

## Condensed Statements of Cash Flows

|   | Year Ended December 31, |            |            |
|---|-------------------------|------------|------------|
| (In thousands)  | 2002                    | 2001       | 2000       |
| Cash flows from operating activities:   |                         |            |            |
| Net income . . . . .  | \$ 232,931              | \$ 207,322 | \$ 186,245 |
| Adjustments to reconcile net income to net cash provided by operating activities: |                         |            |            |
| Equity in undistributed earnings of subsidiaries . . . . .                        | (26,425)                | (1,271)    | 24,014     |
| Other, net . . . . .  | 5,323                   | 5,381      | 13,381     |
| Total adjustments . . . . .   | (21,102)                | 4,110      | 37,395     |
| Net cash provided by operating activities . . . . .                               | 211,829                 | 211,432    | 223,640    |
| Cash flows from investing activities:   |                         |            |            |
| Net (increase) decrease in interest-bearing deposits with banks . . . . .         | 861                     | 21,339     | (21,357)   |
| Investments in subsidiaries, net . . . . .  | —                       | (6,000)    | —          |
| Loan to deferred compensation plans, net . . . . .                                | 9,783                   | (4,646)    | (416)      |
| Purchases of premises and equipment, net . . . . .                                | (112)                   | (273)      | (4,300)    |
| Other, net . . . . .  | —                       | —          | 525        |
| Net cash provided (used) by investing activities . . . . .                        | 10,532                  | 10,420     | (25,548)   |
| Cash flows from financing activities:   |                         |            |            |
| Dividends paid on common stock . . . . .  | (86,430)                | (77,473)   | (66,101)   |
| Purchases of common stock . . . . .   | (148,030)               | (148,043)  | (73,824)   |
| Net increase (decrease) in short-term borrowings . . . . .                        | 11,500                  | 2,000      | (64,357)   |
| Other, net . . . . .  | 914                     | 1,510      | 5,708      |
| Net cash used by financing activities . . . . .                                   | (222,046)               | (222,006)  | (198,574)  |
| Net increase (decrease) in cash . . . . .   | 315                     | (154)      | (482)      |
| Cash at beginning of year . . . . .   | 37                      | 191        | 673        |
| Cash at end of year . . . . .   | \$ 352                  | \$ 37      | \$ 191     |

Effective January 1, 2001, certain company-wide functions previously included in the parent company transferred, with related assets and liabilities, to TCF National Bank.

## 28. *Litigation and Contingent Liabilities*

From time to time, TCF is a party to legal proceedings arising out of its lending, leasing, deposit operations or other activities. TCF engages in foreclosure proceedings and other collection actions as part of its loan and leasing collection activities. From time to time, borrowers and other customers have also brought actions against TCF, in some cases claiming substantial amounts of damages. Some financial

services companies have been subjected to significant exposure in connection with litigation, including class action litigation and punitive damage claims, and it is possible that the Company could be subjected to such a claim in an amount which could be material. Based upon a review with its legal counsel, management believes that the ultimate disposition of pending litigation will not have a material effect on TCF's financial condition.