues are no longer recognized by TCF as the result of the sale of these operations.

Fee and service charge revenues totaled $46.8 million and $100.5 million for the third quarter and first nine months of 2000, respectively, representing increases of 18.4% and 17.7% from $39.5 million and $110.8 million for the same 1999 periods. These increases were primarily due to expanded retail banking activities.

Electronic funds transfer revenues totaled $20.9 million and $58.1 million for the third quarter and first nine months of 2000, respectively, representing increases of 15.7% and 17.9% from $18 million and $49.3 million for the same 1999 periods. Included in electronic funds transfer revenues are debit card interchange fees of $7.5 million and $20.6 million for the third quarter and first nine months of 2000, respectively, representing increases of 42.1% and 50.7% from $5.1 million and $13.6 million for the same 1999 periods. The significant increases in these fees reflect an increase in the distribution of debit cards, and a significant increase in their utilization by TCF's customers. TCF had 1.2 million ATM cards outstanding at September 30, 2000, of which 1.1 million were debit cards. This compares with 1.1 million ATM cards, of which 911,000 were debit cards, outstanding at September 30, 1999. TCF's network of automated teller machines (*ATMs*)
interest expense totaled $116.3 million for the third quarter and first nine months of 2000, respectively, compared with $7.1 million and $20.1 million for the same 1999 periods. The year-to-year fluctuations in leasing revenues and the allocation between types of leasing revenues result primarily from the manner and timing in which leasing revenues are recognized over the term of each particular lease. The allocation of revenues is a function of the lease classification as determined in accordance with generally accepted accounting principles. In addition, the volume and type of new lease transactions and the resulting revenues may fluctuate from period to period based upon factors not within the control of TCF, such as economic conditions. TCF's ability to grow its lease portfolio is dependent upon its ability to place new equipment in service. In an adverse economic environment, there may be a decline in the demand for some types of equipment which TCF leases, resulting in a decline in the amount of new equipment being placed into service.

Gains on sales of loans held for sale totaled $1.2 million and $2.7 million for the third quarter and first nine months of 2000, respectively, an increase of $115,000 from the 1999 third quarter amount and a decrease of $1 million from the amount for the first nine months of 1999. Sales of securities available for sale produced a $3.2 million gain for the first nine months of 1999. No comparable gain was recorded for the first nine months of 2000. Gains or losses on sales of loans held for sale and securities available for sale may fluctuate significantly from period to period due to changes in interest rates and volumes, and results in any period related to these transactions may not be indicative of results which will be obtained in future periods.

Gains on the sale of third-party loan servicing rights totaled $3.1 million for the first nine months of 1999. No similar activity was recognized during the same period of 2000. TCF periodically sells and purchases loan servicing rights depending on market conditions. During the first nine months of 2000, TCF purchased the loan servicing rights to $943 million of residential loans at a weighted average price of 1.49%, or $14 million. TCF's third-party residential loan servicing portfolio totaled $3.9 billion at September 30, 2000, compared with $2.9 billion at December 31, 1999.

During the first nine months of 2000, TCF recognized gains of $3.9 million on the sales of three underperforming Michigan branches with $31 million in deposits. No branch sales occurred in the third quarter of 2000. Results for the first nine months of 1999 included gains of $8.8 million on the sales of five branches with $81.1 million in deposits, of which gains of $6.4 million on the sale of four branches were recognized in the third quarter of 1999.

Other non-interest income totaled $5.5 million and $12.1 million for the third quarter and first nine months of 2000, respectively, compared with $2.4 million and $8.6 million for the same 1999 periods. These increases reflect gains on sales of fixed and other assets.

NON-INTEREST EXPENSE

Non-interest expense totaled $16.3 million for the third quarter of 2000, compared with $16.7 million for the same 1999 period. For the first nine months of 2000, non-interest expense totaled $34.2 million, up 1.9% from $337.8 million for the same 1999 period. Compensation and employee benefits expense totaled $60 million and $178.2 million for the third quarter and first nine months of 2000, respectively, compared with $61 million and $179.2 million for the comparable periods in 1999. Occupancy and equipment expenses totaled $18.8 million and $56.5 million for the third quarter and first nine months of 2000, respectively, compared with $18.8 million and $55 million for the same 1999 periods. The increased occupancy and equipment expenses in 2000 are primarily due to the costs associated with expanded retail banking activities, partially offset by the discontinuation of TCF's indirect automobile lending business and the sale of TCF's title insurance and appraisal operations.

Other non-interest expense totaled $30 million for the third quarter of 2000, virtually unchanged from the same 1999 period. Other non-interest expense totaled $87.8 million for the first nine months of 2000, reflecting an increase of 7.2% from $81.9 million for the same 1999 periods. This increase is primarily due to the costs associated with expanded retail banking activities, and included an increase of $1.9 million in deposit account losses over the amount recorded in the first nine months of 1999. These increased losses reflect the growth in the number of checking accounts to 1,133,000 at September 30, 2000, up from 1,033,000 at September 30, 1999.

As disclosed in Note 2 of Notes to Consolidated Financial Statements, effective January 1, 2000 TCF adopted SFAS No. 123 for stock-based compensation transactions beginning in 2000. During the first quarter of 2000, TCF granted 1,095,000 shares of restricted stock to certain executive officers. Fifty percent of the shares will vest after TCF achieves a 75 percent increase in annual earnings per share over 1999 earnings per share. The remaining shares will vest after TCF achieves a 100 percent increase over 1999 earnings per
share. The shares will be forfeited if not earned based on performance by year-end 2007. The total grant-date fair value of these shares was $21.6 million. In accordance with SFAS No. 123, the value of the shares expected to be earned will be recognized as compensation expense ratably over the vesting period. TCF will periodically assess the performance estimates and adjust the related compensation expense in accordance with SFAS No. 123.

INCOME TAXES

TCF recorded income tax expense of $29.2 million and $83.9 million for the third quarter and first nine months of 2000, or 38.5% of income before income tax expense, compared with $26.7 million and $78.1 million, or 38.5% and 39.2% of income before income tax expense, respectively, for the comparable 1999 periods. The lower tax rates in 2000 reflect lower state income taxes, and the impact of relatively lower non-deductible expenses in 2000.

MARKET RISK - INTEREST-RATE RISK

TCF's results of operations are dependent to a large degree on its net interest income, which is the difference between interest income and interest expense, and the Company's ability to manage its interest-rate risk. Although TCF manages other risks, such as credit and liquidity risk, in the normal course of its business, the Company considers interest-rate risk to be its most significant market risk. TCF, like most financial institutions, has a material interest-rate risk exposure to changes in both short-term and long-term interest rates as well as variable index interest rates (e.g., prime). Since TCF does not hold a trading portfolio, the Company is not exposed to market risk from trading activities.

Like most financial institutions, TCF's interest income and cost of funds are significantly affected by general economic conditions and by policies of regulatory authorities. The mismatch between maturities and interest-rate sensitivities of assets and liabilities results in interest-rate risk. Although the measure is subject to a number of assumptions and is only one of a number of measurements, management believes the interest-rate gap (difference between interest-earnings assets and interest-bearing liabilities repricing within a given period) is an important indication of TCF's exposure to interest-rate risk and the related volatility of net interest income in a changing interest rate environment. In addition to the interest-rate gap analysis, management also utilizes a simulation model to measure and manage TCF's interest-rate risk.

For an institution with a negative interest-rate gap for a given period, the amount of its interest-bearing liabilities maturing or otherwise repricing within such period exceeds the amount of its interest-earning assets repricing within the same period. In a rising interest-rate environment, institutions with negative interest-rate gaps will generally experience more immediate increases in the cost of their liabilities than in the yield on their assets. Conversely, the yield on assets of institutions with negative interest-rate gaps will generally decrease more slowly than the cost of their funds in a falling interest-rate environment.

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. Management's estimates and assumptions could be significantly affected by external factors such as prepayment rates other than those assumed, early withdrawals of deposits, changes in the correlation of various interest-bearing instruments, competition and a general rise in interest rates. Decisions by management to purchase or sell assets, or retire debt could change the maturity/repricing and spread relationships. In addition, TCF's interest-rate risk will increase during periods of rising interest rates due to resulting slower prepayments on loans and mortgage-backed securities, and the increased likelihood that the Federal Home Loan Bank ("FHLB") will exercise its option to call certain of TCF's longer-term FHLB advances. See "Financial Condition - Borrowings." TCF's one-year adjusted interest-rate gap was a negative $805 million, or (7)% of total assets, at September 30, 2000, compared with a negative $1 billion, or (10)% of total assets, at December 31, 1999.

FINANCIAL CONDITION

INVESTMENTS

Total investments decreased $16 million from year-end 1999 to $132.2 million at September 30, 2000. The decrease is primarily due to a decrease of $20 million
in interest-bearing deposits with banks, partially offset by an increase of $3.9 million in Federal Home Loan Bank stock. The carrying values of investments, which approximate their fair values, consist of the following:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interest-bearing deposits with banks</td>
<td>$330</td>
<td>$20,319</td>
</tr>
<tr>
<td>Federal Home Loan Bank stock, at cost</td>
<td>108,557</td>
<td>104,611</td>
</tr>
<tr>
<td>Federal Reserve Bank stock, at cost</td>
<td>23,286</td>
<td>23,224</td>
</tr>
<tr>
<td></td>
<td>$132,173</td>
<td>$148,154</td>
</tr>
</tbody>
</table>

SECURITIES AVAILABLE FOR SALE

Securities available for sale are carried at fair value with the unrealized gains or losses, net of deferred income taxes, reported as accumulated other comprehensive income (loss), which is a separate component of stockholders' equity. Securities available for sale decreased $108.4 million from year-end 1999 to $1.4 billion at September 30, 2000. The decrease reflects payment and prepayment activity, partially offset by purchases of $264,000 of securities available for sale. At September 30, 2000, TCF's securities available-for-sale portfolio included $1.3 billion and $91.5 million of fixed-rate and adjustable-rate mortgage-backed securities, respectively. The following table summarizes securities available for sale:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Amortized Cost</td>
<td>Fair Value</td>
</tr>
<tr>
<td>U.S. Government and other marketable securities</td>
<td>$1,652</td>
<td>$1,652</td>
</tr>
<tr>
<td>Mortgage-backed securities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FHLMC</td>
<td>853,553</td>
<td>822,590</td>
</tr>
<tr>
<td>FNMA</td>
<td>541,676</td>
<td>524,411</td>
</tr>
<tr>
<td>GNMA</td>
<td>23,596</td>
<td>23,608</td>
</tr>
<tr>
<td>Private issuer</td>
<td>41,513</td>
<td>40,460</td>
</tr>
<tr>
<td>Collateralized mortgage obligations</td>
<td>497</td>
<td>497</td>
</tr>
<tr>
<td></td>
<td>$1,462,487</td>
<td>$1,413,218</td>
</tr>
</tbody>
</table>

LOANS HELD FOR SALE

Loans held for sale are carried at the lower of cost or market. Education loans held for sale increased $13.4 million and residential real estate loans held for sale increased $14.2 million from year-end 1999, and totaled $157.3 million and $69.2 million at September 30, 2000, respectively.

LOANS AND LEASES

The following table sets forth information about loans and leases held in TCF's portfolio, excluding loans held for sale:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential real estate</td>
<td>$3,789,377</td>
<td>$3,911,184</td>
</tr>
<tr>
<td>Unearned premiums and deferred loan fees</td>
<td>7,646</td>
<td>8,494</td>
</tr>
<tr>
<td>Consumer:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Home equity</td>
<td>2,120,296</td>
<td>1,974,924</td>
</tr>
</tbody>
</table>
Loans and leases increased $463.9 million from year-end 1999 to $8.4 billion at September 30, 2000, reflecting increases of $250.6 million in leasing and equipment finance, $177.1 million in commercial real estate loans, $131 million in consumer loans and $27.9 million in commercial business loans, partially offset by a decrease of $122.7 million in residential real estate loans.

Unearned discounts and deferred fees totaled $90.1 million at September 30, 2000 and $62.5 million at December 31, 1999.

Consumer loans increased $131 million from year-end 1999 to $2.2 billion at September 30, 2000, reflecting an increase of $145.4 million in home equity loans, partially offset by a decrease of $13.1 million in automobile loans. Approximately 68% of the home equity loan portfolio at September 30, 2000 consists of closed-end loans. In addition, 48% of this portfolio carries a variable interest rate.

TCF changed its home equity loan origination programs in early 1999. Under the new programs and in response to intensifying price competition, TCF implemented a tiered pricing structure for its home equity loans. TCF also experienced an increase in the loan-to-value ratios on new home equity loans originated beginning in 1999. Many of these loans are secured by a first lien on the home and include an advance to pay-off an existing first lien mortgage loan, and many have balances exceeding $100,000. These loans may carry a higher level of credit risk than loans with a lower loan-to-value ratio.

The following table sets forth additional information about the loan-to-value ratios for TCF's home equity loan portfolio:

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loan-to-Value Ratios (1):</td>
<td>Balance</td>
<td>Percent of Total</td>
</tr>
<tr>
<td>Over 100% (2)</td>
<td>$ 42,605</td>
<td>2.0%</td>
</tr>
<tr>
<td>Over 90% to 100%</td>
<td>472,566</td>
<td>22.3%</td>
</tr>
</tbody>
</table>
Over 80% to 90%       627,569  29.6       570,567  28.9
80% or less          977,556  46.1       948,956  48.0
Total               $2,120,296 100.0%  $1,974,924 100.0%

(1) Loan-to-value is based on the loan amount (current outstanding balance on closed-end loans and the total commitment on lines of credit) plus deferred loan origination costs net of fees and refundable insurance premiums, if any, plus the original amount of senior liens, if any. Property values represent the most recent appraised value or property tax assessment value known to TCF. In most cases, this value was obtained at the loan origination date and does not reflect subsequent appreciation or depreciation in property values, if any.

(2) Amount reflects the outstanding loan balance. The portion of the loan balance in excess of 100% of the property value is substantially less.

Commercial real estate loans increased $177.1 million from year-end 1999 to $1.3 billion at September 30, 2000. Commercial business loans increased $27.9 million in the first nine months of 2000 to $379.2 million at September 30, 2000. At September 30, 2000, approximately 96% of TCF’s commercial business and commercial real estate loans outstanding are secured either by properties or underlying business assets. TCF is seeking to expand its commercial business lending activity and its commercial real estate lending activity to borrowers located in its primary midwestern markets. At September 30, 2000, approximately 88% of TCF’s commercial real estate loans outstanding were secured by properties located in its primary markets. Included in commercial real estate loans at September 30, 2000 are $133.7 million of loans secured by hotel or motel properties, up from $112.7 million at December 31, 1999. At September 30, 2000 and December 31, 1999, there were no commercial real estate loans with terms that have been modified in troubled debt restructurings included in performing loans.

At September 30, 2000, the recorded investment in loans that are considered to be impaired was $6.4 million for which the related allowance for credit losses was $1.4 million. All of the impaired loans were on non-accrual status. The average recorded investment in impaired loans during nine months ended September 30, 2000 was $3.7 million.

Leasing and equipment finance increased $250.6 million from year-end 1999 to $743.3 million at September 30, 2000. Total loan and lease originations for TCF’s leasing business were $448.8 million for the first nine months of 2000, compared with $173.7 million during the same 1999 period. At September 30, 2000, the backlog of approved transactions related to TCF’s leasing business totaled $201.5 million, compared with $125.2 million at December 31, 1999. The significant increase in leasing and equipment finance activity is due to TCF Leasing, Inc., TCF’s newly formed subsidiary which commenced operations during the third quarter of 1999. TCF Leasing, Inc. specializes in the leasing and financing of industrial and transportation equipment, and discounting leases in key markets in various regions of the United States. TCF’s expanded leasing activity is subject to the risk of cyclical downturns or other adverse economic developments affecting these industries and markets. TCF Leasing, Inc. has originated most of its portfolio during 2000. TCF’s investment in leveraged leases of $16.8 million at September 30, 2000 includes residual values of $18.1 million, and is net of unearned income of $12.3 million and principal and interest payments on non-recourse debt.

18

Loan and lease originations, including loans held for sale, for the first nine months of 2000 and 1999 were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Nine Months Ended September 30,</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(In thousands)</td>
</tr>
<tr>
<td>Consumer</td>
<td></td>
</tr>
<tr>
<td>Commercial</td>
<td></td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td></td>
</tr>
<tr>
<td>Residential real estate</td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td></td>
</tr>
</tbody>
</table>

ALLOWANCE FOR LOAN AND LEASE LOSSES

A summary of the activity of the allowance for loan and lease losses and
### Selected Statistics

<table>
<thead>
<tr>
<th></th>
<th>Three Months</th>
<th>Nine Months</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Ended September 30,</td>
<td>Ended September 30,</td>
</tr>
<tr>
<td>(Dollars in thousands)</td>
<td>2000</td>
<td>1999</td>
</tr>
<tr>
<td>Balance at beginning of period</td>
<td>$60,997</td>
<td>$71,346</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>3,688</td>
<td>2,845</td>
</tr>
<tr>
<td>Charge-offs</td>
<td>(1,850)</td>
<td>(9,643)</td>
</tr>
<tr>
<td>Recoveries</td>
<td>1,150</td>
<td>2,289</td>
</tr>
<tr>
<td>Net charge-offs</td>
<td>(700)</td>
<td>(7,354)</td>
</tr>
<tr>
<td>Transfers to loans held for sale</td>
<td>11,174</td>
<td>-</td>
</tr>
<tr>
<td>Balance at end of period</td>
<td>$63,985</td>
<td>$55,663</td>
</tr>
<tr>
<td>Ratio of annualized net loan and lease charge-offs to average loans and leases outstanding</td>
<td>.03 %</td>
<td>.39 %</td>
</tr>
<tr>
<td>Allowance for loan and lease losses as a percentage of total loans and leases at period end</td>
<td>.77 %</td>
<td>.73 %</td>
</tr>
</tbody>
</table>

### Additional Information on the Allowance for Loan and Lease Losses

<table>
<thead>
<tr>
<th></th>
<th>At or For the Nine Months Ended September 30, 2000</th>
<th>At or For the Year Ended December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>$18,877</td>
<td>$12,708</td>
</tr>
<tr>
<td></td>
<td>$1,250,532</td>
<td>$1,073,472</td>
</tr>
<tr>
<td></td>
<td>1.51%</td>
<td>1.18% (0.08)</td>
</tr>
<tr>
<td>Commercial business</td>
<td>9,327</td>
<td>8,256</td>
</tr>
<tr>
<td></td>
<td>379,222</td>
<td>351,353</td>
</tr>
<tr>
<td></td>
<td>2.46 (%)</td>
<td>2.35 (0.08)</td>
</tr>
<tr>
<td>Consumer</td>
<td>10,082</td>
<td>10,701</td>
</tr>
<tr>
<td></td>
<td>2,189,615</td>
<td>2,058,584</td>
</tr>
<tr>
<td></td>
<td>.46</td>
<td>.52</td>
</tr>
<tr>
<td></td>
<td>.06</td>
<td>1.30</td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td>6,242</td>
<td>4,237</td>
</tr>
<tr>
<td></td>
<td>743,275</td>
<td>492,656</td>
</tr>
<tr>
<td></td>
<td>.84</td>
<td>.86</td>
</tr>
<tr>
<td></td>
<td>.34</td>
<td>.39</td>
</tr>
<tr>
<td>Unallocated</td>
<td>16,639</td>
<td>16,839</td>
</tr>
<tr>
<td></td>
<td>- .20</td>
<td>- N/A</td>
</tr>
<tr>
<td></td>
<td>N/A</td>
<td>N.A.</td>
</tr>
<tr>
<td>Subtotal</td>
<td>61,167</td>
<td>52,741</td>
</tr>
<tr>
<td></td>
<td>4,562,644</td>
<td>3,976,065</td>
</tr>
<tr>
<td></td>
<td>1.34</td>
<td>1.33 (0.72)</td>
</tr>
<tr>
<td>Residential real estate</td>
<td>2,818</td>
<td>3,014</td>
</tr>
<tr>
<td></td>
<td>3,797,023</td>
<td>3,919,678</td>
</tr>
<tr>
<td></td>
<td>.07</td>
<td>.08</td>
</tr>
<tr>
<td></td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$63,985</td>
<td>$55,755</td>
</tr>
<tr>
<td></td>
<td>$8,359,667</td>
<td>$7,895,743</td>
</tr>
<tr>
<td></td>
<td>.77</td>
<td>.71 (0.35)</td>
</tr>
</tbody>
</table>

(1) Annualized.
N.A. Not applicable.

TCF has experienced a significant decrease in the level of net loan charge-offs related to its consumer finance automobile portfolio, a large portion of which was sold or liquidated during 1999. As a result, the ratio of annualized net loan charge-offs to average loans outstanding for TCF’s consumer portfolio were .10% and .06% for the three and nine months ended September 30, 2000, respectively, compared with 1.42% and 1.57% for the same periods of 1999.

Included in the net loan and lease charge-offs for the third quarter and first nine months of 2000 were $274,000 and $1.4 million of net recoveries related to the consumer finance automobile loans, respectively, compared with net charge-offs of $6.1 million and $20 million for the same periods of 1999.

As previously noted, TCF provided $3.7 million for credit losses in the third quarter of 2000, compared with $2.8 million for the third quarter of 1999 and...
$5.4 million for the second quarter of 2000. At September 30, 2000, the allowance for loan and lease losses totaled $64 million, compared with $55.8 million at December 31, 1999 and $61 million at June 30, 2000. The increase in the provision for credit losses and the allowance for loan and lease losses during the third quarter of 2000 reflects the growth in TCF's portfolio of commercial loans and leases, and an increase in the average size of individual loans and leases within these portfolios. Commercial loan and lease portfolios have a greater inherent risk of loss than loans secured by residential real estate.

On an ongoing basis, TCF's loan and lease portfolios are reviewed and analyzed as to credit risk, performance, collateral value and quality. The allowance for loan and lease losses is maintained at a level believed to be adequate by management to provide for probable loan and lease losses inherent in the portfolio. Management's judgment as to the adequacy of the allowance, including the allocated and unallocated elements, is a result of ongoing review of larger individual loans and leases, the overall risk characteristics of the portfolios, changes in the character or size of the portfolios, the level of non-performing assets, historical net charge-off amounts, geographic location and prevailing economic conditions. The allowance for loan and lease losses is established for probable losses inherent in TCF's loan and lease portfolios as of the balance sheet date, including known or anticipated problem loans and leases, as well as for loans and leases which are not currently known to require specific allowances. Loans and leases are charged off to the extent they are deemed to be uncollectible.

The adequacy of the allowance for loan and lease losses is highly dependent upon management's estimates of variables affecting valuation, appraisals of collateral, evaluations of performance and status, and the amounts and timing of future cash flows expected to be received on impaired loans. Such estimates, appraisals, evaluations and cash flows may be subject to frequent adjustments due to changing economic prospects of borrowers, lessees or properties. These estimates are reviewed periodically and adjustments, if necessary, are reported in the provision for credit losses in the periods in which they become known. Management believes the allowance for loan and lease losses is adequate.

**NON-PERFORMING ASSETS**

Non-performing assets (principally non-accrual loans and leases and other real estate owned) totaled $42.9 million at September 30, 2000, compared with $35.4 million at December 31, 1999. Included in non-accrual loans and leases at September 30, 2000 are $3.5 million of leases that have been funded on a non-recourse basis by third-party financial institutions. Approximately 70% of non-performing assets at September 30, 2000 consist of, or are secured by, residential real estate. The accrual of interest income is generally discontinued when loans and leases become 90 days or more past due with respect to either principal or interest (150 days for loans secured by residential real estate, including residential real estate secured consumer loans) unless such loans and leases are adequately secured and in the process of collection.

Non-performing assets are summarized in the following table:

<table>
<thead>
<tr>
<th>(Dollars in thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non-accrual loans and leases:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Consumer</td>
<td>$ 14,648</td>
<td>$ 12,178</td>
</tr>
<tr>
<td>Residential real estate</td>
<td>5,030</td>
<td>5,431</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>5,669</td>
<td>1,576</td>
</tr>
<tr>
<td>Commercial business</td>
<td>694</td>
<td>2,960</td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td>5,149</td>
<td>1,929</td>
</tr>
<tr>
<td>Other real estate owned and other assets</td>
<td>31,190</td>
<td>24,074</td>
</tr>
<tr>
<td>Total non-performing assets</td>
<td>$ 42,907</td>
<td>$ 35,422</td>
</tr>
</tbody>
</table>

Non-performing assets as a percentage of net loans and leases .52 % .45 %

Non-performing assets as a percentage of total assets .39 % .33 %

TCF had $3.3 million of accruing loans and leases 90 days or more past due at September 30, 2000, compared with $5.8 million at December 31, 1999. The over
30-day delinquency rate on TCF's loans and leases (excluding loans held for sale and non-accrual loans and leases) was .46% of loans and leases outstanding at September 30, 2000, compared with .42% at year-end 1999. TCF's delinquency rates are determined using the contractual method. The following table sets forth information regarding TCF's over 30-day delinquent loan and lease portfolio, excluding loans held for sale and non-accrual loans and leases:

<table>
<thead>
<tr>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in thousands)</td>
<td></td>
</tr>
<tr>
<td>Principal Balances</td>
<td>Percentage of Portfolio</td>
</tr>
<tr>
<td>Consumer</td>
<td>$16,721</td>
</tr>
<tr>
<td>Residential real estate</td>
<td>9,526</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>434</td>
</tr>
<tr>
<td>Commercial business</td>
<td>4,216</td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td>7,683</td>
</tr>
<tr>
<td>Total</td>
<td>$38,580</td>
</tr>
</tbody>
</table>

In addition to the non-accrual loans and leases, there were commercial loans and leases with an aggregate principal balance of $20.9 million outstanding at September 30, 2000 for which management has concerns regarding the ability of the borrowers to meet existing repayment terms. This amount consists of loans that were classified for regulatory purposes as substandard, doubtful or loss, or were to borrowers that currently are experiencing financial difficulties or that management believes may experience financial difficulties in the future. This compares with $33 million of such loans at December 31, 1999. Although these loans are secured by commercial real estate or other corporate assets, they may be subject to future modifications of their terms or may become non-performing. Management monitors the performance and classification of such loans and the financial condition of these borrowers.

OTHER ASSETS

Other assets consist of the following:

<table>
<thead>
<tr>
<th>(In thousands)</th>
<th>At September 30, 2000</th>
<th>At December 31, 1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Premises and equipment</td>
<td>$189,425</td>
<td>$176,108</td>
</tr>
<tr>
<td>Accrued interest receivable</td>
<td>60,766</td>
<td>54,550</td>
</tr>
<tr>
<td>Mortgage servicing rights</td>
<td>38,443</td>
<td>22,614</td>
</tr>
<tr>
<td>Other real estate owned</td>
<td>11,573</td>
<td>10,912</td>
</tr>
<tr>
<td>Other</td>
<td>81,860</td>
<td>87,809</td>
</tr>
<tr>
<td>Total</td>
<td>$382,067</td>
<td>$351,993</td>
</tr>
</tbody>
</table>

DEPOSITS

Checking, savings and money market deposits are an important source of lower cost funds and fee income for TCF. Deposits totaled $6.8 billion at September 30, 2000, up $226.1 million from December 31, 1999. The increase in deposits includes the impact of the previously noted sales of three underperforming branches during the first nine months of 2000 with $31 million in deposits. Lower interest-cost checking, savings and money market deposits totaled $4 billion, up $294.2 million from December 31, 1999, and comprised 58.8% of total deposits at September 30, 2000. The average annualized fee revenue per retail checking account for the first nine months of 2000 was $180, compared with $164 for the comparable 1999 period. Higher interest-cost certificates of deposit decreased $68.1 million from December 31, 1999. TCF's weighted-average rate for deposits, including non-interest bearing deposits, was 3.05% at September 30,
As previously noted, TCF continued to expand its supermarket banking franchise by opening six new branches during the 2000 third quarter. TCF now has 212 supermarket branches, up from 188 such branches a year ago. During the past year, the number of deposit accounts in TCF's supermarket branches increased 19.2% to 638,580 accounts and the balances increased 31.1% to $1 billion. The average rate on these deposits increased from 2.10% at September 30, 1999 to 2.54% at September 30, 2000. Additional information regarding TCF's supermarket branches is as follows:

<table>
<thead>
<tr>
<th>Supermarket Banking Summary:</th>
<th>At September 30,</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in thousands)</td>
<td>2000</td>
<td>1999</td>
</tr>
<tr>
<td>Number of branches</td>
<td>212</td>
<td>188</td>
</tr>
<tr>
<td>Number of deposit accounts</td>
<td>638,580</td>
<td>535,940</td>
</tr>
<tr>
<td>Deposits:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td>$457,783</td>
<td>$333,925</td>
</tr>
<tr>
<td>Passbook and statement</td>
<td>140,681</td>
<td>122,242</td>
</tr>
<tr>
<td>Money market</td>
<td>101,238</td>
<td>61,957</td>
</tr>
<tr>
<td>Certificates</td>
<td>324,903</td>
<td>263,481</td>
</tr>
<tr>
<td>Total deposits</td>
<td>$1,024,605</td>
<td>$781,605</td>
</tr>
<tr>
<td>Average rate on deposits</td>
<td>2.54 %</td>
<td>2.10 %</td>
</tr>
<tr>
<td>Total fees and other revenues (quarter ended)</td>
<td>$81,763</td>
<td>$62,090</td>
</tr>
<tr>
<td>Total fees and other revenues (year-to-date)</td>
<td>$293,608</td>
<td>$177,628</td>
</tr>
</tbody>
</table>

BORROWINGS

Borrowings totaled $3.1 billion as of September 30, 2000, up $31.2 million from year-end 1999. The increase was primarily due to increases of $159 million in treasury, tax and loan notes and $104.1 million in FHLB advances, partially offset by decreases of $151.6 million in securities sold under repurchase agreements, $42 million in TCF's bank line of credit and $22.4 million in commercial paper. At September 30, 2000, TCF had no commercial paper outstanding and no outstanding balance on its bank line of credit. Included in FHLB advances at September 30, 2000 are $1.2 billion of fixed-rate advances, which are callable at par on certain anniversary dates and quarterly thereafter until maturity. If called, the FHLB will provide replacement funding at the then-prevailing market rate of interest for the remaining term-to-maturity of the advances, subject to standard terms and conditions. Due to recent increases in interest rates, the market rates exceeded the contract rates for TCF's entire portfolio of callable FHLB advances at September 30, 2000. The weighted-average rate on borrowings increased to 6.26% at September 30, 2000, from 5.91% at December 31, 1999. At September 30, 2000, borrowings with a maturity of one year or less totaled $1.5 billion. In addition, included in FHLB advances at September 30, 2000 are $488 million of long-term FHLB advances that have call dates within one year.

STOCKHOLDERS' EQUITY

Stockholders' equity at September 30, 2000 was $859.4 million, or 7.8% of total assets, up from $809 million, or 7.6% of total assets, at December 31, 1999. The increase in stockholders' equity is primarily due to net income of $134.1 million for the first nine months of 2000 and a decrease of $16.3 million in accumulated other comprehensive loss, partially offset by the repurchase of 2,966,300 shares of TCF's common stock at a cost of $63.1 million and the payment of $49.2 million in dividends on common stock. On October 23, 2000, TCF declared a quarterly dividend of 21.25 cents per common share, payable on November 30, 2000 to shareholders of record as of November 3, 2000.

Treasury stock and other consists of the following:
At September 30, 2000 \hspace{1cm} At December 31, 1999

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th>1999</th>
</tr>
</thead>
<tbody>
<tr>
<td>Treasury stock, at cost</td>
<td>$(317,509)</td>
<td>$(295,148)</td>
</tr>
<tr>
<td>Shares held for deferred</td>
<td></td>
<td></td>
</tr>
<tr>
<td>compensation plans, at cost</td>
<td>$(60,462)</td>
<td>$(46,066)</td>
</tr>
<tr>
<td>Unamortized deferred</td>
<td>$(32,677)</td>
<td>$(14,887)</td>
</tr>
<tr>
<td>compensation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loan to Executive Deferred</td>
<td>$(5,566)</td>
<td>$(4,721)</td>
</tr>
<tr>
<td>Compensation Plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unearned ESOP shares</td>
<td>$(338)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>-----------------</td>
<td>------------------</td>
</tr>
<tr>
<td></td>
<td>$(416,552)</td>
<td>$(360,822)</td>
</tr>
</tbody>
</table>

On June 22, 2000, TCF announced that the Company had entered into an agreement with a third party that provides TCF with an option to purchase up to $50 million of TCF's common stock under a forward share repurchase contract. The forward transactions can be settled from time to time, at the Company's election, on a physical, net cash or net share basis. The final maturity date of the agreement is June 24, 2002. At September 30, 2000, there were no open forward purchases under this contract.

At September 30, 2000, TCF and its bank subsidiaries exceeded their regulatory capital requirements and are considered "well-capitalized" under guidelines established by the Federal Reserve Board and the Office of the Comptroller of the Currency pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991.

RECENT ACCOUNTING DEVELOPMENTS

In June 1998, the Financial Accounting Standards Board ("FASB") issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133, as amended by SFAS No. 138, "Accounting for Certain Derivative Instruments and Certain Hedging Activities (an amendment of FASB Statement No. 133)," requires recognition of all derivative instruments as either assets or liabilities in the statement of financial condition and measurement of those instruments at fair value. A derivative may be designated as a hedge of an exposure to changes in the fair value of a recognized asset or liability, an exposure to variable cash flows of a forecasted transaction, or a foreign currency exposure. The accounting for gains and losses associated with changes in the fair value of a derivative and the impact on TCF's consolidated financial statements will depend on its hedge designation and whether the hedge is highly effective in offsetting changes in the fair value or cash flows of the underlying hedged item. The statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. TCF has not used derivatives to hedge exposures other than the use of forward contracts in its mortgage banking secondary marketing operations. The impact of SFAS No. 133 on the Company's financial position and results of operations will not be material.

EARNINGS TELECONFERENCE

TCF hosts quarterly conference calls to discuss its financial results. Additional information regarding TCF's conference calls can be obtained from the investor relations section within TCF's web site at www.tcfbank.com or by contacting TCF's Corporate Communications Department at (952) 745-2760.

FORWARD-LOOKING INFORMATION

This report and other reports issued by the Company, including reports filed with the Securities and Exchange Commission, may contain "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 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; technological, computer-related or operational difficulties; adverse changes in securities markets; results of litigation or other significant uncertainties.
SELECTED QUARTERLY FINANCIAL DATA (UNAUDITED)

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td><strong>SELECTED FINANCIAL CONDITION DATA:</strong></td>
<td></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Total assets</td>
<td>$10,980,000</td>
<td>$10,905,705</td>
<td>$10,761,821</td>
<td>$10,661,716</td>
<td>$10,342,248</td>
<td>$10,338,341</td>
<td>$10,200,744</td>
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<tr>
<td>Investments</td>
<td>132,173</td>
<td>131,635</td>
<td>155,265</td>
<td>148,154</td>
<td>127,701</td>
<td>194,781</td>
<td>158,222</td>
</tr>
<tr>
<td>Securities available for sale</td>
<td>1,413,218</td>
<td>1,436,836</td>
<td>1,470,532</td>
<td>1,521,661</td>
<td>1,599,438</td>
<td>1,701,063</td>
<td>1,569,406</td>
</tr>
<tr>
<td>Loans and leases</td>
<td>8,359,667</td>
<td>8,231,150</td>
<td>8,091,793</td>
<td>7,895,743</td>
<td>7,602,130</td>
<td>7,431,171</td>
<td>7,293,329</td>
</tr>
<tr>
<td>Deposits</td>
<td>6,810,921</td>
<td>6,719,962</td>
<td>6,823,248</td>
<td>6,584,835</td>
<td>6,633,738</td>
<td>6,648,283</td>
<td>6,632,481</td>
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<tr>
<td>Borrowings</td>
<td>3,115,066</td>
<td>3,205,732</td>
<td>2,975,080</td>
<td>3,083,888</td>
<td>2,721,200</td>
<td>2,734,652</td>
<td>2,579,789</td>
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<tr>
<td>Stockholders' equity</td>
<td>859,444</td>
<td>807,382</td>
<td>780,311</td>
<td>808,982</td>
<td>815,304</td>
<td>810,448</td>
<td>824,442</td>
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**Three Months Ended**

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<tr>
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<td><strong>SELECTED OPERATIONS DATA:</strong></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest income</td>
<td>$210,709</td>
<td>$204,407</td>
<td>$197,157</td>
<td>$193,043</td>
<td>$188,656</td>
<td>$186,359</td>
<td>$184,043</td>
</tr>
<tr>
<td>Interest expense</td>
<td>100,035</td>
<td>94,209</td>
<td>90,317</td>
<td>86,931</td>
<td>82,116</td>
<td>79,637</td>
<td>79,204</td>
</tr>
<tr>
<td>Provision for credit losses</td>
<td>3,688</td>
<td>5,383</td>
<td>990</td>
<td>3,371</td>
<td>2,845</td>
<td>2,947</td>
<td>7,760</td>
</tr>
<tr>
<td>Net interest income after provision for credit losses</td>
<td>106,986</td>
<td>104,815</td>
<td>105,850</td>
<td>102,741</td>
<td>103,695</td>
<td>103,775</td>
<td>97,079</td>
</tr>
</tbody>
</table>

Non-interest income:

- Gain (loss) on sales of securities available for sale: (5)
- Gain on sales of loan servicing: 2,333

Gain on sales of branches: 3,349
Gain on sale of subsidiaries: 2,845
Title insurance revenues: 2,947
Other non-interest income: 3,760

Total non-interest income: 85,276

Non-interest expense:

Amortization of goodwill and other intangibles: 2,515
Other non-interest expense: 113,818

Total non-interest expense: 116,333

Income before income tax: 75,929
Income tax expense: 26,717

Net income: $46,697

Per common share:

- Basic earnings: $0.60
- Diluted earnings: $0.59
- Diluted cash earnings (1): $0.61
- Dividends declared: $0.2125

FINANCIAL RATIOS (2):

- Return on average assets: 1.71
- Cash return on average assets (1): 1.78
- Return on average realized common equity: 21.52
- Cash return on average realized common equity: 22.39
- Average total equity to average assets: 7.60
- Average tangible equity to average assets: 6.06
- Net interest margin (3): 4.38

**FINANCIAL RATIOS (2):**

- Return on average assets: 1.71%
- Cash return on average assets (1): 1.78%
- Return on average realized common equity: 21.52
- Cash return on average realized common equity: 22.39
- Average total equity to average assets: 7.60
- Average tangible equity to average assets: 6.06
- Net interest margin (3): 4.38%
(1) Excludes amortization and reduction of goodwill, net of income tax benefit.
(2) Annualized.
(3) Net interest income divided by average interest-earning assets.

TCF FINANCIAL CORPORATION AND SUBSIDIARIES
Supplementary Information (Continued)

Consolidated Average Balance Sheets, Interest and Dividends
Earned or Paid, and Related Interest Yields and Rates

Nine Months Ended September 30,

<table>
<thead>
<tr>
<th></th>
<th>2000</th>
<th></th>
<th>1999</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>(Dollars in thousands)</td>
<td>Average Balance</td>
<td>Interest (1)</td>
<td>Interest Rates (2)</td>
<td>Average Balance</td>
</tr>
<tr>
<td><strong>ASSETS:</strong></td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Investments</td>
<td>$ 136,367</td>
<td>$ 7,262</td>
<td>7.10 %</td>
<td>$ 142,261</td>
</tr>
<tr>
<td>Securities available for sale (3)</td>
<td>1,522,904</td>
<td>75,456</td>
<td>6.61</td>
<td>1,715,104</td>
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<tr>
<td>Loans held for sale</td>
<td>217,144</td>
<td>12,624</td>
<td>7.75</td>
<td>199,362</td>
</tr>
<tr>
<td>Loans and leases:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residential real estate</td>
<td>3,899,990</td>
<td>207,688</td>
<td>7.10</td>
<td>3,785,587</td>
</tr>
<tr>
<td>Commercial real estate</td>
<td>1,161,679</td>
<td>74,889</td>
<td>8.60</td>
<td>899,809</td>
</tr>
<tr>
<td>Commercial business</td>
<td>362,377</td>
<td>24,579</td>
<td>9.04</td>
<td>330,661</td>
</tr>
<tr>
<td>Consumer</td>
<td>2,116,285</td>
<td>161,120</td>
<td>10.15</td>
<td>1,954,330</td>
</tr>
<tr>
<td>Leasing and equipment finance</td>
<td>605,008</td>
<td>48,655</td>
<td>10.72</td>
<td>402,040</td>
</tr>
<tr>
<td>Total loans and leases (4)</td>
<td>8,145,339</td>
<td>516,931</td>
<td>8.46</td>
<td>7,372,427</td>
</tr>
<tr>
<td>Total interest-earning assets</td>
<td>10,021,754</td>
<td>612,273</td>
<td>8.15</td>
<td>9,429,154</td>
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<tr>
<td>Other assets (5)</td>
<td>760,904</td>
<td></td>
<td></td>
<td>796,561</td>
</tr>
<tr>
<td>Total assets</td>
<td>$10,782,658</td>
<td>$10,225,715</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>LIABILITIES AND STOCKHOLDERS’ EQUITY:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Non-interest bearing deposits</td>
<td>$1,309,823</td>
<td>$1,169,600</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest-bearing deposits:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Checking</td>
<td>740,270</td>
<td>3,282</td>
<td>.59</td>
<td>710,476</td>
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<tr>
<td>Passbook and statement</td>
<td>1,052,867</td>
<td>8,793</td>
<td>1.11</td>
<td>1,122,881</td>
</tr>
<tr>
<td>Money market</td>
<td>738,536</td>
<td>17,361</td>
<td>3.13</td>
<td>731,527</td>
</tr>
<tr>
<td>Certificates</td>
<td>2,832,672</td>
<td>114,146</td>
<td>5.37</td>
<td>2,900,377</td>
</tr>
<tr>
<td>Total interest-bearing deposits</td>
<td>5,364,345</td>
<td>143,582</td>
<td>3.57</td>
<td>5,465,261</td>
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<tr>
<td>Total deposits</td>
<td>6,674,168</td>
<td>143,582</td>
<td>2.87</td>
<td>6,634,861</td>
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<tr>
<td>Borrowings:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Securities sold under repurchase agreements and federal funds purchased</td>
<td>879,472</td>
<td>41,169</td>
<td>6.24</td>
<td>413,312</td>
</tr>
<tr>
<td>FHLB advances</td>
<td>1,833,448</td>
<td>81,470</td>
<td>5.77</td>
<td>1,851,435</td>
</tr>
<tr>
<td>Discounted lease rentals</td>
<td>164,912</td>
<td>10,429</td>
<td>8.43</td>
<td>173,622</td>
</tr>
<tr>
<td>Other borrowings</td>
<td>145,925</td>
<td>7,911</td>
<td>7.23</td>
<td>162,638</td>
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<tr>
<td>Total borrowings</td>
<td>3,073,757</td>
<td>140,979</td>
<td>6.12</td>
<td>2,601,007</td>
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<tr>
<td>Total interest-bearing liabilities</td>
<td>8,438,102</td>
<td>284,561</td>
<td>4.50</td>
<td>8,066,268</td>
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<td>Other liabilities (5)</td>
<td>230,432</td>
<td>173,669</td>
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<tr>
<td>Total liabilities</td>
<td>9,978,537</td>
<td>9,409,537</td>
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</tbody>
</table>
Stockholders' equity (5)                              $804,301                  $816,178  
         Total liabilities and stockholders' equity   $10,782,658              $10,225,715

Net interest income                                    $327,712                  $318,101
Net interest-rate spread                              3.65 %                    3.93 %
Net interest margin                                   4.36 %                    4.50 %

(1) Tax-exempt income was not significant and thus has not been presented on a tax equivalent basis. Tax-exempt income of $137,000 and $132,000 was recognized during the nine months ended September 30, 2000 and 1999, respectively.  
(2) Annualized.  
(3) Average balance and yield of securities available for sale is based upon the historical amortized cost.  
(4) Average balance of loans and leases includes non-accrual loans and leases, and is presented net of unearned income.  
(5) Average balance is based upon month-end balances.

PART II - OTHER INFORMATION

ITEM 1. LEGAL PROCEEDINGS.

From time to time, TCF is a party to legal proceedings arising out of its general lending and operating activities. Management, after review with its legal counsel, believes that the ultimate disposition of its current litigation will not have a material effect on TCF's financial condition. TCF is and expects to become engaged in a number of foreclosure proceedings and other collection actions as part of its loan collection activities. From time to time, borrowers have also brought actions against TCF, in some cases claiming substantial amounts of damages. There have been a considerable number of consumer class actions brought against banks and financial services companies and TCF is subject to the risk of such actions.

On November 2, 1993, TCF Minnesota filed a complaint in the United States Court of Federal Claims seeking monetary damages from the United States for breach of contract, taking of property without just compensation and deprivation of property without due process. TCF Minnesota's claim is based on the government's breach of contract in connection with TCF Minnesota's acquisitions of certain savings institutions prior to the enactment of the Financial Institutions Reform, Recovery and Enforcement Act of 1989 ("FIRREA"), which contracts allowed TCF Minnesota to treat the "supervisory goodwill" created by the acquisitions as an asset that could be counted toward regulatory capital, and provided for other favorable regulatory accounting treatment. The United States has not yet answered TCF Minnesota's complaint. TCF Minnesota's complaint involves approximately $80.3 million in supervisory goodwill.

In August 1995, TCF Michigan filed with the United States Court of Federal Claims a complaint seeking monetary damages from the United States for breach of contract, taking of property without just compensation and deprivation of property without due process. TCF Michigan's claim is based on the government's breach of contract in connection with TCF Michigan's acquisitions of certain savings institutions prior to the enactment of FIRREA in 1989, which contracts allowed TCF Michigan to treat the "supervisory goodwill" created by the acquisitions as an asset that could be counted toward regulatory capital, and provided for other favorable regulatory accounting treatment. The United States has not yet answered TCF Michigan's complaint. TCF Michigan's complaint involves approximately $87.3 million in supervisory goodwill.

On July 1, 1996, the United States Supreme Court issued a decision affirming the August 30, 1995 decision of the United States Court of Appeals for the Federal Circuit, which decision had affirmed the Court of Federal Claims' liability determinations in three other "supervisory goodwill" cases, consolidated for review under the title WINSTAR CORP. V. UNITED STATES, 116 S.Ct. 2432 (1996). In rejecting the United States' consolidated appeal from the Court of Federal Claims' decisions, the Supreme Court held in WINSTAR that the United States had breached contracts it had entered into with the plaintiffs which provided for the treatment of supervisory goodwill, created through the plaintiffs' acquisitions of failed or failing savings institutions, as an asset that could be counted toward regulatory capital. Two of the three cases consolidated in the Supreme Court proceedings have since been tried before the Court of Federal Claims on the issue of damages, and the third was settled without trial. In one of the cases that proceeded to a damages trial, GLENDALE FEDERAL BANK, FSB v. UNITED STATES, 43 Fed. Cl. 390 (1999), the Court of Federal Claims issued a decision on April 9, 1999, awarding the plaintiff in that case $908,948,000 in restitution and non-overlapping reliance damages. The GLENDALE damages decision
On December 22, 1997, the Court of Federal Claims issued a decision finding the existence of contracts and governmental breaches of those contracts in four other "supervisory goodwill" cases, consolidated for purposes of that decision only under the title CALIFORNIA FEDERAL BANK v. UNITED STATES, 39 Fed. Cl. 753 (1997). In reaching its decision, the Court of Federal Claims rejected a number of "common issue" defenses that the government has raised in a number of "supervisory goodwill" cases. In November 1998, the Court of Federal Claims issued another decision in the CALIFORNIA FEDERAL case prohibiting the plaintiff in that case from offering evidence as to a lost profits theory of damages. A two-month trial regarding the plaintiff's other damages theories in that case was concluded in early March 1999. On April 21, 1999, the Court of Federal Claims entered judgment for the plaintiff in CALIFORNIA FEDERAL, and awarded the plaintiff $22,966,523.42 in damages under a cost of replacement capital theory. CALIFORNIA FEDERAL BANK v. UNITED STATES, 43 Fed Cl. 445 (1999). On May 6, 1999, the Court denied plaintiff's motion for reconsideration of its damages decision in the CALIFORNIA FEDERAL case. The CALIFORNIA FEDERAL decision has been appealed to the United States Court of Appeals for the Federal Circuit.

The Court of Federal Claims has also issued damages decisions in several other "supervisory goodwill" cases. While the Court awarded the plaintiffs in some of these cases damages for the government's breach of "supervisory goodwill" contracts, the Court rejected certain of the plaintiffs' claims for damages, and awarded the plaintiffs only a portion of the damages they sought. Certain of these decisions are currently on appeal to the United States Court of Appeals for the Federal Circuit, and the Company expects the remaining decisions to be appealed as well. As noted, the Court of Federal Claims has held or is soon to hold trials in several other "supervisory goodwill" cases, and it is expected both that the Court will continue to issue additional decisions on both liability and damages issues and that most, if not all, of the Court's decisions in these cases will be appealed.

The government has indicated that it will have a number of affirmative defenses against goodwill litigation filed against it. The TCF Minnesota and TCF Michigan actions involve a variety of different types of transactions, contracts and contract provisions. There can be no assurance that the U.S. Supreme Court decision in WINSTAR or the Court of Federal Claims' recent decisions in GLENDALE, CALIFORNIA FEDERAL and other cases will mean that a similar result would be obtained in the actions filed by TCF Minnesota and TCF Michigan. There also can be no assurance that the government will be determined liable in connection with the loss of supervisory goodwill by either TCF Minnesota or TCF Michigan or, even if a determination favorable to TCF Minnesota or TCF Michigan is made on the issue of the government's liability, that a measure of damages will be employed that will permit any recovery on TCF Minnesota's or TCF Michigan's claim. Because of the complexity of the issues involved in both the liability and damages phases of this litigation, and the usual risks associated with litigation, the Company cannot predict the outcome of TCF Minnesota's or TCF Michigan's cases, and investors should not anticipate any recovery.

ITEM 2. CHANGES IN SECURITIES.
None.

ITEM 3. DEFAULTS UPON SENIOR SECURITIES.
None.

ITEM 4. SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS.
None.

ITEM 5. OTHER INFORMATION.
None.

ITEM 6. EXHIBITS AND REPORTS ON FORM 8-K.

(a) Exhibits.
See Index to Exhibits on page 31 of this report.

(b) Reports on Form 8-K.
A Current Report on Form 8-K, dated November 3, 2000, was filed furnishing certain investor presentation materials under Item 9 of Form 8-K.
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/ Neil W. Brown
-----------------------------
Neil W. Brown, Executive Vice President, Chief Financial Officer and Treasurer (Principal Financial Officer)

/s/ David M. Stautz
-----------------------------
David M. Stautz, Senior Vice President, Controller and Assistant Treasurer (Principal Accounting Officer)

Dated: November 13, 2000

TCF FINANCIAL CORPORATION AND SUBSIDIARIES

INDEX TO EXHIBITS FOR FORM 10-Q

<table>
<thead>
<tr>
<th>Exhibit Number</th>
<th>Description</th>
<th>Sequentially Numbered Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>4(a)</td>
<td>Copies of instruments with respect to long-term debt will be furnished to the Securities and Exchange Commission upon request.</td>
<td>N/A</td>
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<tr>
<td>10(g)</td>
<td>Change in Control Agreement dated September 12, 2000 as executed by Thomas A. Cusick, Lynn A. Nagorske, Gregory J. Pulles, Barry N. Winslow, Neil W. Brown, Earl D. Stratton, Mark L. Jeter, Michael B. Johnstone and Timothy P. Bailey.</td>
<td>(filed electronically)</td>
</tr>
<tr>
<td>11</td>
<td>Computation of Earnings Per Common Share</td>
<td></td>
</tr>
<tr>
<td>27</td>
<td>Financial Data Schedules</td>
<td>(filed electronically)</td>
</tr>
</tbody>
</table>

Section 2: EX-10.(G) (EXHIBIT 10.(G))
CHANGE IN CONTROL AGREEMENT

THIS AGREEMENT made and entered into as of September 12, 2000 between
TCF FINANCIAL CORPORATION, a Delaware Corporation (the "Company") and Thomas A.
Cusick (the "Executive").

R E C I T A L S:

WHEREAS, the Executive is now and has been Vice Chairman and Chief
Operating Officer of the Company;

WHEREAS, the Board of Directors of the Company believes it is
imperative to diminish the inevitable distraction of the Executive by virtue of
the personal uncertainties and risks created by any pending or threatened Change
in Control (as defined below) of the Company; and

WHEREAS, as a partial inducement for the Executive to contemporaneously
enter into a Nonsolicitation and Confidentiality Agreement with the Company, the
Company desires to provide the Executive with certain compensation and benefits
in the event a Change in Control of the Company occurs,

NOW, THEREFORE, in consideration of the mutual premises and agreements
set forth herein, the parties hereby agree as follows:

1. DEFINITIONS. As used in this Agreement, the following terms shall
have the following meanings:

(a) CAUSE. Termination of Executive's employment for "cause" shall be
deemed to have occurred if the Company follows the procedures set forth in this
paragraph and terminates Executive's employment on account of any one of the
following: (i) Executive has engaged in willful and recurring misconduct in not
following the legitimate directions of the Board of Directors of the Company;
(ii) Executive has been convicted of a felony and all appeals from such
conviction have been exhausted; (iii) Executive has engaged in habitual
drunkenness; (iv) Executive has been excessively absent from work which absence
is not related to disability, illness, sick leave or vacations; or (v) Executive
has engaged in continuous conflicts of interest between his personal interests
and the interests of the Company. If the Company proposes to terminate the
employment of the Executive for Cause, the Company shall give written notice to
the Executive specifying the reasons for such proposed determination with
particularity and, in the case of a termination for Cause under clause (i) of
this paragraph (including any breach of the provisions of paragraph 5 of this
Agreement), (iii) or (iv), the Executive shall have a reasonable opportunity to
correct any curable situation to the reasonable satisfaction of the Board of
Directors of the Company, which period shall be no less than thirty (30) days
from the Executive's receipt of the notice of proposed termination.

Notwithstanding the foregoing, the Executive's employment shall not be
terminated

(b) CHANGE IN CONTROL. A "Change in Control" shall be deemed to have occurred if, prior to the expiration of the term of this Agreement:

(i) any "person", as defined in sections 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 the Company representing
thirty percent (30%) or more of the combined voting power of the
Company's then outstanding securities;

(ii) during any period of two (2) consecutive years there
shall cease to be a majority of the Board comprised as follows:
individuals who at the beginning of such period constitute the Board of
new directors whose nomination for election by the Company's
shareholders was approved by a vote of at least two-thirds (2/3) of the
directors then in office who either were directors at the
beginning of the period or whose election or nomination for election

1
was previously so approved; or

(iii) the shareholders of the Company approve a merger or consolidation of the Company with any other corporation, other than a merger or consolidation which would result in the voting securities of the Company 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 the Company or such surviving entity outstanding immediately after such merger or consolidation, or the business of the company approves a plan of complete liquidation of the Company or an agreement for the sale or disposition by the Company of all or substantially all the Company'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.

(c) GOOD REASON. By following the procedure set forth in this paragraph, the executive shall have the right to terminate the Executive's employment with the company for "Good Reason" in the event (i) the executive is not at all times the same duly elected officer of the Company that Executive was immediately prior to the change in control; (ii) there is any material reduction in the scope of the Executive's authority and responsibility (provided, however, in the event of any illness or injury which disables the Executive from performing the Executive's duties, the Company may reassign the Executive's duties to one or more other employees until the Executive is able to perform such duties); (iii) a reduction in the Executive's Base Salary, an amendment to any stock incentive plan, pension plan or supplemental employee retirement plan applicable to the Executive which is materially adverse to the Executive, or a material reduction in the other benefits to which the Executive was entitled prior to the Change in Control; (iv) the Company requires the Executive's principal place of employment to be anywhere other than where it was immediately prior to the change in control, or there is a relocation of the Company's principal executive offices from where the were immediately prior to the change in control; or (v) the Company otherwise fails to perform its obligations under this Agreement. If the Executive proposes to terminate his employment for Good Reason under this paragraph, the Executive shall give written notice to the Company, specifying the reason therefor with particularity. In the event the Executive proposes to terminate his employment for Good Reason under clause (i), (ii), (iii) or (iv) in this paragraph, the termination shall be effective on the date of such notice. In the event the Executive proposes to terminate his employment for Good Reason under clause (v) in this paragraph, the Company will have an opportunity to correct any curable situation to the reasonable satisfaction of the Executive within the period of time specified in the notice which shall not be less than thirty (30) days. If such correction is not so made or the circumstances or situation is such that it is not curable, the Executive may, within thirty (30) days after the expiration of the time so fixed within which to correct such situation, give written notice to the Company that his employment is terminated for Good Reason effective forthwith.

(d) TERMINATION DATE. "Termination Date" means the date on which the Executive's employment with the Company is terminated.

2. TERMINATION UPON CHANGE IN CONTROL. The Executive shall be entitled to the following severance benefits (which benefits in each case are referred to as the "Termination Payments") if a Change in Control occurs and (i) the Executive terminates his employment for any reason by giving the Company notice within the 30-day period immediately preceding the first anniversary of the closing date of the Change in Control or (ii) within twenty-four (24) months after the occurrence of such Change in Control: (A) the Executive terminates employment for Good Reason, or (B) the Executive's employment is terminated by the Company without Cause:

(a) BASE SALARY. The Company shall pay the Executive a lump sum cash payment, no later than thirty (30) days after the date on which his employment terminates, in an amount equal to the Executive's base salary multiplied by two (2). For this purpose, "base salary" means the Executive’s annual salary rate at the time of employment termination or just prior to the Change in Control, whichever is higher.

(b) ANNUAL BONUS. If the Termination Date (as defined below) occurs before the annual bonus for any preceding calendar year has been paid, the Company shall pay to the Executive the amount of the Executive's annual bonus for such preceding calendar year as soon as it is determinable. In addition, not later than thirty (30) days after the date on which the Executive's employment terminates, the Company shall pay the Executive a lump sum cash payment equal to the average of the annual bonus paid or payable to the Executive in respect of the three calendar years immediately preceding the year in which the Change in Control occurred multiplied by two (2).
(c) [Reserved]

(d) STOCK INCENTIVES. Not later than thirty (30) days after the date on which the Executive's employment terminates, the Company shall pay the Executive a lump sum cash payment equal to the sum of:

(i) the amount by which the fair market value (determined as of the Termination Date) of the number of shares of stock subject to any stock option which is forfeited or which otherwise becomes nonexercisable by the Executive by reason of his termination of employment exceeds the option price for such shares;

(ii) such additional amounts (or the fair market value of such additional property) in excess of the amount determined pursuant to paragraph 1(d)(i) that would have been paid or distributed to the Executive upon his exercise of any such forfeited stock options, had such options been exercisable, and exercised, by the Executive as of the Termination Date;

(iii) an amount equal to the fair market value (determined as of the Termination Date) of any shares of restricted stock forfeited by the Executive by reason of his termination of employment; and

(iv) an amount equal to the amount that the Executive would have received if any stock appreciation right which is forfeited or which otherwise becomes nonexercisable by the Executive by reason of his termination of employment had been exercisable, and exercised, by the Executive as of the Termination Date.

It is understood and agreed that the payments under this paragraph 2(d) are to occur only to the extent Executive is not entitled to exercise his options or stock appreciation rights, or to retain or receive his restricted stock, after the termination of his employment under the provisions of Executive's stock option, restricted stock, or stock appreciation rights agreements. The provisions of this paragraph 2(d) shall not apply to any restricted stock grants under any agreement with the Company in the event a "Change in Control" shall have occurred within the meaning of any such agreement and as a result the Executive's stock grant has vested under the terms of such agreement.

3. CERTAIN ADDITIONAL PAYMENTS BY THE COMPANY.

(a) GROSS-UP PAYMENT. Anything to the contrary notwithstanding, in the event it shall be determined that any payment, distribution or benefit made or provided by the Company to or for the benefit of the Executive (whether pursuant to this Agreement or otherwise) (a "Payment"), would be subject to the excise tax imposed by Section 4999 of the Internal Revenue Code of 1986, as amended, (the "Code") or any interest or penalties with respect to such excise tax (such excise tax, together with any such interest and penalties, are collectively referred to as the "Excise Tax"), then the Company shall pay the Executive in cash an amount (the "Gross-Up Payment") such that after payment by the Executive of all taxes (including any interest or penalties imposed with respect to such taxes), including but not limited to income taxes (and any interest and penalties imposed with respect thereto) and the Excise Tax, imposed upon the Gross-Up Payment, the Executive retains an amount of the Gross-up Payment equal to the Excise Tax imposed on the Payments.

(b) DETERMINATION OF GROSS-UP PAYMENT. Subject to paragraph 3(c) below, all determinations required to be made under this paragraph 2, including whether a Gross-Up Payment is required and the amount of the Gross-Up Payment, shall be made by the firm of independent public accountants selected by the Company to audit its financial statements for the year immediately preceding the Change in Control (the "Accounting Firm") which shall provide detailed supporting calculations to the Company and the Executive within thirty (30) days after the Termination Date. In the event that the Accounting Firm is serving as accountant or auditor for the individual, entity or group effecting the Change in Control, the Executive shall appoint another nationally recognized accounting firm to make the determinations required under this paragraph 3 (which accounting firm shall then be referred to as the "Accounting Firm"). All fees and expenses of the Accounting Firm in connection with the work it performs pursuant to this paragraph 3 shall be promptly paid by the Company. An Gross-Up Payment (as determined pursuant to this paragraph 3) shall be paid by the Company to the Executive within five (5) days of the receipt of the Accounting Firm's determination. If the Accounting Firm determines that no Excise Tax is payable by the Executive, it shall furnish the Executive with a written opinion that failure to report the Excise Tax on the Executive's applicable federal income tax return would not result in the imposition of a negligence or a similar penalty. Any determination by the Accounting Firm shall be binding upon the
Company and the Executive. As a result of the uncertainty in the application of Section 4999 of the Code at the time of the initial determination by the Accounting Firm, it is possible that Gross-up Payments which will not have been made by the Company should have been made ("Underpayment"). In the event that the Company exhausts its remedies pursuant to paragraph 3(c) below, and the Executive is thereafter required to make a payment of Excise Tax, the Accounting Firm shall promptly determine the amount of the Underpayment that has occurred and any such Underpayment shall be paid by the Company to the Executive within five (5) days after such determination.

(c) CONTEST. The Executive shall notify the Company in writing of any claim made by the Internal Revenue Service that, if successful, would require the Company to pay a Gross-Up Payment. Such notification shall be given as soon as practicable but no later than ten (10) business days after the Executive knows of such claim and shall apprise the Company of the nature of such claim and the date on which such claim is requested to be paid. The Executive shall not pay such claim prior to the expiration of the thirty (30) day period following the date on which it gives such notice to the Company (or such shorter period ending on the date that any payment of taxes with respect to such claim is due). If the Company notifies the Executive in writing prior to the expiration of such period that it desires to contest such claim, the Employee shall:

(i) give the Company any information reasonably requested by the Company relating to such claim;

(ii) take such action in connection with contesting such claim as the Company shall reasonably request in writing from time to time, without limitation, accepting legal representation with respect to such claim by an attorney selected by the Company and reasonably acceptable to the Executive;

(iii) cooperate with the Company in good faith in order effectively to contest such claim;

(iv) permit the Company to participate in any proceedings relating to such claim; provided, however, that the Company shall bear and pay directly all costs and expenses (including additional interest and penalties) incurred in connection with such contest and shall indemnify and hold the Executive harmless, on an after-tax basis, for any Excise Tax or income tax, including interest and penalties with respect thereto, imposed as a result of such representation and payment of costs and expenses. Without limitation on the foregoing provisions of this paragraph 3(c), the Company shall control all proceedings taken in connection with such contest and, at its sole option, may pursue or forego any and all administrative appeals, proceedings, hearings and conferences with the taxing authority in respect of such claim and may, at its sole option, either direct the Executive to pay the tax claimed and sue for a refund or contest the claim in any permissible manner, and the Executive agrees to prosecute such contest to a determination before any administrative tribunal, in a court of initial jurisdiction and in one or more appellate courts, as the Company shall determine; provided, however, that if the Company directs the Executive to pay such claim and sue for a refund, the Company shall advance the amount of such payment to the Executive, on an interest-free basis, from any Excise Tax or income tax, including interest or penalties with respect thereto, imposed with respect to such advance or with respect to any imputed income with respect to such advance; and further provided that any extension of the statute of limitations relating to payment of taxes for the taxable year of the Executive with respect to which such contested amount is claimed to be due is limited solely to such contested amount. Furthermore, the Company’s control of the contest shall be limited to issues with respect to which a Gross-up Payment would be payable hereunder and the Executive shall be entitled to settle or contest, as the case may be, any other issue raised by the Internal Revenue Service or any other taxing authority.

(d) If, after the receipt by the Executive of an amount advanced by the Company pursuant to paragraph 3(c), the Executive becomes entitled to receive any refund with respect to such claim, the Executive shall (subject to the Company’s complying with the requirements of paragraph 3(c)) promptly pay to the Company the amount of such refund (together with any interest paid or credited thereon after taxes applicable thereto). If, after the receipt by the Executive of an amount advanced by the Company pursuant to paragraph 3(c), a determination is made that the Executive shall not be entitled to any refund with respect to such claim and the Company does not notify the Executive in writing of its intent to contest such denial of refund prior to the expiration of thirty (30) days after such determination, then such advance shall be forgiven and shall not be required to be repaid and the amount of such advance shall offset, to the extent thereof, the amount of Gross-Up Payment required to be paid.
4. BENEFITS IN LIEU OF SEVERANCE PAY POLICY. The severance benefits provided for in paragraph 2 are in lieu of any benefits that would otherwise be provided to the Executive under the Company’s severance pay policy and the Executive shall not be entitled to any benefits under the Company’s severance pay policy.

5. RIGHTS IN THE EVENT OF DISPUTE. In the event of a dispute between the Company and the Executive regarding this Agreement, it is the intention of this Agreement that the dispute shall be resolved expeditiously as possible, consistent with fairness to both sides, and that during pendency of the dispute the Executive and the Company shall be on equal footing, as follows:

(a) ARBITRATION. Any claim or dispute relating to the terms and performance of this Agreement, shall be resolved by binding private arbitration before three arbitrators and any award rendered by any arbitration panel, or a majority thereof, may be filed and a judgment obtained in any court having jurisdiction over the parties unless the relief granted in the award is delivered within ten (10) days of the award. Either party may request arbitration by written notice to the other party. Within thirty (30) days of receipt of such notice by the opposing party, each party shall appoint a disinterested arbitrator and the two arbitrators selected thereby shall appoint a third neutral arbitrator; in the event the two arbitrators cannot agree upon the third arbitrator within then (10) days after their appointment, then the neutral arbitrator shall be appointed by the Chief Judge of Hennepin County (Minnesota) District Court. Any arbitration proceeding conducted hereunder shall be in the City of Minneapolis and shall follow the procedures set forth in the Rules of Commercial Arbitration of the American Arbitration Association, and both sides shall cooperate in as expeditious a resolution of the proceeding as is reasonable under the circumstances. The arbitration panel shall have the power to enter any relief it deems fair and just on any claim, including interim and final equitable relief, along with any procedural order that is reasonable under the circumstances.

(b) EXPENSES OF PROSECUTION/DEFENSE OF CLAIM. During the pendency of a dispute between the Company and the Executive relating to the terms or performance of this Agreement, the Company shall promptly pay the Executive’s reasonable expenses of representation upon delivery of periodic billings for same, provided that (i) Executive (or a person claiming on his behalf) shall promptly repay all amounts paid hereunder at the conclusion of the dispute if the resolution thereof includes a finding that the Executive did not act in good faith in the matter in dispute or in the dispute proceeding itself, and (ii) no claim for expenses of representation shall be submitted by the Executive or any person acting on his behalf unless made in writing to the Board of Directors within one year of the performance of the services for which such claim is made.

6. OTHER BENEFITS. The benefits provided under this Agreement shall, except to the extent otherwise specifically provided herein, be in addition to, and not in derogation or diminution of, any benefits that Executive or his beneficiary may be entitled to receive under any other plan or program now or hereafter maintained by the Company, or its subsidiaries.

7. SUCCESSORS. The Company shall require any successor (whether direct or indirect, by purchase, merger, consolidation, or otherwise) to all or substantially all of the business and/or assets of the Company, to expressly assume and agree to perform its obligations under this Agreement in the same manner and to the same extent that the Company would be required to perform them if no succession had taken place unless, in the opinion of legal counsel mutually acceptable to the Company and the Executive, such obligations have been assumed by the successor as a matter of law. The Executive's rights under this Agreement shall inure to the benefit of, and shall be enforceable by, the Executive's legal representative or other successors in interest, but shall not otherwise be assignable or transferable.

8. SEVERABILITY. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions or applications of this Agreement which can be given effect without the invalid or unenforceable provision or application.

9. SURVIVAL. The rights and obligations of the parties pursuant to this Agreement shall survive the termination of the Executive’s employment with the Company to the extent that any performance is required hereunder after such termination.

10. NOTICES. All notices under this Agreement shall be in writing and shall be deemed effective when delivered in person (in the Company's case, to its Secretary) or 48 hours after deposit thereof in the U.S. mails, postage
11. TERM. The term of this Agreement shall commence on the date it is signed and shall continue through January 1, 2008, provided that in the event Executive’s Year 2000 Stock Grant becomes fully vested prior to January 1, 2008 (other than due to a change in control) this Agreement shall terminate on the date on which such full vesting occurs.

12. AMENDMENTS AND CONSTRUCTION. This Agreement may only be amended in a writing signed by the parties hereto. This Agreement shall be construed under the laws of the State of Minnesota. Paragraph headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

13. NO GUARANTEE OF EMPLOYMENT; PRIOR SEVERANCE CONTRACT SUPERCEDED. This Agreement shall not be construed as any guarantee or obligation of continuing employment on the part of the Company or Executive. Executive’s employment remains at will. This Agreement supersedes and replaces any prior Change in Control contract or severance contract between Company and Executive.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first written above.

TCF FINANCIAL CORPORATION

ATTEST:

By ______________________________

Its ______________________________

Vice Chairman, General Counsel
and Secretary

WITNESS:

__________________________________

Thomas A. Cusick

Section 3: EX-10.(I) (EXHIBIT 10.(I))

EXHIBIT 10(i) NONSOLICITATION AND CONFIDENTIALITY AGREEMENT.

THIS AGREEMENT made and entered into as of September 12, 2000 between TCF FINANCIAL CORPORATION, a Delaware Corporation (the “Company”) and Thomas A. Cusick (the “Executive”).

RECITALS:

WHEREAS, the Executive is now and has been Vice Chairman and Chief Operating Officer of the Company;

WHEREAS, as a partial inducement for the Executive to enter into a Nonsolicitation Agreement with the Company, the Company is separately providing the Executive with certain compensation and benefits in the event a Change in Control of the Company occurs pursuant to a Change in Control Agreement executed contemporaneously with this Agreement, and

WHEREAS, Executive desires to obtain the rights and benefits of the Change in Control Agreement as well as the other compensation, benefits and remuneration to which Executive has been and/or will become entitled as a consequence of his ongoing employment with the Company;

NOW, THEREFORE, in exchange for the above-recited consideration and other good and valuable consideration, Executive hereby agrees as follows:

1. Executive agrees that for the duration of his employment with the Company or
any of its affiliates and for a period of one year after Executive's termination of employment, Executive will not: (a) solicit, attempt to solicit or hire any of the Company's employees for employment with or to provide services or financing to another bank, financial services company, lending company, leasing company or other corporation, person, or other entity providing the same or similar products or services as provided by the Company (a "potential competitor"), or (b) solicit or attempt to solicit any of the Company's customers for any such potential competitor; and Executive will not assist any other person in doing so. Executive further agrees to keep confidential any information obtained through Executive's employment with the Company relating to Company strategies, business plans or other information not otherwise publicly known. This Nonsolicitation provision does not apply, however, in the event the Company terminates Executive's employment without Cause (as defined in the Change in Control Agreement).

2. TERM. The term of this Agreement shall commence on the date it is signed and shall continue through January 1, 2008, provided that in the event Executive's Year 2000 Stock Grant becomes fully vested prior to January 1, 2008 (other than due to a change in control) this Agreement shall terminate on the date on which such full vesting occurs.

3. SURVIVAL. Notwithstanding the termination of this Agreement, Executive's obligations under paragraph 1 shall remain in full force and effect if Executive's termination of employment occurs before the termination of this Agreement.

4. SEVERABILITY. If any provision of this Agreement or the application thereof is held invalid or unenforceable, the invalidity or unenforceability thereof shall not affect any other provisions or applications of this Agreement which can be given effect without the invalid or unenforceable provision or application.

5. SPECIFIC ENFORCEMENT. Executive understands and agrees that a breach by Executive of any provision of this Agreement may cause the Company irreparable injury and damage, which cannot be compensated by receipt of money damages. Executive, therefore, expressly agrees that the Company shall be entitled, in addition to any other remedies legally available, to injunctive and/or other equitable relief to prevent a breach of this Agreement or any part hereof.

6. NOTICES. All notices under this Agreement shall be in writing and shall be deemed effective when delivered in person (in the Company's case, to its Secretary) or 48 hours after deposit thereof in the U.S. mails, postage prepaid, addressed, in the case of the Executive, to his last known address as carried on the personnel records of the Company and, in the case of the Company, to the corporate headquarters, attention of the Secretary, or to such other address as the party to be notified may specify by written notice to the other party.

7. AMENDMENTS AND CONSTRUCTION. This Agreement may only be amended in a writing signed by the parties hereto. This Agreement shall be construed under the laws of the State of Minnesota. Paragraph headings are for convenience only and shall not be considered a part of the terms and provisions of the Agreement.

8. NO GUARANTEE OF EMPLOYMENT. This Agreement shall not be construed as any guarantee or obligation of continuing employment on the part of the Company or Executive. Executive's employment remains at will.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as of the day and year first written above.

TCF FINANCIAL CORPORATION

ATTEST:
By ----------------------------------
Its ----------------------------------

Vice Chairman, General Counsel
and Secretary

WITNESS:
----------------------------------
Thomas A. Cusick
### Exhibit 11 - Computation of Earnings Per Common Share

**TCF FINANCIAL CORPORATION AND SUBSIDIARIES**

Computation of Earnings Per Common Share  
(Dollars in thousands, except per-share data)  
(Unaudited)

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<tr>
<th>Computations of Basic Earnings Per Common Share for Statement of Operations:</th>
<th>Three Months Ended September 30,</th>
<th>Nine Months Ended September 30,</th>
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<td>Net income</td>
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<td>$42,760</td>
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<tr>
<td>Weighted average common shares outstanding</td>
<td>78,212,563</td>
<td>82,069,575</td>
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<td>Basic earnings per common share</td>
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**Computation of Diluted Earnings Per Common Share for Statements of Operations:**

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<tr>
<th></th>
<th>Three Months Ended September 30,</th>
<th>Nine Months Ended September 30,</th>
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<tbody>
<tr>
<td>Net income</td>
<td>$46,697</td>
<td>$42,760</td>
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<td>Weighted average number of common shares outstanding adjusted for effect of dilutive securities:</td>
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<tr>
<td>Weighted average common shares outstanding used in basic earnings per common share calculation</td>
<td>78,212,563</td>
<td>82,069,575</td>
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<td>Net dilutive effect of:</td>
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<td>Diluted earnings per common share</td>
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### Section 5: EX-27 (EXHIBIT 27)

This schedule contains summary financial information extracted from the third quarter 2000 10-Q and is qualified in its entirety by reference to such financial statements.

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