TCF FINANCIAL CORPORATION

2003 Annual Report

INVESTING IN THE FUTURE

CORPORATE PROFILE

TCF Financial Corporation is a Wayzata, Minnesota-based national financial holding company with $11.3 billion in assets. TCF has more than 400 banking offices in Minnesota, Illinois, Michigan, Wisconsin, Colorado and Indiana. Other TCF affiliates provide leasing and equipment finance, mortgage banking, brokerage, and investments and insurance sales.

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INVESTING IN THE FUTURE

ABOUT THE COVER *A frame has been placed around the artwork that appeared on last year's annual report cover. We chose to repeat this symbolic picture to emphasize TCF's long-term strategy of "Investing in the Future." We continue to plant the seeds of growth by investing in new banking facilities and convenient products and services. These investments may reduce our profits in the short term, but they are proven providers of long-term growth and profitability. Like an orchard, TCF is subject to changes in the environment – this year's unprecedented 40-year low interest rates, a slow economy and changing laws and regulations had an adverse impact on the banking industry. TCF was no exception; however, we have confidence in our proven strategies and the patience to continue investing for the future. Like apple trees in an orchard, we expect our long-term growth strategy to bear fruit for many, many years.*

(Dollars in thousands, except per-share data)	At or For the Year Ended December 31, 2003	2002	% Change
Operating Results:			
Interest income	$ 641,519	$ 733,363	(12.5)%
Interest expense	160,374	234,138	(31.5)
Net interest income	481,145	499,225	(3.6)
Provision for credit losses	12,532	22,006	(43.1)
Net interest income after provision for credit losses	468,613	477,219	(1.8)
Non-interest income:			
Fees and other revenue	430,792	406,264	6.0
Gains on sales of securities available for sale	32,832	11,536	184.6
Gains (losses) on termination of debt	(44,345)	–	(100.0)
Gains on sales of branches	–	1,962	(100.0)
Total non-interest income	419,279	419,762	(.1)
Non-interest expense	560,109	539,289	3.9
Income before income tax expense	327,783	357,692	(8.4)
Income tax expense	111,905	124,761	(10.3)
Net income	$ 215,878	$ 232,931	(7.3)
Per Common Share Information:			
Basic earnings	$ 3.06	$ 3.17	(3.5)
Diluted earnings	3.05	3.15	(3.2)
Dividends declared	1.30	1.15	13.0
Stock price:			
High	54.25	54.60	
Low	36.50	35.10	
Close	51.35	43.69	17.5
Book value	13.07	13.23	(1.2)
Price to book value	393%	330%	19.1
Financial Ratios:			
Return on average assets	1.85%	2.01 %	(8.0)
Return on average common equity	23.05	25.38	(9.2)
Net interest margin	4.54	4.71	(3.6)
Total equity to total assets at year end	8.14	8.01	1.6

(Dollars in thousands)	At December 31, 2003	2002	% Change
Selected Balance Sheet Data:			
Securities available for sale	$ 1,533,288	$ 2,426,794	(36.8)%
Residential real estate loans	1,212,643	1,800,344	(32.6)
Subtotal	2,745,931	4,227,138	(35.0)
Loans and leases excluding residential real estate loans	7,135,135	6,320,784	12.9
Goodwill	145,462	145,462	–
Mortgage servicing rights	52,036	62,644	(16.9)
Total assets	11,319,015	12,202,069	(7.2)
Checking, savings and money market deposits	5,999,626	5,791,233	3.6
Certificates of deposit	1,612,123	1,918,755	(16.0)
Total deposits	7,611,749	7,709,988	(1.3)
Short-term borrowings	878,412	842,051	4.3
Long-term borrowings	1,536,413	2,268,244	(32.3)
Stockholders' equity	920,858	977,020	(5.7)
Common shares outstanding	70,476,330	73,855,886	(4.6)

"Our new branches are like seeds planted in an orchard. We plant them strategically, tend to them carefully and patiently as they grow, and harvest the rewards of our investment as they mature."

William A. Cooper,
Chairman of the Board and CEO

DEAR SHAREHOLDERS:

2003 was a very challenging year for TCF and a time of great change for the banking industry. While TCF responded to each of these challenges and remained a high performing financial institution; quite frankly, we did not meet our 2003 earnings per share growth expectations.

Summarizing the year:

- TCF earned $215.9 million in 2003 compared to $232.9 million in 2002. A decline of 7.3 percent.
- Diluted earnings per share (EPS) were $3.05 for 2003 compared to $3.15 for 2002. A decline of 3.2 percent.
- During 2003, TCF prepaid $954 million of high cost fixed rate borrowings at an after-tax cost of $29.2 million or $.41 EPS.
- TCF's 2003 return on average assets (ROA) and return on average equity (ROE) remained at very high industry levels of 1.85 percent and 23.05 percent, respectively.
- Despite these disappointing results and perhaps due to the investment community's recognition of the growth of TCF core businesses, TCF's stock price closed at $51.35 per share at December 31, 2003, up 17.5 percent from $43.69 per share at year-end 2002. Our annualized total return to investors over the past ten years was over 22 percent. Our dividend increased from $1.15 per share in 2002 to $1.30 per share in 2003. In 2004, our dividend increased again and will be $1.50 per share. We are proud that TCF has a ten-year compounded dividend growth rate of 22.4 percent, the highest ten-year growth rate of the 50 largest banks in the country.

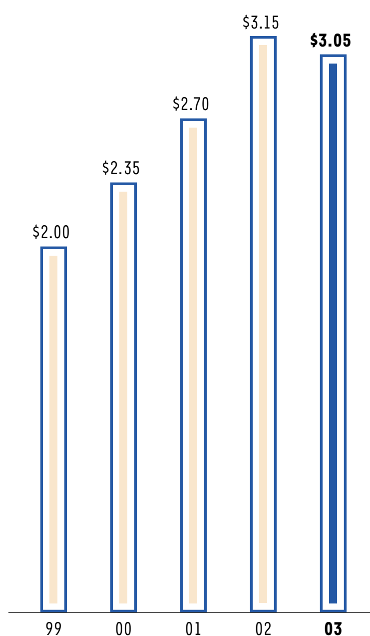
There are several significant factors which inhibited TCF's EPS growth in 2003. While some of these factors were not our fault, all of them are our responsibility.

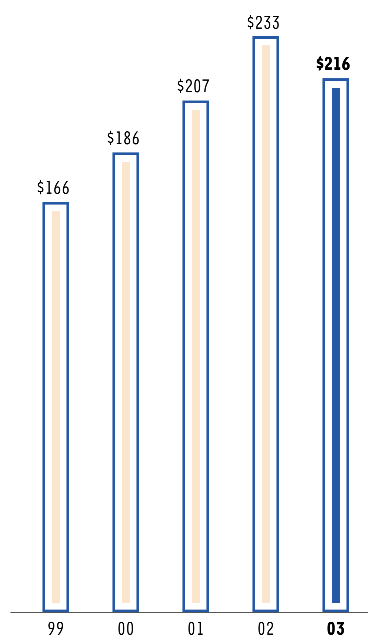
1. A major negative impact on TCF in 2003 was the unanticipated 40-year lows experienced in interest rates. Due to these historically low rates, TCF experienced extraordinary and unprecedented levels of prepayments. Residential loans, home equity loans, commercial real estate loans and mortgage-backed securities prepaid or refinanced at unforeseen record levels. Residential loans and mortgage-backed securities shrank $1.5 billion in total during the year. We chose not to replace this runoff with low-yielding, long-term fixed rate assets. Although this decision had a negative impact on our net interest income, we believe this decision was in the best long-term interest of TCF.

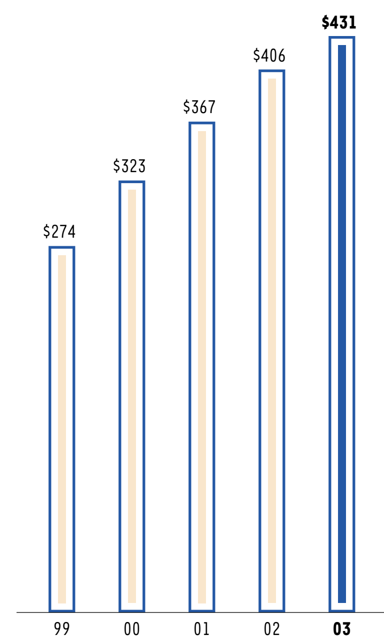
2. As a result of the refinancing boom experienced in 2003, loan yields fell faster and further than we could reduce our cost of funds, lowering our net interest margin to 4.54 percent, compared to 4.71 percent in 2002.

   Because of TCF's high percentage of low cost core deposits and the fixed rate longer maturity nature of our borrowings, TCF was unable to lower the cost of funds to the same degree as the reduction of the yield on earning assets. TCF's cost of borrowings was 4.08 percent in 2003, as compared to 4.87 percent in 2002. In hindsight, more of our borrowings should have been variable rate.

   The weighted average rate of TCF's deposits was .53 percent at December 31, 2003. This rate is one of the lowest in the country and results from TCF's large base of checking and savings deposits. Most of TCF's checking accounts do not pay any interest so the rate cannot be changed.





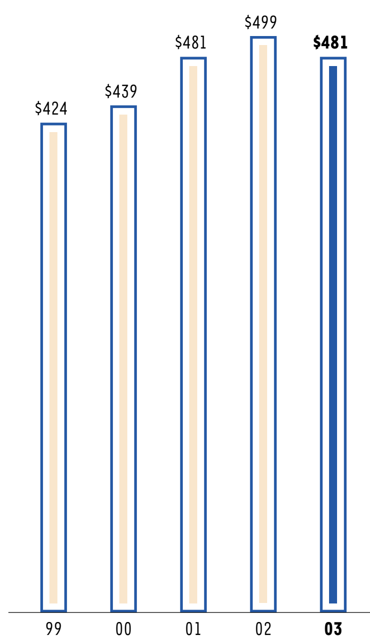


3. Recognizing that the assets financed by our borrowings had run-off, we prepaid $954 million of high cost fixed-rate borrowings at a cost of $44.3 million ($.41 EPS). This action hurt 2003 earnings but allowed us to reduce our cost of funds in future periods.
4. Over 50 percent of TCF's $5 billion mortgage servicing portfolio prepaid in 2003, resulting in amortization and provision for impairment expense of $44.8 million in 2003. Increased gains on sales of mortgage loans and mortgage-backed securities offset this expense.
5. The unplanned VISA® debit card litigation settlement reduced TCF's interchange revenues by approximately $6 million in 2003. Although TCF was not a party to this litigation, the settlement adversely impacted our results.

POWER ASSETS® and POWER LIABILITIES® On a more positive note, TCF experienced strong growth in its core businesses in 2003. Power Assets grew $814.4 million, or 13 percent, despite the economic uncertainties present in 2003. TCF's consumer loans increased $624.5 million, or 21 percent. Commercial loans increased $68.5 million, or three percent. Leasing and Equipment Finance increased $121.4 million, or 12 percent. All of these areas are well poised for future growth in 2004.

Net Interest Income

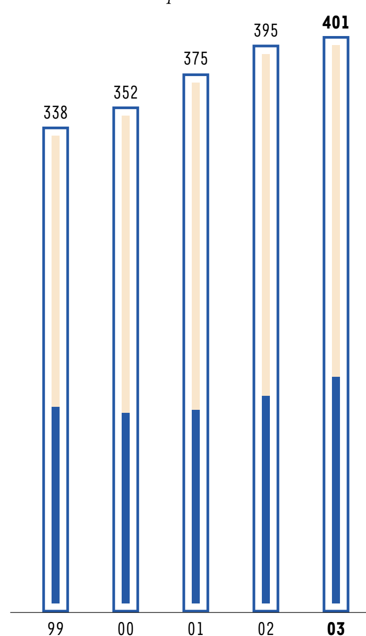
(millions of dollars)



Retail Distribution Growth

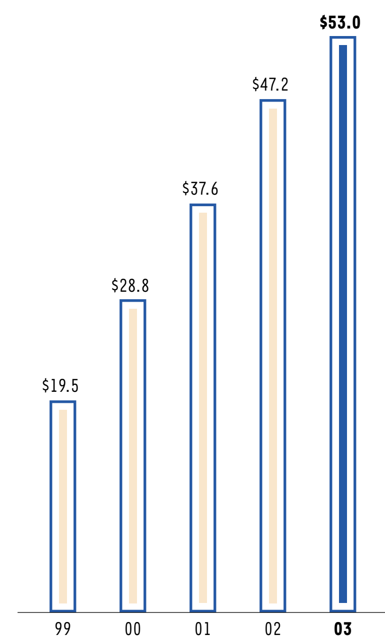
(number of branches)

Traditional *Supermarket*



***TCF Check Card* Interchange Revenue**

(millions of dollars)



Average balances for TCF's core deposits increased $742.7 million in 2003, or 14 percent. Certificates of Deposits continued to decline in 2003, as other lower-cost funding sources were available to TCF.

The number of checking accounts grew by 106,000 accounts (eight percent) and totaled 1,443,821 accounts at year end.

Credit Quality Credit Quality improved in 2003 and continues to remain strong. The provision for losses was $12.5 million in 2003, a $9.5 million reduction from 2002. Net charge-offs in 2003 were $12.9 million, or only .16 percent of loans, a very low rate.

Our emphasis on secured lending proved itself once again as TCF weathered the economic recession. Since we earn a large portion of our profits from deposits, we don't need to take big credit risks.

New Branch Expansion A good portion of TCF's growth comes from our new branch expansion. According to the *American Banker*, TCF ranked fourth largest in new branch growth between 1999 and 2003. Our new branches are like seeds planted in an orchard. We plant them strategically, tend to them carefully and patiently as they grow, and harvest the rewards of our investment as they mature. While de novo expansion has been unusual until recently in the banking industry, most successful retailers such as Wal-Mart®, Target®, and our supermarket partners, Cub® Foods and Jewel-Osco®, grow through de novo expansion. This strategy has provided TCF an ever-growing customer base with a very low cost of funds.

New branch expansion continued in 2003 with 14 new traditional branches and five new supermarket branches. New branches we have opened since 1998 now have $1.2 billion in deposits and 480,000 checking accounts. New checking account net growth in new branches is about 21 percent. We continue to work to improve these results.

While supermarket branches have superior returns, they are also becoming more risky. The supermarket industry is being challenged by Wal-Mart and others. Union problems and labor strikes are appearing. A supermarket industry shakeout appears to be in progress. We closed some 12 supermarket branches in Michigan, Colorado and Wisconsin in 2003 as a result of our supermarket partners' store closings. For these reasons, and due to the slower growth of new supermarket stores by our supermarket partners, more of our expansion in the future will be in traditional branches. We believe TCF has the ability to grow in every market it serves.

The cost of this new branch expansion flows through the income statement faster than the dilution created through an acquisition, but is ultimately more profitable. We believe we can bring these new branches to profitability quickly enough that expansion is a better use of our capital than paying the high premiums of an acquisition. The internal rate of return on expansion is one of the "hurdle rates" we use to measure acquisitions. Although we would not rule out an acquisition in the future, we believe the de novo strategy is best for us right now. Our new branch expansion strategy has been focused and clear. We plan to stick to this approach in 2004.

Innovative Products and Services In addition to our new branch expansion strategy, innovative products and services continue to contribute to our success. "Totally Free Checking," "Free Small Business Checking," home equity loans, debit cards, investment sales and supermarket branch banking have been our most successful innovations. Over the last few years we have introduced TCF Express.com® (our online banking service), TCF Express Trade (our securities brokerage service), TCF Leasing (one of our equipment leasing subsidiaries), TCF Express Coin℠ Service (offering free self service coin counting to TCF customers), and TCF is now open seven days-a-week in almost all of our branches. In 2003, TCF's debit card revenues were $53 million, TCF leasing operations earned $29.3 million and TCF's supermarket banking division earned $25.8 million. All, or a significant part of these operations, were at one time de novo activities. TCF has successfully used innovation to increase profits and grow our customer base.

A Time of Great Change This is also a time of great change in the banking industry.

First, several colossal bank mega-mergers have recently been announced. TCF continues to compete in an industry that is in a large-scale consolidation cost take-out mode. In the short run, these types of mergers creating trillion dollar banks are good for TCF when they happen in our marketplace. The employee and customer disruptions caused by the mergers highlight TCF's local presence and result in growth of new customers. We think too much emphasis in these mergers is placed on scale when the real determining factor should be skill. Being smaller allows TCF to be more focused and make quicker decisions.

However, for the first time the recently announced mergers lay the foundation for nationwide banking. The ever increasing control over the banking system by a few very large nationwide players, including payment systems like Visa and automated clearing house (ACH), remains a real source of concern to us. When you walk with elephants, sometimes you get stepped on.

Second, for the first time in history, the actual number of checks written by our average customer at TCF declined in 2003 by approximately 10%. We have been hearing this prediction for years – and it finally happened.

Our customers have increased their use of the debit card to replace checks and cash transactions. This is a good thing for TCF since it brings us interchange revenue and reduces our costs. The debit card is now an integral part of a checking account.

Customers are also continuing to increase their use of automated clearing house (ACH) transactions, which also reduces check volumes. Customers like the convenience of making their payments on a regular basis in this fashion.

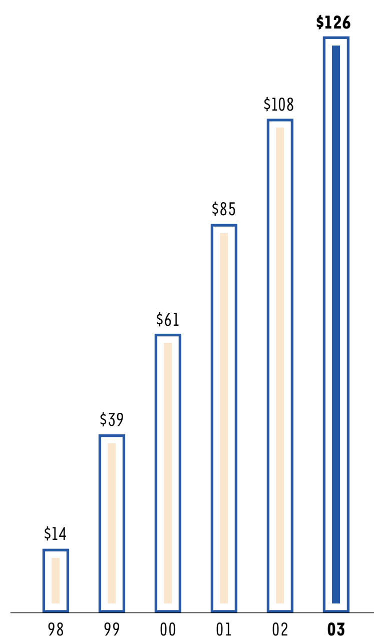
Customer behavior will continue to evolve and change as these payment systems become more widely used. The longer-term impact of these changes on deposits and related deposit service charge revenues is not entirely clear. We are spending a lot more time and resources studying our customer's behavior in order to get ahead of this curve.

Finally, the management of interest rate risk in this record low interest rate environment remains a major challenge. This is not something we have previously experienced to this extent. Over time, we intend to reduce TCF's risk of prepayments. Much of this will be accomplished by the reduction of residential loans and mortgage-backed securities as well as replacing borrowings with core deposits. However, we will also explore other strategies to reduce this risk in our mortgage-banking operations.

Risks We think it is appropriate to also mention here what we consider to be the other major risks to our continued success. First is the success of our new branch expansion. We are relying on the continued, long-term success of branch banking. Second, TCF, like all banks, is subject to the effects of any economic downturn. In particular, a significant decline in home values in our markets could have a negative effect on our results. A bad economy can create increased loan and lease losses. The third risk is our ability to attract and retain new customers. Our overall growth is dependent on our ability to grow our checking accounts. Deposit losses (fraudulent checks, etc.) remain high and combating them is a continuing challenge. Technological change is a risk. Additionally, as became very clear in 2003, rising and falling interest rates affect our results. Legal, regulatory and tax issues are always a risk (the Visa debit card lawsuit is a good example of this legal risk).

New Branch[1] Banking Fees & Other Revenue[2]

(millions of dollars)

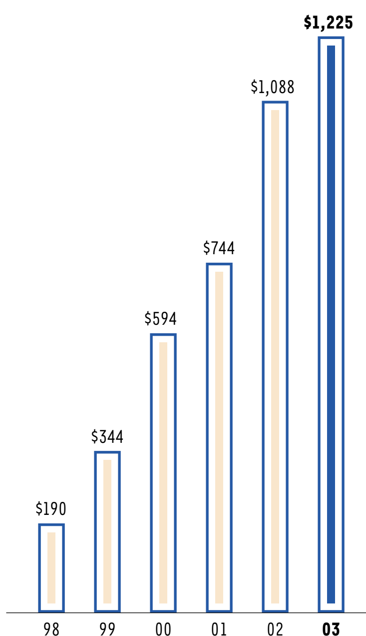


[1] Branches opened since January 1, 1998

[2] Consisting of fees and service charges, debit card revenue, ATM revenue, and investments and insurance commissions

New Branch[1] Total Deposits

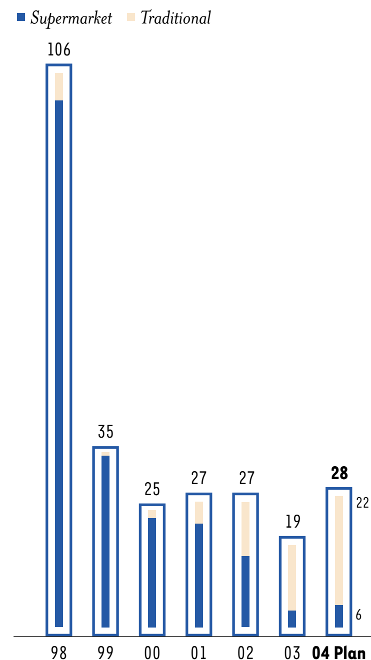
(millions of dollars)



[1] Branches opened since January 1, 1998

New Branch Expansion

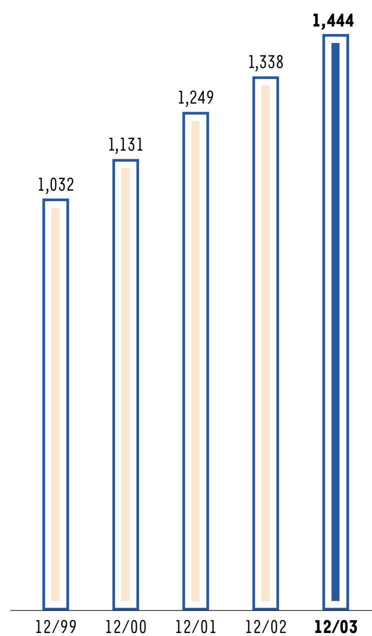
(number of new branches opened)

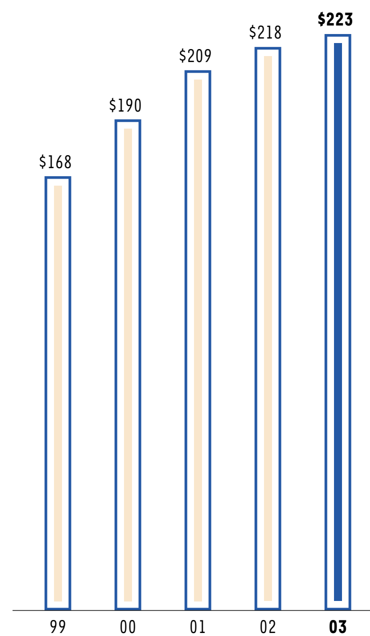


Over the long term, the success and viability of our supermarket partners are important to TCF. If our partners sell or contract their stores, we are at risk; though over time, as we build out our traditional branch system, this risk is mitigated somewhat. We continue to work closely with our partners to optimize our businesses and to be aware of and address any potential risks.

None of these risks are new. Our consistent results have proven that we have managed these risks in the past and we believe we are adequately prepared to manage them in the future. Our philosophy at TCF is to run a highly profitable bank and to minimize risk. TCF does not utilize unconsolidated subsidiaries and has no exotic derivatives, foreign loans, bank owned life insurance, etc. In our opinion, TCF's accounting is conservative.

A careful reading of this Annual Report will tell you generally everything about our company. We try to keep our financial reporting simple, but as complete as possible. We have a lot to be proud of and nothing to hide.





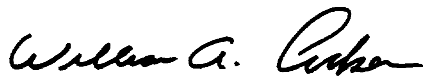
We continue to have a mutuality of interest with our shareholders. Our senior management and board of directors own approximately 6.1 million shares, or 8.6 percent, of TCF stock. Seventy-eight percent of our eligible employees participate in TCF's Employees Stock Purchase Plan, which at year-end held over 4.1 million shares. Our stock plans for senior management continue to be restricted stock grants based on long-term growth in earnings per share. These stock grants are expensed in the income statement just like the rest of TCF's expenses. We are true owners as we face the downside risk of our decisions as well as the upside potential. As a result of not meeting TCF's earnings goals, no incentive compensation bonuses were paid to executive management for 2003.

TCF repurchased 3.5 million shares (five percent) of its stock in 2003 and a total of 25.1 million shares (29 percent) since the beginning of 1998. While the number of shares we buy remains subject to the availability of capital, we plan to continue repurchasing shares as long as TCF stock remains our most attractive investment opportunity. We consider the return from repurchasing TCF stock as another hurdle rate for acquisitions.

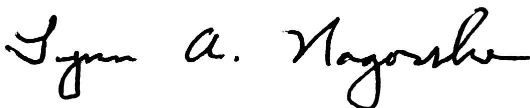
Again this year, we give special thanks to our hardworking, responsive and dedicated Board of Directors. Our Board consists largely of entrepreneurial business people who also own TCF stock. We appreciate their continued guidance and support. We would like to especially recognize Pinky McNamara, who retired from our board of directors in 2003, for his years of service to TCF. His wisdom and counsel were invaluable.

We also thank our outstanding team of employees who truly do put the customer first every day. Everything that happens at TCF is the direct result of the exceptional ability, commitment and energy of TCF's employees. We are proud of the TCF team and their accomplishments.

Thank you for your continued support and investment in TCF. We are looking forward to a better year in 2004 and remain optimistic about TCF's future.



William A. Cooper
Chairman of the Board and Chief Executive Officer



Lynn A. Nagorske
President and Chief Operating Officer

Planning for Growth *Simple, straightforward, and enduring strategies, which are based on a well-grounded philosophy coupled with successful execution and solid management, have made TCF one of the top performing banks in the country.*

STRATEGIES

In 1989, TCF Chairman and CEO Bill Cooper sat down with a group of TCF executives to commit to writing the underlying banking philosophies that has guided TCF's business strategies. These strategies have become the principles by which TCF conducts its business. TCF's long-term strategies for growth are somewhat unique among our competitors, however they have served and continue to serve our customers and shareholders well.

TCF's strategies begin with the premise that every customer is valuable, and we must listen to them. We are "The Leader in Convenience Banking," and we use our premier convenience services to attract a large and economically diverse customer base. Each of our many customers contributes incrementally to our revenue. TCF does not believe in focusing only on one "profitable" customer segment. Every customer is potentially profitable and may become more so over time.

TCF provides convenience to our large and growing customer base by being open longer hours seven days a week and open on most holidays. TCF offers a large supermarket branch network, complemented by traditional branches, providing customers with alternative locations to conduct their banking. TCF's free on-line banking services, extensive ATM network and automated telephone service provide even more convenient options – meeting customers needs. Adding new branches where they can best support and increase our customer base, and introducing new and enhancing existing products or services, are strategies that have worked well for TCF over the last decade.

Since 1989, TCF has placed equal emphasis on what it defines as Power Assets (higher-yielding consumer loans, commercial loans and leasing assets) and Power Liabilities (lower-cost checking, savings, money market and certificate of deposit accounts). A principle strategy of TCF's Power Assets is that TCF lends on a secured basis. Our strong credit quality is evidence that this important strategy is working. TCF has one of the lowest charge-off ratios in the banking industry. Power Liabilities are proven profit drivers at TCF. By focusing on both Power Assets and Power Liabilities, we recognize the important contributions to overall profitability by both the liability and asset side of the balance sheet. Earning at least one percent on each side of the balance sheet, we can provide synergistic earnings greater than two percent in total.

TCF's superior earnings performance allows us to regularly buy back our own stock. In evaluating potential acquisitions, we look at the stock buy back opportunity as an acquisition alternative that can provide superior results. Investing in our own stock has been good for TCF and its shareholders.

Simple, straightforward, and enduring strategies, which are based on a well-grounded philosophy coupled with successful execution and solid management, have made TCF one of the top performing banks in the United States.

DE NOVO EXPANSION

TCF's future growth is contingent on a continuing investment in de novo expansion, both in our branch network and in our development of new products and services. Each of these components play a fundamental and complementary role – adding new branches supports our growing customer base and provides new products and services, allowing us to attract new customers and deepen our customer relationships.

Since January of 1998, TCF has added 228 new branches to our rapidly growing branch network – nearly 57 percent of our existing branches. In 2003, we opened more traditional branches than supermarket branches. With the opportunity to add new supermarket branches slowing in some markets, TCF has a greater opportunity to support and complement these branches with more new traditional branches. Traditional branches require a higher initial investment. They act as a visible anchor in our communities, providing convenient, full-service banking not only to our retail customers but also to our growing commercial and small business customers. In 2004, TCF plans to open 22 new traditional offices.

Supermarket banking continues to play a key role in TCF's ability to provide the most convenient banking services in the markets we serve, especially in Minnesota and the Chicagoland area. Our customers enjoy the convenience of one-stop shopping and banking, causing these lower-cost, high-volume branches to become profitable more quickly than traditional branches. Our supermarket branches in Cub Foods and Jewel-Osco play an important role in our expansion strategy. In 2004, TCF plans to open six new supermarket branches.

The other key element of TCF's de novo expansion strategy is the evolution of our convenient products and services. New products attract new customers, allowing us to develop additional relationships with our existing customers. TCF's innovative culture fuels the strategic initiatives that have led to the introduction of many of our products and services.

Totally Free Checking remains the best example of a successful innovative product brought to market by TCF. We listened to our customers, and what they wanted was a very low-cost checking account. We gave them a free account, which remains our most popular checking account. Most of our competitors are attempting to copy this product.

Building for the Future *TCF's de novo strategy of branch expansion and product line improvements continues to complement each other. New products and services with convenient locations attract new customers and deepen our customer relationships.*

We had similar success with our home equity loan products. We have been able to add several enhancements to the product over the years including tiered pricing, Visa credit line access, payment protection products, and this year, a fast-close service.

In 2003, TCF launched "TCF Check Cashing" a convenient, economical and full-service check cashing service to non-TCF banking customers. This new service is bringing a whole new group of customers into our branches and provides us an opportunity to introduce them to our many checking and deposit account products and services.

TCF's Leasing operations are another example of successful de novo expansion. In 1999, TCF started TCF Leasing, Inc., a de novo general leasing and equipment finance business. The success of this endeavor has resulted in the addition of $931 million in leasing and equipment finance outstandings at December 31, 2003. TCF Express Leasing, a division of TCF Leasing Inc., has quickly developed a core business in small ticket marketing segment. This was accomplished in part through the use of a front-end origination and documentation system which provides quick and convenient origination and approval of lease transactions.

TCF's de novo strategy of branch expansion and product line improvements continues to complement each other. New products and services with convenient locations attract new customers to our branch network, which support and grow these relationships by providing the most convenient banking services in our markets. TCF plans to continue our investment in this long-time, successful core strategy.

CONVENIENCE

Providing premier convenience products and services is a key component of TCF's banking strategy, proving why we have long been known as a leader in convenience banking. Our definition of convenience is based on knowing what our customers want – and we continue to expand and enhance our offerings based on their needs.

Our extensive branch network is at the core of our convenience products and services. Spanning six states, TCF's 401 branches are conveniently located where our customers live, shop and do business. We're open seven days a week, with extended hours in both our supermarket and most traditional branches, to ensure that our customers can stop in and do business when it's convenient for them. Even on most holidays, TCF customers know that personal service is available to open new accounts, make deposits and withdrawals, obtain loans, make investments, and have access to other banking products and services. TCF customers enjoy free on-site coin counting through TCF Express Coin Service. Customers looking for home equity loans can get their money quickly through TCF's fast-close loan program, where home equity application processing is expedited so that funds are available quickly.

TCF's supermarket branches continue to play an important role in this convenience strategy. These full-service branches allow customers to simplify their schedules by handling their banking needs while shopping. Busy customers can also take advantage of easy one-stop banking by using one of TCF's many convenient traditional branch drive-through locations. As we continue to expand our traditional branch network, these drive-throughs will become even more readily available.

For customers who prefer the convenience of electronic banking, TCF provides a host of products and services. These include an automated phone system, which provides balance information, transfers and other services, and our extensive network of Express Teller ATMs for cash withdrawals, deposits and easy access to account information.

Many TCF customers enjoy banking through the Internet using one of TCF's online banking products. During 2003, TCF Totally Free Online

Cultivating Our Business *Power Assets and Power Liabilities remain the cornerstone of TCF's growth, profitability and success.*

Banking was enhanced to provide customer ability to access multiple TCF accounts via one screen and view an extensive account history with robust transaction history detail. Customers can also easily search for specific transactions by various attributes and set up automatic recurring transfers. Through "My TCF," customers can track a personal list of stock quotes and stock indices, receive weather information by zip code and access national, local and feature headlines with links to full articles. TCF Preferred Online Banking also allows customers to request automatic account balance alerts sent by email accessible by a computer terminal or by an email-enabled cell phone or pager. In 2004, TCF will introduce enhancements to its bill paying service and redesign the TCFExpress website to make it even more customer friendly.

Online at TCF Express Trade, customers can buy and sell stocks, mutual funds and other securities. Access to investment holdings, account history, stock research, and order placement is available 24 hours a day, seven days a week. Customers preferring personal service can contact a personal trading representative.

Small business customers may also take advantage of TCF's Internet banking services. Totally Free Online Banking for Business provides basic Internet banking services with no access fee. TCF Preferred Online Business Banking provides expanded account history and the ability to download transaction detail into financial software applications, helping small business owners manage their businesses.

TCF Express Business provides commercial customers the ability to access complete balance reporting, initiate transfers, stop payments, and make ACH transactions from any personal computer worldwide, 24 hours a day, 365 days a year. TCF Express Business has become an important and popular product in TCF's growing commercial banking operation.

The definition of convenience changes as a customer's life and business needs evolve. At TCF we are committed to being the most convenient bank in the markets we serve by continuing to develop and enhance new and innovative convenience products and services.

POWER ASSETS AND POWER LIABILITIES

In 2003, TCF continued its focus on building Power Assets and Power Liabilities. TCF defines Power Assets as higher-yielding commercial loans, commercial real estate loans, leases, and consumer home equity loans. Power Liabilities include checking, savings, money market accounts, and certificates of deposits. Power Assets and Power Liabilities now comprise over 66 percent of TCF's balance sheet and in 2003 contributed over 83 percent of net income.

In 1986, TCF became one of the first banks to offer "Totally Free Checking" — which continues to be our most popular and most profitable product. In 2003, we added over 105,000 checking accounts from our 401-branch network, increasing our total to 1,443,821 checking accounts. TCF uses the checking account as the starting point with our customers, then builds that relationship by offering the most convenient banking environment featuring innovative products and exceptional services. By year-end 2003, this resulted in $3.2 billion in checking deposits, $1.9 billion in savings deposits and $845 million in money market accounts. Due to the banking industry's extremely low interest rates, TCF's disciplined pricing strategies caused a second consecutive year of declining balances in certificates of deposits.

Our Power Asset and Power Liability business strategies are interrelated. Because Power Liabilities are such a significant contributor to net income, we can afford to be very conservative in underwriting our Power Assets and still generate relatively high earnings performance results, such as Return on Assets and Return on Equity. In 2003, TCF once again had one of the lowest net charge-off ratios in the banking industry at just .16%.

Consumer Lending had another exceptional year, comprising over 50 percent of Power Assets at year end. Consumer loans, which are 99 percent home equity loans, increased by $624.5 million, or 21 percent, during 2003, and ended the year with $3.6 billion in outstandings.

In another year of consumer refinancing, TCF had $2.3 billion in consumer loan originations. This was accomplished by adding new lenders, plus developing and maintaining our staff of the best lenders in the marketplace. We also improved our ability to identify and control customer attrition risk. By proactively contacting these attrition-risk customers, we have been able to retain them by refinancing their loans with one of TCF's many loan products. This strategy worked well during this prolonged period of low rates and increased refinancing activity. Also experiencing high refinance activity for most of the year, TCF Mortgage Corporation funded over $3 billion in first mortgage residential loans.

TCF's leasing operations delivered double-digit growth in 2003, gaining $121.4 million in outstandings, or 12 percent. This increase was accomplished despite a slow economy. Additionally, TCF's leasing operations continued to improve credit quality by reducing net charge-offs, non-performing loans and leases, and delinquencies from year-end 2002.

The low interest rate environment and slow economy had the biggest impact on Commercial Lending and Commercial Real Estate Lending. The slow economy prompted many companies to move more cautiously with new or additional borrowings and capital expenditures. In this environment, TCF identified opportunities to exit several potentially troubled assets and added new lenders to strengthen staff, positioning us for future growth. With interest rates at a 40-year low in 2003, lenders focused efforts on rewriting or refinancing our existing portfolio, as well as pursuing new lending opportunities. As a result of their efforts, TCF's commercial real estate portfolio increased $81 million, in spite of vigorous price competition in this industry segment.

Power Assets and Power Liabilities remain the cornerstone of TCF's growth, profitability and success.

COMMUNITY GIVING

At TCF, we believe that we have a special obligation to local communities that goes beyond simply providing financial services. Through generous gifts of time, talent and resources, TCF and its employees support many local organizations, making a difference in the neighborhoods we serve.

Supporting the Community

At TCF, we believe that we have a special obligation to local communities. Through generous gifts of time, talent and resources, TCF and its employees make a difference in the neighborhoods we serve.

TCF reflects its commitment to the community by supporting a variety of nonprofit organizations through volunteer time, management counsel and grants. This support is concentrated into four categories: human services, community development, education, and arts/culture. Additionally, we provide assistance to local organizations supported by many TCF employees through active volunteerism or service on boards and committees.

There are a variety of ways local nonprofit organizations receive financial support from the TCF Foundation, TCF Bank and its employees:

- *Branch Funds* — Contributions or grants awarded to organizations located near TCF branches.
- *Employee Matching Gifts* — Donations contributed by employees, matched dollar-for-dollar by TCF, to a nonprofit organization of their choice.
- *Employee's Fund* — Funds contributed by employees through payroll deduction; the Foundation matched these contributions 100 percent.
- *TCF Foundation and Corporate Giving* — Larger grants and multi-year commitments awarded to many local and some national organizations.

During the past ten years, TCF has contributed more than $20 million in grants to charitable organizations. In addition to numerous grants awarded, we also benefited the community by supporting affordable housing efforts and assisting with the capitalization of several affordable housing loan funds.

TCF is proud of its employees who are striving to make a difference to those in need and supporting numerous programs vital to the well-being of our communities.

CORPORATE PHILOSOPHY

- TCF banks a large and diverse customer base. TCF emphasizes convenience in banking; we're open 12 hours a day, seven days a week, 364 days per year. We provide customers innovative products through multiple banking channels, including traditional and supermarket branches, TCF *EXPRESS TELLER*® ATMs, TCF Express Cards, phone banking and Internet banking.
- TCF operates like a partnership. We're organized geographically and by function, with profit center goals and objectives. TCF emphasizes return on average assets, return on average equity, and earnings per

share growth. We know which products are profitable and contribute to these goals. Local geographic managers are responsible for local business decisions, business development initiatives, customer relations, and community involvement. Managers are incented to achieve these goals.

- TCF focuses on growing its large number of low-interest cost checking accounts by offering convenient products, such as "Totally Free Checking". TCF uses the checking account as its core deposit account to build additional customer relationships.

- TCF earns most of its profits from the deposit side of the bank. We accumulate a large number of low cost accounts through convenient services and products targeted to a broad range of customers. As a result of the profits we earn from the deposit business, we can minimize credit risk on the asset side.

- TCF strives to place The Customer First. We believe providing great service to our many customers creates value for the shareholders.

- TCF utilizes conservative accounting and reporting principles that accurately and honestly report our financial condition and results of operations.

- TCF encourages stock ownership by our officers, directors and employees. We have a mutuality of interest with our shareholders, and our goal is to earn above-average returns for our shareholders.

- TCF is currently growing primarily through de novo expansion rather than acquisition. We are growing by starting new businesses, opening new branches and offering new products and services.

- TCF believes interest-rate risk should be minimized. Interest-rate speculation does not generate consistent profits and is high risk.

- TCF is primarily a secured lender and emphasizes credit quality over asset growth. The costs of poor credit far outweigh the benefits of unwise asset growth.

- TCF places a high priority on the development of technology to enhance productivity, customer service and new products. Properly applied technology increases revenue, reduces costs and enhances service. We centralize paper processing and decentralize the banking process.

- TCF encourages open employee communication and promotes from within whenever possible. TCF places the highest priority on honesty, integrity and ethical behavior.

- TCF believes in community participation, both financially and through volunteerism. We feel a responsibility to help those less fortunate.

- TCF does not discriminate against anyone in employment or the extension of credit. As a result of TCF's community banking philosophy, we market to everyone in the communities we service.

The Financials

INVESTING IN THE FUTURE

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Management's discussion and analysis of the consolidated financial condition and results of operations of TCF Financial Corporation ("TCF" or the "Company") should be read in conjunction with the consolidated financial statements and other financial data beginning on page 48.

OVERVIEW

TCF is a national financial holding company located in Wayzata, Minnesota. Its principal subsidiary, TCF National Bank, is headquartered in Minnesota and had 401 banking offices in Minnesota, Illinois, Michigan, Wisconsin, Colorado and Indiana at December 31, 2003.

TCF provides convenient financial services through multiple channels to customers located primarily in the Midwest. TCF has developed products and services designed to meet the needs of all consumers. The Company focuses on attracting and retaining customers through service and convenience, including branches that are open seven days a week and on most holidays, extensive full-service supermarket branch and automated teller machine ("ATM") networks, and telephone and Internet banking. TCF's philosophy is to generate net interest income and fees and other revenue growth through business lines that emphasize higher yielding assets and lower or no interest-cost deposits. The Company's growth strategies include new branch expansion and the development of new products and services. New products and services are designed to build on existing businesses and expand into complementary products and services through strategic initiatives.

TCF's core businesses are comprised of traditional and supermarket bank branches, campus banking, EXPRESS TELLER® ATMs, VISA® debit cards, commercial lending, small business banking, consumer lending, mortgage banking, leasing and equipment finance and investment, brokerage and insurance services. TCF emphasizes the "Totally Free" checking account as its anchor account, which provides opportunities to cross sell other convenience products and services and generate additional fee income.

TCF has opened 239 new branches since January 1, 1998; 196 supermarket branches and 43 traditional branches. Opening new branches is an integral part of TCF's growth strategy for generating new deposit accounts and the related revenue that is associated with the accounts and other products. New branches typically produce net losses during the first 24 - 30 months of operations before they become profitable, and therefore the level and timing of new branch expansion can have a significant impact on TCF's reported profitability. TCF's growth in checking accounts is primarily occurring in new branches with growth in older, mature branches being slower and more difficult to generate. During 2003, TCF closed twelve supermarket branches and one traditional branch. Closure of the twelve supermarket branches was the result of the supermarket owner closing the stores and discontinuing TCF's license agreements for these locations. The deposits in all these branches were transferred to other nearby branches. The success of TCF's branch expansion is dependent on the continued long-term success and viability of branch banking. Success in the supermarket branches is also dependent on the success and viability of the supermarket branch locations. Economic slowdowns, financial or labor difficulties and competitive pressures from new grocery retailers may have an adverse impact on the supermarket industry and therefore reduce customer activity in TCF's supermarket branches. TCF is subject to the risk, among others, that its license for its supermarket branches will terminate in connection with the sale or closure of a store by a supermarket chain.

TCF's lending strategy is to originate high credit quality, primarily secured, loans and leases. Commercial loans are generally made on local properties or to local customers, and are virtually all secured. TCF's largest core lending business is its consumer home equity loan operation, which offers fixed- and variable-rate loans and lines of credit secured by residential real estate properties. The leasing and equipment finance businesses consist of Winthrop Resources Corporation ("Winthrop"), a leasing company that leases technology and data processing equipment to companies nationwide and TCF Leasing, Inc. ("TCF Leasing"), a general leasing and equipment finance leasing business. TCF's leasing and equipment finance businesses operate in all 50 states.

As a primarily secured lender, TCF emphasizes credit quality over asset growth. As a result, TCF's credit losses are generally lower than those experienced by other banks. The allowance for loan and lease losses, while generally lower as a percent of loans and leases than the average in the banking industry, reflects the lower historical charge-offs and management's expectation of the risk of loss inherent in the loan and lease portfolio. See "Consolidated Financial Condition Analysis – Allowance for Loan and Lease Losses."

Net interest income, the difference between interest income, earned on loans and leases and on investments, and interest expense, paid on deposits and short-term and long-term borrowings, represents 53.4% of TCF's total revenue. Net interest income can change significantly from period to period based on general levels of interest rates, customer prepayment patterns, the mix of interest earning assets and the mix of interest bearing and non-interest bearing deposits and borrowings. TCF manages the risk of changes in interest rates on its net interest income through an Asset/Liability Committee and through related interest rate risk monitoring and management policies.

The historically low interest rates in 2003 were a significant challenge to the management of asset/liability risk and TCF made several key decisions that impacted the year's results. These very low interest rates caused a high level of prepayment in the residential loan and mortgage-backed securities portfolio, which declined a combined $1.5 billion in total during the year. Early in 2003, TCF decided to stop reinvesting cash flows created by the high level of prepayments into new mortgage-backed securities as the available yields on new investments were deemed unacceptable. Additionally during the year, TCF prepaid $954 million of high cost fixed-rate Federal Home Loan Bank ("FHLB") borrowings, at a cost of $44.3 million, and replaced some of these borrowings with lower cost borrowings that will reduce interest expense over the remaining term of the prepaid borrowings into 2004. TCF does not utilize any unconsolidated subsidiaries or special purpose entities to provide off-balance sheet borrowings. If interest rates continue at similar low levels throughout 2004, TCF will continue to experience prepayments of higher yielding assets that might not be replaced. Therefore, net interest margin and net interest income would continue to decline.

The Company's VISA® debit card program has grown significantly since its inception in 1996. According to a September 30, 2003 statistical report issued by VISA®, TCF, with approximately 1.5 million cards outstanding, was the 12th largest VISA® Classic debit card issuer in the United States, based on the number of cards outstanding, and 11th largest based on sales volume of $998.7 million for the 2003 third quarter. TCF earns interchange revenue from customer debit card transactions. During 2003, 90.9% of TCF's debit card sales volume was generated from off-line (signature-based) transactions. The average interchange rate on these off-line transactions declined from 1.55% in 2002 to 1.43% in 2003. The decline in the average off-line interchange rate was the result of VISA® USA lowering interchange rates for many merchants effective August 1, 2003, as part of the settlement of class action lawsuits brought by these merchants against VISA challenging rules imposed by VISA governing the acceptance of debit and credit cards by merchants. Additionally, as part of the settlement, VISA established new interchange rates which took effect in February 2004, and these rates increased slightly from the rates established August 1, 2003. In 2003, TCF renegotiated its contract with VISA and agreed to an extension through 2013. The effect of this new contract is to lower various costs that TCF pays for processing and marketing of the VISA debit cards. The continued success of TCF's debit card program is dependent on the success and viability of VISA and the continued use by customers and acceptance by merchants of debit cards.

TCF's mortgage banking business originates residential mortgage loans and sells them to investors, primarily retaining the servicing rights and related servicing revenue. Generally accepted accounting principles require TCF to record the value of the servicing rights on the balance sheet at the time the loans are sold. Capitalized servicing rights are amortized based on the expected pattern and life of related servicing revenues and are also evaluated quarterly for impairment. As interest rates fall, there is a higher probability of prepayment as the customer can generally refinance the loan with relative ease. In addition, as property values increase, customers' home equity increases, enabling customers to engage in "cash-out" refinance transactions where the customer refinances an existing mortgage into a higher balance loan in order to draw out the increased home equity. The historically low mortgage interest rate environment in 2003 and continued increases in property values in our markets led to historically high prepayments and refinancing resulting in unusually high levels of servicing rights amortization and a $21.2 million provision for impairment. At December 31, 2003, 60% of TCF's servicing portfolio consisted of loans with interest rates below 6%. If interest rates remain at current levels or increase in 2004, there should be significantly reduced refinance activity and reduced related amortization and provision for impairment. TCF does not utilize derivatives to manage the impairment risk in its capitalized mortgage servicing rights.

The following portions of the Management's Discussion and Analysis focus in more detail on the results of operations for 2003, 2002 and 2001 and on information about TCF's balance sheet, credit quality, liquidity and funding resources, capital, critical accounting estimates and other matters.

RESULTS OF OPERATIONS

Five Year Financial Summary

Consolidated Income:

(Dollars in thousands, except per-share data)	Year Ended December 31, 2003	2002	2001	2000	1999	Compound Annual Growth Rate 1-Year 2003/2002	5-Year 2003/1998
Total revenue	**$ 900,424**	$ 918,987	$ 852,708	$ 774,812	$ 737,906	**(2.0)%**	4.9%
Net interest income	**$ 481,145**	$ 499,225	$ 481,222	$ 438,536	$ 424,213	**(3.6)**	2.5
Provision for credit losses	**12,532**	22,006	20,878	14,772	16,923	**(43.1)**	(11.6)
Fees and other revenue	**430,792**	406,264	367,307	323,463	274,320	**6.0**	12.8
Other non-interest income	**(11,513)**	13,498	4,179	12,813	39,373	**N.M.**	N.M.
Non-interest expense	**560,109**	539,289	501,996	457,202	447,892	**3.9**	5.8
Income before income tax expense	**327,783**	357,692	329,834	302,838	273,091	**(8.4)**	4.3
Income tax expense	**111,905**	124,761	122,512	116,593	107,052	**(10.3)**	.5
Net income	**$ 215,878**	$ 232,931	$ 207,322	$ 186,245	$ 166,039	**(7.3)**	6.7
Per common share:							
Basic earnings	**$ 3.06**	$ 3.17	$ 2.73	$ 2.37	$ 2.01	**(3.5)**	11.6
Diluted earnings	**$ 3.05**	$ 3.15	$ 2.70	$ 2.35	$ 2.00	**(3.2)**	11.6
Dividends declared	**$ 1.30**	$ 1.15	$ 1.00	$ .825	$ .725	**13.0**	16.2

N.M. Not meaningful.

Consolidated Financial Condition:

(Dollars in thousands, except per-share data)	At December 31, 2003	2002	2001	2000	1999	Compound Annual Growth Rate 1-Year 2003/2002	5-Year 2003/1998
Securities available for sale	**$ 1,533,288**	$ 2,426,794	$ 1,584,661	$ 1,403,888	$ 1,521,661	**(36.8)%**	(1.8)%
Residential real estate loans	**1,212,643**	1,800,344	2,733,290	3,673,831	3,919,678	**(32.6)**	(20.3)
Subtotal	**2,745,931**	4,227,138	4,317,951	5,077,719	5,441,339	**(35.0)**	(12.8)
Loans and leases excluding residential real estate loans	**7,135,135**	6,320,784	5,510,912	4,872,868	3,976,065	**12.9**	16.1
Total assets	**11,319,015**	12,202,069	11,358,715	11,197,462	10,661,716	**(7.2)**	2.2
Checking, savings and money market deposits	**5,999,626**	5,791,233	4,778,714	4,086,219	3,712,988	**3.6**	9.8
Certificates of deposit	**1,612,123**	1,918,755	2,320,244	2,805,605	2,871,847	**(16.0)**	(11.4)
Borrowings	**2,414,825**	3,110,295	3,023,025	3,184,245	3,083,888	**(22.4)**	(.4)
Stockholders' equity	**920,858**	977,020	917,033	910,220	808,982	**(5.7)**	1.7
Book value per common share	**13.07**	13.23	11.92	11.34	9.87	**(1.2)**	5.8

Key Ratios and Other Data:

	At or For the Year Ended December 31, 2003	2002	2001	2000	1999
Return on average assets	**1.85%**	2.01%	1.79%	1.72%	1.61%
Return on average equity	**23.05**	25.38	23.06	22.64	20.34
Average total equity to average assets	**8.03**	7.91	7.78	7.58	7.93
Net interest margin[1]	**4.54**	4.71	4.51	4.35	4.47
Common dividend payout ratio	**42.62%**	36.51%	37.04%	35.11%	36.25%
Number of banking locations	**401**	395	375	352	338
Number of checking accounts (in thousands)	**1,444**	1,338	1,249	1,131	1,032

[1] Net interest income divided by average interest-earning assets.

Performance Summary TCF reported diluted earnings per common share of $3.05 for 2003, compared with $3.15 for 2002 and $2.70 for 2001. Net income was $215.9 million for 2003, down from $232.9 million for 2002 and up from $207.3 million for 2001. Return on average assets was 1.85% in 2003, compared with 2.01% in 2002 and 1.79% in 2001. Return on average equity was 23.05% in 2003, compared with 25.38% in 2002 and 23.06% in 2001.During 2003, TCF prepaid $954 million of high cost FHLB borrowings, at a cost of $44.3 million ($29.2 million after-tax) which reduced diluted earnings per share by 41 cents. This was done to restructure the balance sheet and reduce interest expense in future periods. The 2002 results included a $1.3 million after-tax gain on sale of a branch, or 2 cents

per common share, compared with a $2.1 million after-tax gain on sale of a branch, or 3 cents per common share in 2001. There were no branch sales in 2003. In 2002, new accounting rules under generally accepted accounting principles ("GAAP") eliminated the amortization of goodwill. Goodwill amortization reduced net income by $7.6 million, or 10 cents per diluted common share in 2001.

Operating Segment Results BANKING, comprised of deposits and investment products, commercial banking, small business banking, consumer lending, residential lending and treasury services, reported net income of $181 million for 2003, down 10% from $201.1 million in 2002. Banking net interest income for 2003 was $414.3 million, compared with $435.9 million for 2002. The provision for credit losses totaled $4.4 million in 2003, down from $12.8 million in 2002, driven by decreases in net charge-offs in the commercial business, commercial real estate, and consumer loan portfolios. Non-interest income totaled $355.4 million, down 1.3% from $359.9 million in 2002. During 2003, TCF prepaid $954 million of FHLB advances and recorded losses on terminations of debt totaling $44.3 million. There were no similar debt terminations during 2002. During 2003, TCF sold mortgage-backed securities and realized gains of $32.8 million, compared with similar gains of $11.5 million for 2002. See "Consolidated Income Statement Analysis – Consolidated Net Interest Income" for further discussion on debt terminations and on the sales of mortgage-backed securities during 2003. In addition to the gains and losses discussed above, fees, service charges, debit card and other revenues were $366.9 million for 2003, up $20.5 million, or 5.9%, from 2002. These increases resulted from TCF's expanding branch network and customer base, and increased utilization of debit cards by customers. Non-interest expense totaled $487.8 million, up 3.4% from $471.7 million in 2002. The increase was primarily due to additional advertising and promotion expense focused on the production and retention of TCF's deposit customer base, costs associated with new branch expansion and the write-off of $1.2 million of leasehold improvements related to 12 closed supermarket branches.

TCF had 401 branches, including 237 full service branches in supermarkets at December 31, 2003. During 2003, TCF opened 19 new branches, of which five were supermarket branches. TCF remains focused on a long-term strategy of expanding its franchise with the planned opening of 28 new branches in 2004, consisting of 22 new traditional branches and six new supermarket branches.

LEASING AND EQUIPMENT FINANCE, an operating segment comprised of TCF's wholly-owned subsidiaries Winthrop and TCF Leasing, provides a broad range of comprehensive lease and equipment finance products. This operating segment reported net income of $29.3 million for 2003, up 6.5% from $27.5 million in 2002. Net interest income for 2003 was $45.4 million, up 9.6% from $41.4 million in 2002. The provision for credit losses for this operating segment totaled $8.2 million in 2003, down from $9.2 million in 2002, primarily as a result of a decrease in non-accrual loans and leases. Non-interest income totaled $51.1 million in 2003, down $718 thousand from $51.8 million in 2002. Leasing and Equipment Finance revenues may fluctuate from period to period based on customer driven factors not entirely within the control of TCF. Non-interest expense totaled $42 million in 2003, up $994 thousand from $41 million in 2002.

MORTGAGE BANKING activities include the origination of residential mortgage loans, generally for sale to third parties with servicing retained. This operating segment reported net income of $2.9 million for 2003, compared with $2.7 million for 2002. TCF's mortgage banking operations funded $3 billion in loans during 2003, up from $2.9 billion in 2002, primarily reflecting continued high levels of refinance activity. In 2003, 74% of total mortgage banking loan originations were refinancings, up from 67% in 2002. Non-interest income totaled $13.1 million, up 57.6% from $8.3 million in 2002. The increase in non-interest income was primarily due to increased gains on sales of loans over 2002, which was partially offset by increased amortization and provision for impairment of mortgage servicing rights related to the sustained high level of prepayments. The increase in gains on sales of loans was primarily due to the increase in retail loan originations as a percentage of total loan originations from 37% in 2002 to 45% in 2003 and the improved pricing on retail and wholesale loan originations during the refinance boom. Mortgage applications in process (mortgage pipeline) declined to $241.1 million at December 31, 2003 from $532 million at December 31, 2002 as refinance activity slowed during the latter part of 2003.The annualized prepayment rate on the third party servicing portfolio was 22% for the fourth quarter of 2003, down from 67% for the fourth quarter of 2002, and 71% for the third quarter of 2003. Mortgage Banking's non-interest expense totaled $30 million for 2003, up 20.8% from $24.8 million for 2002. Contributing to the increase in non-interest expense during 2003 were increased expenses resulting from higher levels of production and prepayment activity.

CONSOLIDATED INCOME STATEMENT ANALYSIS

Net Interest Income Net interest income, which is the difference between interest earned on loans and leases, securities available for sale, investments and other interest-earning assets (interest income), and interest paid on deposits and borrowings (interest expense), represented 53.4% of TCF's revenue in 2003. Net interest income divided by average interest-earning assets is referred to as the net interest margin, expressed as a percentage. Net interest income and net interest margin are affected by changes in interest rates, and by loan and deposit pricing strategies and competitive conditions, the volume and the mix of interest-earning assets and interest-bearing liabilities, and the level of non-performing assets.

The following tables present TCF's average balance sheets, interest and dividends earned or paid, and the related yields and rates on major categories of TCF's interest-earning assets and interest-bearing liabilities:

	Year Ended December 31, 2003			Year Ended December 31, 2002			Change		
(Dollars in thousands)	Average Balance	Interest[1]	Average Yields and Rates	Average Balance	Interest[1]	Average Yields and Rates	Average Balance	Interest[1]	Average Yields and Rates (bps)
Assets:									
Investments	$ 101,455	$ 4,511	4.45%	$ 154,862	$ 6,934	4.48%	$ (53,407)	$ (2,423)	(3)
Securities available for sale[2]	1,891,062	103,821	5.49	1,879,674	118,272	6.29	11,388	(14,451)	(80)
Loans held for sale	488,634	20,016	4.10	437,702	22,464	5.13	50,932	(2,448)	(103)
Loans and leases:									
Consumer	3,288,040	214,971	6.54	2,712,812	207,492	7.65	575,228	7,479	(111)
Commercial real estate	1,854,452	108,867	5.87	1,746,207	118,355	6.78	108,245	(9,488)	(91)
Commercial business	445,634	19,020	4.27	435,488	22,699	5.21	10,146	(3,679)	(94)
Leasing and equipment finance	1,094,532	81,912	7.48	995,672	85,447	8.58	98,860	(3,535)	(110)
Subtotal	6,682,658	424,770	6.36	5,890,179	433,993	7.37	792,479	(9,223)	(101)
Residential real estate	1,440,688	88,401	6.14	2,227,537	151,700	6.81	(786,849)	(63,299)	(67)
Total loans and leases[3]	8,123,346	513,171	6.32	8,117,716	585,693	7.21	5,630	(72,522)	(89)
Total interest-earning assets	10,604,497	641,519	6.05	10,589,954	733,363	6.92	14,543	(91,844)	(87)
Other assets[4]	1,053,073			1,020,550			32,523		
Total assets	$11,657,570			$11,610,504			$ 47,066		
Liabilities and Stockholders' Equity:									
Non-interest bearing deposits	$ 2,232,883			$ 1,893,916			$ 338,967		
Interest-bearing deposits:									
Checking	1,064,380	948	.09	915,720	1,479	.16	148,660	(531)	(7)
Savings	1,847,775	9,298	.50	1,560,539	15,924	1.02	287,236	(6,626)	(52)
Money market	887,273	4,447	.50	919,393	9,737	1.06	(32,120)	(5,290)	(56)
Subtotal	3,799,428	14,693	.39	3,395,652	27,140	.80	403,776	(12,447)	(41)
Certificates	1,743,533	42,102	2.41	2,108,708	68,246	3.24	(365,175)	(26,144)	(83)
Total interest-bearing deposits	5,542,961	56,795	1.02	5,504,360	95,386	1.73	38,601	(38,591)	(71)
Total deposits	7,775,844	56,795	.73	7,398,276	95,386	1.29	377,568	(38,591)	(56)
Borrowings:									
Short-term borrowings	757,128	9,451	1.25	573,935	9,874	1.72	183,193	(423)	(47)
Long-term borrowings	1,778,671	94,128	5.29	2,277,974	128,878	5.66	(499,303)	(34,750)	(37)
Total borrowings	2,535,799	103,579	4.08	2,851,909	138,752	4.87	(316,110)	(35,173)	(79)
Total interest-bearing liabilities	8,078,760	160,374	1.99	8,356,269	234,138	2.80	(277,509)	(73,764)	(81)
Total deposits and borrowings	10,311,643	160,374	1.56	10,250,185	234,138	2.28	61,458	(73,764)	(72)
Other liabilities[4]	409,539			442,404			(32,865)		
Total liabilities	10,721,182			10,692,589			28,593		
Stockholders' equity[4]	936,388			917,915			18,473		
Total liabilities and stockholders' equity	$11,657,570			$11,610,504			$ 47,066		
Net interest income and margin		$ 481,145	4.54%		$ 499,225	4.71%		$ (18,080)	(17)

bps = basis points

[1] Tax-exempt income was not significant and thus interest income and related yields have not been presented on a tax equivalent basis. Tax-exempt income of $523,000, $354,000 and $156,000 was recognized during the years ended December 31, 2003, 2002 and 2001, respectively.

[2] Average balance and yield of securities available for sale are based upon the historical amortized cost.

[3] Average balance of loans and leases includes non-accrual loans and leases, and is presented net of unearned income.

[4] Average balance is based upon month-end balances.

	Year Ended December 31, 2002			Year Ended December 31, 2001			Change		
(Dollars in thousands)	Average Balance	Interest [1]	Average Yields and Rates	Average Balance	Interest [1]	Average Yields and Rates	Average Balance	Interest [1]	Average Yields and Rates (bps)
Assets:									
Investments	$ 154,862	$ 6,934	4.48%	$ 164,362	$ 8,966	5.46%	$ (9,500)	$ (2,032)	(98)
Securities available for sale [2]	1,879,674	118,272	6.29	1,705,983	112,267	6.58	173,691	6,005	(29)
Loans held for sale	437,702	22,464	5.13	379,045	24,266	6.40	58,657	(1,802)	(127)
Loans and leases:									
Consumer	2,712,812	207,492	7.65	2,346,349	215,438	9.18	366,463	(7,946)	(153)
Commercial real estate	1,746,207	118,355	6.78	1,490,616	116,128	7.79	255,591	2,227	(101)
Commercial business	435,488	22,699	5.21	409,685	29,893	7.30	25,803	(7,194)	(209)
Leasing and equipment finance	995,672	85,447	8.58	918,915	89,131	9.70	76,757	(3,684)	(112)
Subtotal	5,890,179	433,993	7.37	5,165,565	450,590	8.72	724,614	(16,597)	(135)
Residential real estate	2,227,537	151,700	6.81	3,251,328	230,520	7.09	(1,023,791)	(78,820)	(28)
Total loans and leases [3]	8,117,716	585,693	7.21	8,416,893	681,110	8.09	(299,177)	(95,417)	(88)
Total interest-earning assets	10,589,954	733,363	6.92	10,666,283	826,609	7.75	(76,329)	(93,246)	(83)
Other assets [4]	1,020,550			886,823			133,727		
Total assets	$11,610,504			$11,553,106			$ 57,398		
Liabilities and Stockholders' Equity:									
Non-interest bearing deposits	$ 1,893,916			$ 1,580,907			313,009		
Interest-bearing deposits:									
Checking	915,720	1,479	.16	790,023	3,549	.45	125,697	(2,070)	(29)
Savings	1,560,539	15,924	1.02	1,018,730	7,472	.73	541,809	8,452	29
Money market	919,393	9,737	1.06	902,091	21,144	2.34	17,302	(11,407)	(128)
Subtotal	3,395,652	27,140	.80	2,710,844	32,165	1.19	684,808	(5,025)	(39)
Certificates	2,108,708	68,246	3.24	2,607,009	130,562	5.01	(498,301)	(62,316)	(177)
Total interest-bearing deposits	5,504,360	95,386	1.73	5,317,853	162,727	3.06	186,507	(67,341)	(133)
Total deposits	7,398,276	95,386	1.29	6,898,760	162,727	2.36	499,516	(67,341)	(107)
Borrowings:									
Short-term borrowings	573,935	9,874	1.72	1,097,688	44,800	4.08	(523,753)	(34,926)	(236)
Long-term borrowings	2,277,974	128,878	5.66	2,345,742	137,860	5.88	(67,768)	(8,982)	(22)
Total borrowings	2,851,909	138,752	4.87	3,443,430	182,660	5.30	(591,521)	(43,908)	(43)
Total interest-bearing liabilities	8,356,269	234,138	2.80	8,761,283	345,387	3.94	(405,014)	(111,249)	(114)
Total deposits and borrowings	10,250,185	234,138	2.28	10,342,190	345,387	3.34	(92,005)	(111,249)	(106)
Other liabilities [4]	442,404			311,871			130,533		
Total liabilities	10,692,589			10,654,061			38,528		
Stockholders' equity [4]	917,915			899,045			18,870		
Total liabilities and stockholders' equity	$11,610,504			$11,553,106			$ 57,398		
Net interest income and margin		$ 499,225	4.71%		$ 481,222	4.51%		$ 18,003	20

bps = basis points

(1) Tax-exempt income was not significant and thus interest income and related yields have not been presented on a tax equivalent basis. Tax-exempt income of $523,000, $354,000 and $156,000 was recognized during the years ended December 31, 2003, 2002 and 2001, respectively.

(2) Average balance and yield of securities available for sale are based upon the historical amortized cost.

(3) Average balance of loans and leases includes non-accrual loans and leases, and is presented net of unearned income.

(4) Average balance is based upon month-end balances.

The following table presents the components of the changes in net interest income by volume and rate:

(In thousands)	Year Ended December 31, 2003 Versus Same Period in 2002 Increase (Decrease) Due to Volume [1]	Rate [1]	Total	Year Ended December 31, 2002 Versus Same Period in 2001 Increase (Decrease) Due to Volume [1]	Rate [1]	Total
Interest income:						
Investments	$ (2,375)	$ (48)	$ (2,423)	$ (495)	$ (1,537)	$ (2,032)
Securities available for sale	713	(15,164)	(14,451)	11,099	(5,094)	6,005
Loans held for sale	2,421	(4,869)	(2,448)	3,429	(5,231)	(1,802)
Loans and leases:						
Consumer	40,204	(32,725)	7,479	30,889	(38,835)	(7,946)
Commercial real estate	7,026	(16,514)	(9,488)	18,414	(16,187)	2,227
Commercial business	518	(4,197)	(3,679)	1,791	(8,985)	(7,194)
Leasing and equipment finance	8,009	(11,544)	(3,535)	7,094	(10,778)	(3,684)
Residential real estate	(49,442)	(13,857)	(63,299)	(70,036)	(8,784)	(78,820)
Total interest income	1,006	(92,850)	(91,844)	(5,876)	(87,370)	(93,246)
Interest expense:						
Checking	211	(742)	(531)	498	(2,568)	(2,070)
Savings	2,535	(9,161)	(6,626)	4,838	3,614	8,452
Money market	(329)	(4,961)	(5,290)	396	(11,803)	(11,407)
Certificates	(10,602)	(15,542)	(26,144)	(21,878)	(40,438)	(62,316)
Short-term borrowings	2,685	(3,137)	(452)	(15,787)	(19,139)	(34,926)
Long-term borrowings	(26,843)	(7,878)	(34,721)	(3,914)	(5,068)	(8,982)
Total interest expense	(7,544)	(66,220)	(73,764)	(15,329)	(95,920)	(111,249)
Net interest income	685	(18,765)	(18,080)	(3,465)	21,468	18,003

[1] 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.

During 2003, TCF prepaid $954 million of fixed-rate borrowings. These borrowings had an average interest rate of 5.66% and an average remaining maturity of 13 months. Certain of these borrowings were replaced with $787 million of fixed-rate borrowings with an average maturity of 12 months and an average interest rate of 1.42%. 2003 net interest income and net interest margin were positively impacted by $12.2 million, and 12 basis points, respectively, as a result of the reduction in interest expense related to the debt prepayment and replacement funding. TCF may, from time to time, sell mortgage-backed securities. During 2003, TCF sold $816.5 million of fixed-rate mortgage-backed securities with a weighted-average coupon of 6.49% and recognized $32.8 million in gains on securities available for sale. At December 31, 2003, the unrealized gain on TCF's securities available for sale portfolio was $8.9 million.

Changes in net interest income are dependent upon the movement of interest rates, the volume and mix of interest-earning assets and deposits and borrowings and the level of non-performing assets. Achieving net interest margin growth over time is dependent on TCF's ability to generate higher-yielding assets and lower-cost retail deposits. The net impact of the changes in interest-bearing assets and deposits and borrowings has positioned TCF to be more asset sensitive (i.e. more assets than liabilities will be maturing, repricing, or prepaying during the next twelve months). Although this positive gap position will benefit TCF in a rising rate environment, if interest rates remain at current levels or fall further, the net interest margin may continue to compress and net interest income may decline. An increase in interest rates would affect TCF's fixed-rate/variable-rate product origination mix and would extend the estimated life of its

residential real estate loan and mortgage-backed securities portfolios. A change in origination mix and/or the extending of the estimated life of mortgage-related assets may have an adverse impact on future net interest income or net interest margin. Competition for checking, savings and money market deposits, important sources of lower-cost funds for TCF, is intense. A decline in these low-cost deposits may have an adverse impact on future net interest income or net interest margin as TCF would need to replace these funds with short- or long-term borrowings which may have a higher interest cost. See "Consolidated Financial Condition Analysis – Interest-Rate Risk" and "Consolidated Financial Condition Analysis – Deposits" for further discussion on TCF's interest rate risk position.

The decrease, in 2003, in both net interest income and net interest margin was primarily the result of a decline in the overall yield on interest-earning assets during 2003, partially offset by a decline in the overall cost of funds on interest-bearing liabilities. The yield on interest-earning assets declined 87 basis points from 6.92% for 2002 to 6.05% for 2003, while the overall cost of funds on interest-bearing liabilities declined 72 basis points to 1.56% for 2003. Interest income decreased $91.8 million in 2003, reflecting decreases of $92.9 million due to the decline in rates partially offset by a $1 million increase due to volume. Interest expense decreased $73.8 million in 2003, reflecting decreases of $66.2 million due to lower cost of funds and $7.5 million due to volume changes.

The improvement, in 2002, in net interest income and net interest margin was primarily due to growth in average low-cost deposits (checking, savings and money market), up $997.8 million, or 23.2%, coupled with growth in higher-yielding loans and leases (commercial, consumer and lease equipment finance) of $724.6 million, or 14% and lower borrowing costs. These increases were partially offset by a decrease of $850 million, or 17.1%, for 2002 in lower-yielding residential mortgages and mortgage-backed securities. Interest income decreased by $93.2 million in 2002, reflecting decreases of $87.4 million due to rate changes and $5.9 million due to volume changes. Interest expense decreased $111.2 million in 2002, reflecting decreases of $95.9 million due to lower cost of funds and $15.3 million due to volume changes. The increase in net interest income due to rate changes reflects the impact of declining rates on interest-bearing liabilities greater than the impact of declining rates on interest-earning assets. The decrease in net interest income due to volume reflects the overall decline in interest-earning assets.

In 2001, TCF's net interest income increased $42.7 million, or 9.7%, and total average interest-earning assets increased by $592.9 million, or 5.9%, compared with 2000 levels. TCF's net interest income improved by $46 million due to volume changes and decreased $3.3 million due to rate changes. The increases in 2001, in net interest income and net interest margin were primarily due to the growth in higher yielding commercial and consumer loans and leasing and equipment finance along with the strong growth in low-cost checking, savings and money market deposits, as well as the decrease in interest rates resulting in lower interest paid on certificates of deposit and borrowings. These favorable trends were partially offset by the managed reduction in residential real estate loans. Interest income decreased by $72 thousand in 2001 reflecting a decrease of $56.7 million due to rate changes, offset by an increase of $56.6 million due to volume changes. Interest expense decreased $42.8 million in 2001, reflecting a decrease of $53.4 million due to a lower cost of funds, partially offset by a $10.6 million increase due to volume changes. The increase in net interest income due to volume changes reflects the increase in total average interest-earning assets and an increase in the balance of non-interest-bearing deposits. The decrease in net interest income due to rate changes in 2001 reflects the impact of declining rates on interest-earning assets greater than the impact of declining rates on interest-bearing liabilities.

Provision for Credit Losses TCF provided $12.5 million for credit losses in 2003, compared with $22 million in 2002 and $20.9 million in 2001. The decrease in the provision from 2002 primarily reflect declines in net charge-offs and non-accrual loans and leases. Net loan and lease charge-offs were $12.9 million, or .16% of average loans and leases in 2003, down from $20 million, or .25% of average loans and leases in 2002 and up slightly from $12.5 million, or .15% of average loans and leases in 2001. Commercial lending net charge-offs were $782 thousand in 2003, down from $5.9 million in 2002. Leasing and equipment finance net charge-offs were $7.5 million, or .69% of related average loans and leases during 2003, down from $8 million, or .80% of related average loans and leases in 2002. The provision for credit losses is calculated as part of the determination of the allowance for loan and lease losses. The determination of the allowance for loan and lease losses and the related provision for credit losses is a critical accounting estimate which involves a number of factors such as net charge-offs, delinquencies in the loan and lease portfolio, value of collateral, general economic conditions and management's assessment of credit risk in the current loan and lease portfolio. Also see "Consolidated Financial Condition Analysis – Allowance for Loan and Lease Losses."

Non-Interest Income Non-interest income is a significant source of revenue for TCF, representing 46.6% of total revenues in 2003, and is 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. Total non-interest income was $419.3 million for 2003, down $483 thousand from $419.8 million in 2002. Significantly impacting non-interest income during 2003 were gains on securities available for sale and losses on terminations of debt, which were part of the strategy to restructure the balance sheet and reduce funding costs in future periods. Fees and other revenue increased $24.5 million, or 6%, during 2003. This increase in 2003 was driven by increased fees, service charges, debit card revenue, and mortgage banking revenue generated by TCF's expanding branch network and customer base and increased gains on sales of loans which drove the increase in mortgage banking revenue. The increases in fees and service charges and debit card revenue primarily reflect an increase in the number of checking accounts, which totaled 1,443,821 accounts at December 31, 2003, up from 1,338,313 accounts at December 31, 2002. The average annual fee revenue per retail checking account was $223 for 2003, compared with $218 for 2002.

The following table presents the components of non-interest income:

	Year Ended December 31,					Compound Annual Growth Rate	
(Dollars in thousands)	**2003**	2002	2001	2000	1999	**1-Year 2003/2002**	5-Year 2003/1998
Fees and service charges	**$247,456**	$226,051	$195,162	$166,394	$138,198	**9.5%**	17.6%
Debit card revenue	**52,991**	47,190	40,525	30,613	20,747	**12.3**	35.4
ATM revenue	**43,623**	45,296	45,768	47,334	46,397	**(3.7)**	2.3
Investments and insurance commissions	**13,901**	15,848	11,554	12,266	14,849	**(12.3)**	–
Subtotal	**357,971**	334,385	293,009	256,607	220,191	**7.1**	15.5
Leasing and equipment finance	**51,088**	51,628	45,730	38,442	28,505	**(1.0)**	10.3
Mortgage banking	**12,719**	6,979	12,042	10,519	12,770	**82.2**	(5.5)
Other	**9,014**	13,272	16,526	17,895	12,854	**(32.1)**	(7.1)
Fees and other revenue	**430,792**	406,264	367,307	323,463	274,320	**6.0**	12.8
Gains on sales of:							
Securities available for sale	**32,832**	11,536	863	–	3,194		
Branches	**–**	1,962	3,316	12,813	12,160		
Loan servicing	**–**	–	–	–	3,076		
Subsidiaries and joint venture interest	**–**	–	–	–	5,522		
Gains (losses) on termination of debt	**(44,345)**	–	–	–	–		
Title insurance revenues [1]	**–**	–	–	–	15,421		
Other non-interest income	**(11,513)**	13,498	4,179	12,813	39,373		
Total non-interest income	**$419,279**	$419,762	$371,486	$336,276	$313,693	**(.1)**	8.1
Fee revenue per retail checking account (in dollars)	**$ 223**	$ 218	$ 209	$ 190	$ 168	**2.3**	9.3
Fees and other revenue as a:							
percentage of total revenue	**47.84%**	44.21%	43.08%	41.75%	37.18%		
percentage of average assets	**3.70**	3.50	3.18	2.98	2.67		

[1] Title insurance business was sold in 1999.

Fees and Service Charges Fees and service charges increased $21.4 million, or 9.5%, in 2003 and $30.9 million, or 15.8%, in 2002. These increases primarily reflect the impact of the investment in new branch expansion and the increase in the number of checking accounts.

Debit Card Revenue Debit card revenue includes interchange fees on the TCF Check Card. Class action lawsuits were brought by various retail merchants against VISA® USA challenging rules imposed by VISA governing the acceptance of debit and credit cards by merchants. In the second quarter of 2003, VISA reached a settlement of the litigation with various retail merchants, which resulted in lower interchange rates effective August 1, 2003 for many retail merchants. Additionally, as part of the settlement, VISA established new interchange rates which took effect in February 2004, and these rates increased slightly from the rates established August 1, 2003.

As a result of the lowering of interchange rates on August 1, 2003, TCF's average off-line interchange rate declined approximately 7.7% to 1.43% for 2003, down from 1.55% in 2002. In 2003, TCF re-negotiated its contract with VISA and agreed to an extension through 2013. The effect of this new contract is to lower various processing and promotional costs incurred relating to the VISA debit cards.

ATM Revenue The declines in ATM revenue were attributable to a decline in utilization of non-owned ATM machines by TCF customers and declines in utilization of TCF's ATM machines by non-customers. These declines resulted from increased use of debit cards as well as the increased competition from other ATM machines. Additionally, as ATM site contracts are renewed, merchants have generally required a larger percentage of the fee charged to non-customers for use of TCF's ATM's.

The following table sets forth information about TCF's Check Card and ATM network:

	At or For the Year Ended December 31,			Percentage Increase (Decrease)	
(Dollars in thousands)	**2003**	2002	2001	**2003/2002**	2002/2001
TCF Check Cards	**1,534,383**	1,380,893	1,195,522	**11.1%**	15.5%
Other ATM Cards	**124,277**	144,592	158,254	**(14.0)**	(8.6)
Total EXPRESS TELLER® ATM cards outstanding	**1,658,660**	1,525,485	1,353,776	**8.7**	12.7
Number of EXPRESS TELLER® ATM's (1)	**1,166**	1,143	1,341	**2.0**	(14.8)
TCF Check Card:					
Average number of checking accounts with debit cards	**1,193,936**	1,087,592	974,734	**9.8**	11.6
Percentage of customers with TCF Check Cards who were active users	**54.3%**	53.2%	51.3%	**2.1**	3.7
Average number of transactions per month on active TCF Check Cards for the year ended	**12.5**	11.8	10.9	**5.9**	8.3
Sales volume for the year ended:					
Off-line (Signature)	**$3,543,657**	$2,958,633	$2,404,299	**19.8**	23.1
On-line (PIN)	**355,045**	257,560	155,462	**37.8**	65.7
Total	**$3,898,702**	$3,216,193	$2,559,761	**21.2**	25.6
Percentage off-line	**90.89%**	91.99%	93.93%	**(1.2)**	(2.1)
Average off-line interchange rate	**1.43%**	1.55%	1.55%	**(7.7)**	–

(1) In 2002, the contracts covering 256 EXPRESS TELLER® ATM's expired and were not renewed.

Investments and Insurance Revenue Investments and insurance commissions revenue, consisting principally of commissions on sales of annuities and mutual funds, decreased $1.9 million in 2003, compared with an increase of $4.3 million in 2002. Annuity and mutual fund sales volumes totaled $239.5 million for the year ended December 31, 2003, compared with $242.7 million during 2002. The decreased sales volumes during 2003 were the result of the lower interest rate environment which reduced the rate of return on annuity products offered by insurance companies. Sales of insurance and investment products may fluctuate from period to period, and future sales levels will depend upon general economic conditions and investor preferences. Sales of annuities will also depend upon their continued tax advantage and may be negatively impacted by the level of interest rates and alternative investment products.

Leasing and Equipment Finance Revenue Leasing and equipment finance revenues decreased $540 thousand, or 1%, in 2003, following an increase of $5.9 million or 12.9%, in 2002. The decrease in leasing revenues for 2003 was primarily driven by a decline in sales-type lease revenues of $3 million for 2003, partially offset by a $2 million increase in operating lease revenues during 2003. The increase in total leasing and equipment finance revenues for 2002 was driven by an increase of $5.3 million in sales-type lease revenues. Leasing and equipment finance revenues may fluctuate from period to period based on customer-driven factors not entirely within the control of TCF.

Mortgage Banking Revenue The following table sets forth information about mortgage banking revenues:

	Year Ended December 31,				
(In thousands)	**2003**	2002	2001	2000	1999
Servicing income	**$ 20,533**	$ 20,443	$ 16,932	$ 12,642	$ 12,981
Less mortgage servicing:					
Amortization	**23,679**	22,874	16,564	5,326	4,737
Provision for impairment	**21,154**	12,500	4,400	–	169
Subtotal	**44,833**	35,374	20,964	5,326	4,906
Net servicing income (loss)	**(24,300)**	$(14,931)	(4,032)	7,316	8,075
Gains on sales of loans	**33,505**	18,110	11,795	1,347	3,194
Other income	**3,514**	3,800	4,279	1,856	1,501
Total mortgage banking	**$ 12,719**	$ 6,979	$ 12,042	$ 10,519	$ 12,770

Mortgage banking revenue increased $5.7 million, or 82.2%, in 2003, following a decrease of $5.1 million, or 42%, in 2002. The increase in mortgage banking revenues during 2003 was primarily due to increased gains on sales of loans, up $15.4 million over 2002, partially offset by a $9.5 million increase in amortization and provision for impairment of mortgage servicing rights related to the sustained high level of prepayments in 2003. The decrease in mortgage banking revenues during 2002 was primarily due to increased amortization and provision for impairment on mortgage servicing rights resulting from increased refinance activity and sharply higher actual and assumed prepayments in TCF's servicing portfolio. TCF's mortgage banking operations funded $3 billion in loans during 2003, up from $2.9 billion and $2.6 billion during 2002 and 2001, respectively. The percentage of these loans that were refinances was 74% for 2003, compared with 67% and 60% for 2002 and 2001, respectively.

The following table sets forth further information about mortgage banking:

	At December 31,			Percentage Increase (Decrease)	
(Dollars in thousands)	**2003**	2002	2001	**2003/2002**	2002/2001
Third party servicing portfolio	**$5,122,741**	$5,576,066	$4,679,355	**(8.1)%**	19.2%
Weighted average note rate	**5.97%**	6.64%	7.13%	**(10.1)**	(6.9)
Mortgage applications in process	**$ 241,126**	$ 532,012	$ 606,676	**(54.7)**	(12.3)
Capitalized mortgage servicing rights, net	**$ 52,036**	$ 62,644	$ 58,261	**(16.9)**	7.5
Mortgage servicing rights as a percentage of servicing portfolio	**1.02%**	1.12%	1.25%	**(8.9)**	(10.4)
Average servicing fee (basis points)	**31.7 bps**	32.9 bps	32.6 bps	**(3.6)**	.9
Mortgage servicing rights as a multiple of average servicing fee	**3.2 X**	3.4 X	3.8 X	**(5.9)**	(10.5)

bps = basis points

Mortgage banking revenues can be significantly impacted by the amount of amortization and provision for impairment of mortgage servicing rights. The valuation of mortgage servicing rights is a critical accounting estimate for TCF. This estimate is based upon loan types, note rates and prepayment assumptions. Changes in the mix of loans, interest rates, defaults or prepayment speeds may have a material effect on the amortization amount and possible impairment in valuation. In a declining interest rate environment, prepayment speed assumptions will increase and result in an acceleration in the amortization of the mortgage servicing rights as the assumed underlying portfolio declines and also may result in impairment as the value of the mortgage servicing rights decline. TCF periodically evaluates its capitalized mortgage servicing rights for impairment. During 2003, TCF recorded $21.2 million in provision for impairment on its capitalized mortgage servicing rights as a result of strong refinance activity and high prepayments in the servicing portfolio. In addition, in 2003, TCF recorded $28.5 million of permanent impairment write-downs on its capitalized mortgage servicing rights. These permanent impairment write-downs were offset with the valuation allowance on the capitalized mortgage servicing rights. A key component in determining the fair value of mortgage servicing rights is the projected cash flows of the underlying loan portfolio. TCF uses projected cash flows and related prepayment assumptions based on management's best estimates. The range in prepayment assumptions at December 31, 2003 and 2002 reflects management's assumption of higher initial prepayments in early periods that decline over time and level off to a constant prepayment speed. In light of the continued decline in interest rates since December 31, 2002, TCF lowered the weighted-average discount rate used in the determination of the fair value of mortgage servicing rights at December 31, 2003. See Notes 1 and 10 of Notes to Consolidated Financial Statements for additional information concerning TCF's mortgage servicing rights.

The following tables summarize the servicing portfolio by interest rate tranche, the range of prepayment speed assumptions and the weighted average remaining life of the loans by interest rate tranche used in the determination of the valuation and amortization of mortgage servicing rights as of December 31, 2003 and 2002:

(Dollars in thousands)

	December 31, 2003				
		Prepayment Speed Assumption			**Weighted Average Life**
Interest Rate Tranche	**Unpaid Balance**	**High**	**Low**	**Weighted Average**	**(in Years)**
0 to 5.50%	**$1,648,918**	**15.1%**	**13.0%**	**13.3%**	**7.2**
5.51 to 6.00%	**1,407,315**	**20.5**	**17.7**	**17.9**	**5.6**
6.01 to 6.50%	**830,161**	**28.8**	**24.9**	**25.4**	**3.8**
6.51 to 7.00%	**740,675**	**35.9**	**31.0**	**31.8**	**2.7**
7.01% and higher	**495,672**	**39.8**	**34.4**	**35.5**	**2.3**
	$5,122,741	**21.6**	**18.6**	**19.0**	**5.1**

(Dollars in thousands)

	December 31, 2002				
		Prepayment Speed Assumption			Weighted Average Life
Interest Rate Tranche	Unpaid Balance	High	Low	Weighted Average	(in Years)
0 to 5.50%	$ 387,417	27.4%	9.9%	12.7%	7.4
5.51 to 6.00%	734,377	36.4	13.2	16.9	6.0
6.01 to 6.50%	1,183,572	44.8	16.2	20.8	4.8
6.51 to 7.00%	1,944,477	57.8	20.9	26.8	3.5
7.01% and higher	1,326,223	61.3	22.1	28.4	3.1
	$5,576,066	48.9	17.7	22.7	4.3

At December 31, 2003 and 2002, the sensitivity of the current fair value of mortgage servicing rights to a hypothetical immediate 10% and 25% adverse change in prepayment speed assumptions and discount rate are as follows:

(Dollars in millions)	At December 31, 2003	2002
Fair value of mortgage servicing rights	**$58.0**	$62.6
Weighted-average life (in years)	**5.1**	$ 4.3
Weighted average prepayment speed assumption	**19.0%**	22.7%
Weighted average discount rate	**7.5%**	8.0%
Impact on fair value of 10% adverse change in prepayment speed assumptions	**$(3.2)**	$(3.8)
Impact on fair value of 25% adverse change in prepayment speed assumptions	**$(7.4)**	$(8.4)
Impact on fair value of 10% adverse change in discount rate	**$(1.3)**	$(1.5)
Impact on fair value of 25% adverse change in discount rate	**$(3.3)**	$(3.5)

These sensitivities are theoretical and should be used with caution. As the figures indicate, changes in fair value based on a given variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in the above table, the effect of a variation in a particular assumption on the fair value of the mortgage servicing rights is calculated independently without changing any other assumptions. In reality, changes in one factor may result in changes in another (for example, changes in prepayment speed estimates could result in changes in discount rates or market interest rates), which might either magnify or counteract the sensitivities. As reflected above, a significant increase in future prepayment speeds can have a significant impact on the impairment of the mortgage servicing rights. TCF does not use derivatives to hedge its mortgage servicing rights asset.

Other Non-interest Income Other non-interest income consists of gains on sales of securities available for sale, losses on termination of debt and gains on sales of branches.

Gains on securities available for sale of $32.8 million, $11.5 million and $863 thousand were recognized on the sales of $816.5 million, $473.9 million and $33.6 million in mortgage-backed securities in 2003, 2002 and 2001, respectively. Also, as previously discussed, TCF prepaid $954 million of fixed-rate FHLB advances during 2003, and recorded losses on terminations of debt of $44.3 million in 2003. There were no similar prepayments of debt during 2002 or 2001.

There were no branch sales during 2003. During 2002, TCF recognized a gain of $2 million on the sale of a branch with $17.1 million in deposits, compared with a gain of $3.3 million on the sale of a branch with $30 million in deposits during 2001. TCF periodically sells branches that it considers underperforming or have limited growth potential.

Non-Interest Expense Non-interest expense increased $20.8 million, or 3.9%, in 2003, and $37.3 million, or 7.4%, in 2002, compared with the respective prior years. The following table presents the components of non-interest expense:

	Year Ended December 31,					Compound Annual Growth Rate	
(Dollars in thousands)	**2003**	2002	2001	2000	1999	**1-Year 2003/2002**	5-Year 2003/1998
Compensation and employee benefits	**$302,804**	$294,295	$266,818	$238,934	$238,464	**2.9%**	6.9%
Occupancy and equipment	**88,423**	83,131	78,774	74,938	73,613	**6.4**	4.4
Advertising and promotions	**25,536**	21,894	20,909	19,181	16,981	**16.6**	5.5
Other	**143,346**	139,969	127,718	116,443	111,121	**2.4**	6.1
Subtotal	**560,109**	539,289	494,219	449,496	440,179	**3.9**	6.2
Amortization of goodwill	**–**	–	7,777	7,706	7,713	**–**	–
Total non-interest expense	**$560,109**	$539,289	$501,996	$457,202	$447,892	**3.9**	5.8

Compensation and employee benefits, representing 54.1%, 54.6% and 53.2% of total non-interest expense in 2003, 2002 and 2001, respectively, increased $8.5 million, or 2.9%, in 2003, $27.5 million, or 10.3%, in 2002 and $27.9 million, or 11.8%, in 2001. The 2003 increase of 2.9% was primarily due to higher levels of mortgage banking production and costs associated with branches opened during 2002 and 2003, and a net increase in pension plan and postretirement plan expenses of $3.1 million, partially offset by a $6.6 million reduction in executive incentive compensation as a result of TCF not achieving specific earnings goals for 2003. The 2002 increase of 10.3% was primarily due to costs associated with new branch expansion and the addition of lenders and sales representatives. The 2001 increase of 11.8% was primarily due to costs associated with expanded retail banking and leasing activities, along with a significant increase in mortgage banking activities.

Occupancy and equipment expenses increased $5.3 million in 2003, $4.4 million in 2002 and $3.8 million in 2001. The increases were primarily due to TCF's new branch expansion and retail banking and leasing activities, partially offset by branch sales in 2002 and 2001.

Advertising and promotion expenses increased $3.6 million in 2003 following increases of $985 thousand in 2002 and $1.7 million in 2001. The increase in 2003 is directly attributable to additional advertising and promotions expenses focused on the acquisition and retention of TCF's deposit customer base. The increase in 2002 was primarily due to increases in retail banking media advertising. The increase in 2001 was primarily due to increases in retail banking activities and promotional expenses associated with the TCF Express Phone Card rewards program.

Other non-interest expense increased $3.4 million, or 2.4%, in 2003, primarily the result of higher levels of mortgage banking production and prepayment activity. In 2002, other non-interest expense increased $12.3 million, or 9.6%, primarily the result of increased expenses associated with expanded retail banking and leasing operations, debit card processing expense resulting from increased utilization and the higher levels of production and prepayment activity in the mortgage banking business. In 2001, other non-interest expense increased $11.3 million primarily the result of increased expenses associated with higher levels of activity in mortgage banking and expanded retail banking and leasing operations. A summary of other expense is presented in Note 25 of Notes to Consolidated Financial Statements.

On January 1, 2002, TCF adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill and other intangible assets with indefinite useful lives no longer be amortized, but instead tested for impairment at least annually. Further detail on goodwill amortization is provided in Note 22 of Notes to Consolidated Financial Statements.

Income Taxes Income tax expense represented 34.14% of income before income tax expense during 2003, compared with 34.88% and 37.14% in 2002 and 2001, respectively. The lower effective tax rate in 2003 primarily reflects increases in investments in tax-advantaged affordable housing limited partnerships and lower state and local income taxes. The lower effective rate in 2002 primarily reflects the effects of the change in accounting for goodwill, lower state income taxes, a favorable resolution of uncertainties during tax examinations and the reduced effect of non-deductible expenses as a percentage of pre-tax net income.

TCF has a Real Estate Investment Trust ("REIT") and related companies, that acquire, hold and manage mortgage assets and other authorized investments to generate income. These companies are consolidated with TCF National Bank and are therefore included in the consolidated financial statements of TCF Financial Corporation. The REIT must meet specific provisions of the Internal Revenue Code ("IRC") to continue to qualify as a REIT. Two specific provisions applicable to the REIT are an income test and an asset test. At least 75% of the REIT's gross income, excluding gross income from prohibited transactions, for each taxable year must be derived directly or indirectly from investments relating to real property or mortgages on real property. Additionally, at least 75% of the REIT's assets must be represented by real estate assets. At December 31, 2003, TCF's REIT met the applicable provisions of the IRC to qualify as a REIT. State laws may also impose limitations or restrictions on operations of the REIT and the related companies. These laws are subject to change. If these companies fail to meet any of the required provisions of Federal and state tax laws or if the state tax laws change, TCF's effective tax rate would increase.

The determination of current and deferred income taxes is a critical accounting estimate which is based on complex analyses of many factors including interpretation of Federal and state income tax laws, the differences between the tax and financial reporting basis of assets and liabilities (temporary differences), estimates of amounts due or owed such as the timing of reversal of temporary differences and current financial accounting standards. Additionally, there can be no assurances that estimates and interpretations used in determining income tax liabilities may not be challenged by Federal and state taxing authorities. Actual results could differ significantly from the estimates and interpretations used in determining the current and deferred income tax liabilities. In addition, under generally accepted accounting principles, deferred income tax assets and liabilities are recorded at the current prevailing Federal and state income tax rates. If such rates change, deferred income tax assets and liabilities must be adjusted in the period of change through a charge or credit through the Consolidated Statement of Income. Further detail on income taxes is provided in Note 14 of Notes to Consolidated Financial Statements.

CONSOLIDATED FINANCIAL CONDITION ANALYSIS

Investments Total investments, which includes interest-bearing deposits with banks, FHLB stock, Federal Reserve Bank stock and other investments, were $75.2 million at December 31, 2003, down $78.5 million from December 31, 2002. The decrease primarily reflects a decrease of $78.4 million in FHLB stock resulting from the implementation of new capital plans at two FHLB banks which resulted in a decrease in FHLB stock, and also lower stock ownership requirements resulting from the previously mentioned prepayment of $954 million in fixed-rate borrowings which resulted in FHLB stock redemptions. TCF is required to invest in FHLB stock in proportion to its level of mortgage assets and the level of borrowings from the FHLB. TCF had no non-investment grade debt securities (junk bonds) and there were no open trading account or investment option positions as of December 31, 2003 or 2002.

Securities Available for Sale Securities available for sale decreased $893.5 million during 2003 to $1.5 billion at December 31, 2003. This decrease reflects sales of $816.5 million of mortgage-backed securities, in which the Company recognized $32.8 million in gains on sales of securities available for sale, and normal payment and prepayment activity. Partially offsetting these sales were 2003 purchases of $871.6 million of mortgage-backed securities, with the majority, $812.2 million, purchased during the first quarter of 2003. TCF's securities available for sale portfolio included $1.5 billion and $13.8 million of fixed-rate and adjustable-rate mortgage-backed securities, respectively. Net unrealized gains on securities available for sale totaled $8.9 million at December 31, 2003, compared with $72.3 million at December 31, 2002. TCF may, from time to time, sell additional mortgage-backed securities and utilize the proceeds to either reduce borrowings or to fund growth in loans and leases.

Loans Held for Sale Loans held for sale included residential mortgage and education loans. Residential mortgage loans held for sale were $101 million and $277.4 million at December 31, 2003 and 2002, respectively. Residential mortgage loans held for sale are part of TCF's mortgage banking business and are generally committed to be sold at the time a customer locks in the interest rate on the loan. Education loans held for sale were $234.3 million and $199.1 million at December 31, 2003 and 2002, respectively. Education loans are sold when the student graduates or drops below half-time status.

Loans and Leases The following tables set forth information about loans and leases held in TCF's portfolio, excluding loans held for sale:

(Dollars in thousands)	At December 31,					Compound Annual Growth Rate	
Portfolio Distribution:	2003	2002	2001	2000	1999	1-Year 2003/2002	5-Year 2003/1998
Consumer	$3,630,341	$3,005,882	$2,509,333	$2,234,134	$2,058,584	20.8%	14.1%
Commercial real estate	1,916,701	1,835,788	1,622,461	1,371,841	1,073,472	4.4	18.8
Commercial business	427,696	440,074	422,381	410,422	351,353	(2.8)	8.1
Leasing and equipment finance	1,160,397	1,039,040	956,737	856,471	492,656	11.7	23.8
Subtotal	7,135,135	6,320,784	5,510,912	4,872,868	3,976,065	12.9	16.1
Residential real estate	1,212,643	1,800,344	2,733,290	3,673,831	3,919,678	(32.6)	(20.3)
Total loans and leases	$8,347,778	$8,121,128	$8,244,202	$8,546,699	$7,895,743	2.8	3.2

(In thousands)	At December 31, 2003				
Geographic Distribution:	Consumer	Commercial	Leasing and Equipment Finance	Residential Real Estate	Total
Minnesota	$1,431,566	$ 684,105	$ 60,772	$ 585,924	$2,762,367
Michigan	643,455	689,523	86,963	322,017	1,741,958
Illinois	945,140	377,574	41,171	233,558	1,597,443
Wisconsin	376,928	321,335	31,855	34,964	765,082
Colorado	180,234	5,259	24,795	1,298	211,586
California	653	36,385	135,428	–	172,466
Florida	11,960	20,796	64,207	756	97,719
Ohio	6,298	21,650	43,966	8,220	80,134
Texas	735	1,370	71,614	1,584	75,303
Other	33,372	186,400	599,626	24,322	843,720
Total	$3,630,341	$2,344,397	$1,160,397	$1,212,643	$8,347,778

Loans and leases increased $226.7 million from year-end 2002 to $8.3 billion at December 31, 2003, reflecting increases of $624.5 million in consumer loans, $121.4 million in leasing and equipment finance and $80.9 million in commercial real estate loans, partially offset by decreases of $587.7 million in residential real estate loans and $12.4 million in commercial business loans. The decline in residential real estate loans during 2003 was due to accelerating prepayments brought on by the decline in interest rates. Management expects that the residential loan portfolio will continue to decline, which will provide funding for anticipated growth in other loan categories. At December 31, 2003, TCF's residential real estate loan portfolio was comprised of $894.3 million of fixed-rate loans and $312.4 million of adjustable-rate loans.

Consumer loans increased $624.5 million from year-end 2002 to $3.6 billion at December 31, 2003, driven by an increase of $632.4 million in home equity loans. Approximately 70% of the home equity portfolio at December 31, 2003 consisted of closed-end loans, compared with 69% at December 31, 2002. In addition, 60% of this portfolio carries a variable interest rate tied to the prime rate, at December 31, 2003, compared with 62% at December 31, 2002. Outstanding balances on home equity lines of credit were 45.4% of total lines of credit balances at December 31, 2003, compared with 45.7% at December 31, 2002. As of December 31, 2003, $1.7 billion of the variable rate consumer loans were at their interest rate floors. These loans will remain at their interest rate floor until interest rates rise above the floor rates. An increase in the TCF base rate of 50 basis points would result in the repricing of $1.2 billion of variable rate consumer loans currently at their floor rates. A 100 basis point increase in the TCF base rate would result in a total of $1.4 billion of these loans repricing at interest rates above their current floor rates.

At December 31, 2003, the weighted average loan-to-value ratio for the home equity portfolio was 74%, compared with 72% at December 31, 2002. TCF's credit standards limit higher loan-to-value ratio loans to more creditworthy customers, generally based on credit scoring models.

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

(Dollars in thousands)	At December 31, 2003			2002		
Loan-to-Value Ratios [1]	**Balance**	**Percent of Total**	**Over 30-Day Delinquency as a Percentage of Balance**	Balance	Percent of Total	Over 30-Day Delinquency as a Percentage of Balance
Over 100% [2]	**$ 39,452**	**1.1%**	**4.81%**	$ 53,916	1.8%	2.17%
Over 90% to 100%	**361,374**	**10.1**	**.78**	384,988	13.0	.80
Over 80% to 90%	**1,370,523**	**38.2**	**.40**	1,028,207	34.8	.62
80% or less	**1,816,678**	**50.6**	**.39**	1,488,533	50.4	.52
Total	**$3,588,027**	**100.0%**	**.48%**	$2,955,644	100.0%	.62

[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 amount of senior liens, if any. Property values represent the most recent market value or property tax assessment value known to TCF.

[2] Amount reflects the total outstanding loan balance. The portion of the loan balance in excess of 100% of the property value is substantially less than the amount included above.

The following tables summarize TCF's commercial real estate loan portfolio by property type:

(Dollars in thousands)	**At December 31, 2003**			At December 31, 2002		
	Permanent	**Construction and Development**	**Total**	Permanent	Construction and Development	Total
Apartments	**$ 519,622**	**$ 28,983**	**$ 548,605**	$ 479,703	$ 5,052	$ 484,755
Office buildings	**399,112**	**33,262**	**432,374**	356,814	11,588	368,402
Retail services	**304,295**	**10,139**	**314,434**	279,587	23,149	302,736
Warehouse/industrial buildings	**189,635**	**1,253**	**190,888**	184,073	1,456	185,529
Hotels and motels	**131,367**	**19,270**	**150,637**	107,905	41,118	149,023
Health care facilities	**32,157**	**17,664**	**49,821**	36,250	11,220	47,470
Other	**169,247**	**60,695**	**229,942**	195,528	102,345	297,873
Total	**$1,745,435**	**$ 171,266**	**$1,916,701**	$1,639,860	$ 195,928	$1,835,788

	At December 31,					
	2003			2002		
(Dollars in thousands)	**Balance**	**Number of Loans**	**Over 30-Day Delinquency as a Percentage of Balance**	Balance	Number of Loans	Over 30-Day Delinquency as a Percentage of Balance
Apartments	**$ 548,605**	**730**	**–%**	$ 484,755	562	.07%
Office buildings	**432,374**	**304**	**–**	368,402	289	.44
Retail services	**314,434**	**282**	**–**	302,736	285	.02
Warehouse/industrial buildings	**190,888**	**172**	**–**	185,529	173	2.61
Hotels and motels	**150,637**	**35**	**–**	149,023	32	–
Health care facilities	**49,821**	**17**	**–**	47,470	19	–
Other	**229,942**	**200**	**.03**	297,873	369	–
Total	**$1,916,701**	**1,740**	**–%**	$1,835,788	1,729	.37%

Commercial real estate loans increased $80.9 million from year-end 2002 to $1.9 billion at December 31, 2003. Commercial business loans decreased $12.4 million in 2003 to $427.7 million at December 31, 2003. TCF continues to expand its commercial business and commercial real estate lending activity generally to borrowers located in its primary markets. With a focus on secured lending, at December 31, 2003, approximately 99% of TCF's commercial real estate and commercial business loans were secured either by properties or underlying business assets. At December 31, 2003 and 2002, the construction and development portfolio had no loans over 30-days delinquent. At December 31, 2003, approximately 90% of TCF's commercial real estate loans outstanding were secured by properties located in its primary markets. At December 31, 2003, $379 million of variable rate commercial loans were at their interest rate floors. These loans will remain at their interest rate floor until interest rates rise above the floor rates. An increase in the associated base rates of 50 basis points would result in the repricing of $303.9 million of variable rate commercial loans currently at their floor rates. A 100 point increase in interest rates would result in a total of $350 million of these loans repricing at interest rates above their current floor rates.

The following tables summarize TCF's leasing and equipment finance portfolio by marketing segment and by equipment type:

(Dollars in thousands)	At December 31,					
	2003			2002		
Marketing Segment	**Balance**	**Percent of Total**	**Over 30-Day Delinquency as a Percentage of Balance**	Balance	Percent of Total	Over 30-Day Delinquency as a Percentage of Balance
Middle Market [1]	**$ 595,812**	**51.3%**	**.88%**	$ 363,568	35.0%	1.26%
Winthrop [2]	**229,441**	**19.8**	**1.14**	266,709	25.7	–
Wholesale [3]	**137,062**	**11.8**	**.29**	181,038	17.4	.42
Small ticket [4]	**124,178**	**10.7**	**.56**	105,489	10.1	.41
Leveraged leases	**22,728**	**2.0**	**–**	21,519	2.1	–
Subtotal	**1,109,221**	**95.6**	**.81**	938,323	90.3	.61
Truck and trailer [5]	**51,176**	**4.4**	**3.66**	100,717	9.7	4.72
Total	**$1,160,397**	**100.0 %**	**.93**	$1,039,040	100.0%	1.00

(1) Middle market consists primarily of loan and lease financing of construction and manufacturing equipment and speciality vehicles.

(2) Winthrop's portfolio consists primarily of technology and data processing equipment.

(3) Wholesale includes the discounting and purchasing of lease receivables sourced by third party lessors.

(4) Small ticket includes loan and lease financings to small- and mid-size companies through programs with vendors, manufacturers, distributors, and franchise organizations. Individual contracts generally range from $25 thousand to $250 thousand.

(5) TCF discontinued originations in the truck and trailer marketing segment during 2001. TCF will continue to provide financing on trucks and trailers to customers in the middle market segment for use in their businesses which are unrelated to the over-the-road trucking industry. See the portfolio summary by equipment type below for TCF's total financing of truck and trailers.

(Dollars in thousands)	At December 31, 2003		2002	
Equipment Type	**Balance**	**Percent of Total**	Balance	Percent of Total
Technology and data processing	**$ 249,515**	**21.5%**	$ 291,091	28.0%
Specialty vehicles	**225,073**	**19.4**	149,997	14.4
Manufacturing	**198,321**	**17.1**	140,014	13.5
Construction	**133,104**	**11.5**	87,857	8.5
Trucks and trailers	**89,262**	**7.7**	113,587	10.9
Furniture and fixtures	**54,052**	**4.7**	62,153	6.0
Printing	**38,977**	**3.3**	31,181	3.0
Medical	**33,462**	**2.9**	23,378	2.2
Material handling	**27,111**	**2.3**	24,749	2.4
Aircraft	**23,965**	**2.1**	23,420	2.3
Other	**87,555**	**7.5**	91,613	8.8
Total	**$1,160,397**	**100.0%**	$1,039,040	100.0%

The leasing and equipment finance portfolio increased $121.4 million from December 31, 2002 to $1.2 billion at December 31, 2003 and included the purchase of a specialty vehicles lease portfolio totaling $58.4 million. This increase was net of a $37.3 million decline in the Winthrop lease portfolio. Winthrop leases technology and data processing equipment to companies. Technology spending by companies has been slow over the past few years. In addition, the low interest rate environment has led many companies to decide to purchase instead of lease technology. These factors have contributed to the reduced levels of new leases at Winthrop. TCF continues to focus attention on increasing sales efforts at Winthrop to increase overall balances and maintain its high level of profitability in the business. At December 31, 2003, $66.4 million, or 7.4% of TCF's lease portfolio, was discounted on a non-recourse basis with other third-party financial institutions and consequently TCF retains no credit risk on such amounts. This compares with non-recourse fundings of $108.7 million, or 13.9%, at December 31, 2002. The leasing and equipment finance portfolio tables above include lease residuals. Lease residuals represent the estimated fair value of the leased equipment at the expiration of the initial term of the transaction. At December 31, 2003, lease residuals, excluding leveraged lease residuals, totaled $34.2 million, down from $35.4 million at December 31, 2002. The lease residuals on leveraged leases are included in investments in leveraged leases and totaled $18.7 million at December 31, 2003, unchanged from December 31, 2002. Lease residual values are initially determined at the inception of the lease and are reviewed on an ongoing basis. Any downward revisions are recorded in the periods in which they become known.

Included in the investment in leveraged leases, at December 31, 2003, is $19.8 million for a 100% equity interest in a Boeing 767-300 aircraft on lease to Delta Airlines in the United States. An economic slowdown has adversely impacted the airline industry and could have an adverse impact on the lessee's ability to meet its lease obligations and the residual value of the aircraft. The lessee is current on the lease payments and the lease expires in 2010. This lease represents TCF's only material direct exposure to the commercial airline industry. Total loan and lease originations and purchases for TCF's leasing businesses were $618.3 million at December 31, 2003, compared with $518.1 million during 2002 and $492.3 million in 2001. The backlog of approved transactions increased to $155.2 million at December 31, 2003, from $140.8 million at December 31, 2002. TCF's expanded leasing activity is subject to risk of cyclical downturns and other adverse economic developments. TCF's ability to increase 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 as well as a decline in equipment values for equipment previously placed in service. TCF Leasing has originated most of its portfolio during recent periods, and consequently the performance of this portfolio may not be reflective of future results and credit quality.

Loan and leases outstanding at December 31, 2003 are shown in the following table by maturity:

	At December 31, 2003 (1)					
(In thousands)	Consumer	Commercial Real Estate	Commercial Business	Leasing and Equipment Finance	Residential Real Estate	Total Loans and Leases
Amounts due:						
Within 1 year	$ 110,042	$ 295,481	$ 213,615	$ 399,224	$ 52,585	$1,070,947
After 1 year:						
1 to 2 years	93,903	129,837	107,229	318,314	54,914	704,197
2 to 3 years	192,580	319,498	70,466	365,922	111,445	1,059,911
3 to 5 years	124,752	190,267	8,843	88,622	53,108	465,592
5 to 10 years	689,949	837,905	20,252	59,838	241,217	1,849,161
10 to 15 years	1,398,267	114,053	1,999	26,708	199,084	1,740,111
Over 15 years	1,023,605	33,149	4,837	–	494,394	1,555,985
Total after 1 year	3,523,056	1,624,709	213,626	859,404	1,154,162	7,374,957
Total	$3,633,098	$1,920,190	$ 427,241	$1,258,628	$1,206,747	$8,445,904
Amounts due after 1 year on:						
Fixed-rate loans and leases	$1,416,392	$ 278,796	$ 56,042	$ 859,404	$ 849,274	$3,459,908
Variable and adjustable-rate loans (2)	2,106,664	1,345,913	157,584	–	304,888	3,915,049
Total after 1 year	$3,523,056	$1,624,709	$ 213,626	$ 859,404	$1,154,162	$7,374,957

(1) Gross of unearned discounts and deferred fees. This table does not include the effect of prepayments, which is an important consideration in management's interest rate risk analysis. Company experience indicates that the loans remain outstanding for significantly shorter periods than their contractual terms.

(2) Includes $1.7 billion of consumer loans and $379 million of variable-rate commercial real estate and commercial business loans at their interest rate floor.

Allowance for Loan and Lease Losses Credit risk is the risk of loss from a customer default on a loan or lease. TCF has in place a process to identify and manage its credit risk. The process includes initial credit review and approval, periodic monitoring to measure compliance with credit agreements and internal credit policies, monitoring changes in the risk ratings of loans and leases, identification of problem loans and leases and procedures for the collection of problem loans and leases. The risk of loss is difficult to quantify and is subject to fluctuations in values, general economic conditions and other factors. The determination of the allowance for loan and lease losses is a critical accounting estimate which involves management's judgment on a number of factors such as net charge-offs, delinquencies in the loan and lease portfolio, general economic conditions and management's assessment of credit risk in the current loan and lease portfolio. The Company considers the allowance for loan and lease losses of $76.6 million appropriate to cover losses inherent in the loan and lease portfolios as of December 31, 2003. However, no assurance can be given that TCF will not, in any particular period, sustain loan and lease losses that are sizable in relation to the amount reserved, or that subsequent evaluations of the loan and lease portfolio, in light of factors then prevailing, including economic conditions and TCF's on-going credit review process, will not require significant changes in the allowance for loan and lease losses. Among other factors, a protracted economic slowdown and/or a decline in commercial or residential real estate values in TCF's markets may have an adverse impact on the adequacy of the allowance for loan and lease losses by increasing credit risk and the risk of potential loss. See "Forward-Looking Information" and Notes 1 and 7 of Notes to Consolidated Financial Statements for additional information concerning TCF's allowance for loan and lease losses.

The next several pages include detail information regarding TCF's allowance for loan and lease losses, net charge-offs, non-performing assets, past due loans and leases and potential problem loans and leases. Included in this data are numerous portfolio ratios that must be carefully reviewed and related to the nature of the underlying loan and lease portfolios before appropriate conclusions can be reached regarding TCF or for purposes of making comparisons to other companies. Most of TCF's non-performing assets and past due loans and leases are secured by residential real estate. Given the nature of these assets and the related mortgage foreclosure, property sale and, if applicable, mortgage insurance claims processes, it can take 18 months or longer for a loan to migrate from initial delinquency to final disposition. This resolution process generally takes much longer for loans secured by real estate than for unsecured loans or loans secured by other property primarily due to state foreclosure laws.

The key indicators of TCF's credit quality and reserve coverage for 2003 include net charge-offs to average loans and leases of .16%, the year-end allowance as a multiple of net charge-offs of 5.9X and an earnings coverage ratio of 26.3X.

The following table sets forth information detailing the allowance for loan and lease losses and selected key indicators:

	Year Ended December 31,				
(Dollars in thousands)	**2003**	2002	2001	2000	1999
Balance at beginning of year	**$ 77,008**	$ 75,028	$ 66,669	$ 55,755	$ 80,013
Transfers to loans held for sale	**–**	–	–	–	(14,793)
Charge-offs:					
Consumer	**(5,362)**	(6,939)	(6,605)	(7,041)	(31,509)
Commercial real estate	**(1,381)**	(2,181)	(122)	(76)	(674)
Commercial business	**(920)**	(5,952)	(429)	(143)	(52)
Leasing and equipment finance	**(8,620)**	(9,230)	(9,794)	(2,426)	(2,008)
Residential real estate	**(86)**	(59)	(1)	(15)	(155)
	(16,369)	(24,361)	(16,951)	(9,701)	(34,398)
Recoveries:					
Consumer	**2,173**	2,965	3,487	4,576	5,831
Commercial real estate	**45**	43	103	295	1,381
Commercial business	**138**	54	193	690	329
Leasing and equipment finance	**1,083**	1,264	649	254	398
Residential real estate	**9**	9	–	28	71
	3,448	4,335	4,432	5,843	8,010
Net charge-offs	**(12,921)**	(20,026)	(12,519)	(3,858)	(26,388)
Provision charged to operations	**12,532**	22,006	20,878	14,772	16,923
Balance at end of year	**$ 76,619**	$ 77,008	$ 75,028	$ 66,669	$ 55,755
Key Indicators:					
Ratio of net loan and lease charge-offs to average loans and leases outstanding	**.16%**	.25%	.15%	.05%	.35%
Year-end allowance as a multiple of net charge-offs	**5.9 X**	3.8X	6.0X	17.3X	2.1X
Income before income taxes and provision for loan losses as a multiple of net charge-offs	**26.3 X**	19.0X	28.0X	82.3X	11.0X

The allocation of TCF's allowance for loan and lease losses, including general and specific loss allocations, is as follows:

						Allocations as a Percentage of Total Loans and Leases Outstanding by Type				
	At December 31,					At December 31,				
(Dollars in thousands)	**2003**	2002	2001	2000	1999	**2003**	2002	2001	2000	1999
Consumer	**$ 9,084**	$ 8,532	$ 8,355	$ 9,764	$10,701	**.25%**	.28%	.33%	.44%	.52%
Commercial real estate	**25,142**	22,176	24,459	20,753	12,708	**1.31**	1.21	1.51	1.51	1.18
Commercial business	**11,797**	15,910	12,117	9,668	8,256	**2.76**	3.62	2.87	2.36	2.35
Leasing and equipment finance	**13,515**	12,881	11,774	7,583	4,237	**1.16**	1.24	1.23	.89	.86
Unallocated	**16,139**	16,139	16,139	16,139	16,839	**N.A.**	N.A.	N.A.	N.A.	N.A.
Subtotal	**75,677**	75,638	72,844	63,907	52,741	**1.06**	1.20	1.32	1.31	1.33
Residential real estate	**942**	1,370	2,184	2,762	3,014	**.08**	.08	.08	.08	.08
Total allowance balance	**$76,619**	$77,008	$75,028	$66,669	$55,755	**.92**	.95	.91	.78	.71

N.A. Not applicable.

The allocated allowance balances for TCF's residential and consumer loan portfolios, at December 31, 2003, reflect the Company's credit quality and related low level of net loan charge-offs for these portfolios. The increase in the allocated allowance for commercial real estate losses reflects the growth in the portfolio. The decline in the allocated allowance for commercial business reflects the decline in the portfolio coupled with declines in net charge-offs, non-performing loans and potential problem loans in the commercial business portfolio during 2003. The allocated allowance for the loan and lease portfolios do not reflect any significant changes in estimation methods or assumptions.

The decrease in TCF's allowance for loan and lease losses as a percentage of total loans and leases, at December 31, 2003, reflects the impact of the reduction in commercial and commercial real estate, consumer and leasing and equipment finance charge-offs and the reduction in non-accrual loans and leases, partially offset by growth in loans and leases.

The following table sets forth additional information regarding net charge-offs:

	Year Ended December 31,			
	2003		2002	
(Dollars in thousands)	**Net Charge-offs**	**% of Average Loans and Leases**	Net Charge-offs	% of Average Loans and Leases
Consumer	**$ 3,189**	**.10%**	$ 3,974	.15%
Commercial real estate	**1,336**	**.07**	2,138	.12
Commercial business	**782**	**.18**	5,898	1.35
Leasing and equipment finance:				
Middle market	**1,883**	**.40**	1,017	.39
Winthrop	**(32)**	**–**	113	.04
Wholesale	**1,774**	**1.13**	2,998	1.57
Small ticket	**1,422**	**1.28**	759	.83
Leveraged leases	**–**	**–**	–	–
Subtotal	**5,047**	**.31**	4,887	.56
Truck and trailer	**2,490**	**3.03**	3,079	2.50
Total leasing and equipment finance	**7,537**	**.69**	7,966	.80
Subtotal	**12,844**	**.19**	19,976	.34
Residential real estate	**77**	**.01**	50	–
Total	**$12,921**	**.16**	$20,026	.25

Non-Performing Assets Non-performing assets consist of non-accrual loans and leases and other real estate owned. The decrease in total non-performing assets reflects decreases of $4.7 million, $3.9 million and $3.1 million, respectively, in leasing and equipment finance, residential real estate and commercial business non-performing assets, partially offset by increases of $7 million and $3.4 million, respectively, in consumer and commercial real estate non-performing assets. Approximately 53% of non-performing assets at December 31, 2003 consisted of, or were secured by, residential real estate. Non-accrual loans and leases in the truck and trailer marketing segment of the leasing and equipment finance portfolio totaled $3.5 million at December 31, 2003, compared with $7.5 million at December 31, 2002. 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 or six payments past due for loans secured by residential real estate) unless such loans and leases are adequately secured and in the process of collection.

Non-performing assets are summarized in the following table:

(Dollars in thousands)	At December 31, 2003	2002	2001	2000	1999
Non-accrual loans and leases:					
Consumer	**$12,052**	$11,163	$16,473	$13,027	$12,178
Commercial real estate	**2,490**	3,213	11,135	5,820	1,576
Commercial business	**2,931**	4,777	3,550	236	2,960
Leasing and equipment finance, net	**13,241**	17,127	11,723	7,376	1,310
Residential real estate	**3,993**	5,798	6,959	4,829	5,431
Total non-accrual loans and leases, net	**34,707**	42,078	49,840	31,288	23,455
Non-recourse discounted lease rentals	**699**	1,562	2,134	3,910	619
Total non-accrual loans and leases, gross	**35,406**	43,640	51,974	35,198	24,074
Other real estate owned:					
Residential	**20,462**	16,479	12,830	10,422	9,454
Commercial	**12,992**	10,093	1,825	447	1,458
Total other real estate owned	**33,454**	26,572	14,655	10,869	10,912
Total non-performing assets, gross	**$68,860**	$70,212	$66,629	$46,067	$34,986
Total non-performing assets, net	**$68,161**	$68,650	$64,495	$42,157	$34,367
Gross non-performing assets as a percentage of net loans and leases	**.83%**	.87%	.82%	.54%	.45%
Gross non-performing assets as a percentage of total assets	**.61**	.58	.59	.41	.33

Included in non-performing assets are loans that are considered impaired. The recorded investment in impaired loans was $9.1 million and $12.1 million at December 31, 2003 and December 31, 2002, respectively. The related allowance for credit losses was $4.5 million at December 31, 2003, compared with $5.5 million at December 31, 2002. All of the impaired loans were on non-accrual status. There were no impaired loans at December 31, 2003 and 2002 which did not have a related allowance for loan losses. The average recorded investment in impaired loans was $10.8 million for 2003, compared with $14.7 million for 2002.

Past Due Loans and Leases The following table sets forth information regarding TCF's delinquent loan and lease portfolio, excluding loans held for sale and non-accrual loans and leases. TCF's delinquency rates are determined using the contractual method.

	At December 31, 2003		2002	
(Dollars in thousands)	**Principal Balances**	**Percentage of Loans and Leases**	Principal Balances	Percentage of Loans and Leases
Accruing loans and leases delinquent for:				
30-59 days	**$24,187**	**.29%**	$24,683	.31%
60-89 days	**8,953**	**.11**	16,557	.20
90 days or more	**5,604**	**.07**	5,084	.06
Total	**$38,744**	**.47%**	$46,324	.57%

The following table summarizes TCF's over 30-day delinquent loan and lease portfolio, by loan type:

	At December 31, 2003		2002	
(Dollars in thousands)	**Principal Balances**	**Percentage of Portfolio**	Principal Balances	Percentage of Portfolio
Consumer	**$17,673**	**.49%**	$19,067	.64%
Commercial real estate	**58**	**–**	6,835	.37
Commercial business	**282**	**.07**	555	.13
Leasing and equipment finance	**10,619**	**.93**	10,159	1.00
Residential real estate	**10,112**	**.84**	9,708	.54
Total	**$38,744**	**.47**	$46,324	.57

TCF's over 30-day delinquency on total commercial real estate decreased to less than .01% at December 31, 2003 from .37% at December 31, 2002. The decline in delinquencies in the commercial real estate portfolio during 2003 was primarily due to one customer who brought their loans current in the first quarter of 2003. TCF's over 30-day delinquency on total leasing and equipment finance decreased to .93% at December 31, 2003 from 1% at December 31, 2002. Included in delinquent leasing and equipment finance at December 31, 2003 are $654 thousand of leases that have been funded on a non-recourse basis by third-party financial institutions. At December 31, 2002, there were no delinquent leases that have been funded on a non-recourse basis by third-party financial institutions.

Potential Problem Loans and Leases In addition to non-performing assets, there were $48.1 million of loans and leases at December 31, 2003, for which management has concerns regarding the ability of the borrowers to meet existing repayment terms, compared with $83.4 million at December 31, 2002. These loans and leases are primarily classified for regulatory purposes as substandard and reflect the distinct possibility, but not probability, that the Company will not be able to collect all amounts due according to the contractual terms of the loan or lease agreement. Although these loans and leases have been identified as potential problem loans and leases, they may never become non-performing. Additionally, these loans and leases are generally secured by commercial real estate or assets, thus reducing the potential for loss should they become non-performing. Potential problem loans and leases are considered in the determination of the adequacy of the allowance for loan and lease losses. At December 31, 2003, commercial business potential problem loans were down $20.7 million from December 31, 2002 primarily due to paydowns received. Commercial real estate potential problem loans totaled $20.3 million at December 31, 2003, and were down $9.9 million from December 31, 2002, primarily due to paydowns received and improvement in the regulatory classification on certain loans. Leasing and equipment finance potential problem loans include $1.1 million and $1.8 million funded on a non-recourse basis at December 31, 2003 and 2002, respectively.

Potential problem loans and leases are summarized as follows:

	At December 31,		Change	
(Dollars in thousands)	2003	2002	$	%
Consumer	$ –	$ 4,500	$ (4,500)	(100.0)%
Commercial real estate	20,279	30,132	(9,853)	(32.7)
Commercial business	12,721	33,408	(20,687)	(61.9)
Leasing and equipment finance	15,094	15,314	(220)	(1.4)
Total	$48,094	$ 83,354	$(35,260)	(42.3)

Liquidity Management TCF manages its liquidity position to ensure that the funding needs of depositors and borrowers are met promptly and in a cost-effective manner. Asset liquidity arises from the ability to convert assets to cash as well as from the maturity of assets. Liability liquidity results from the ability of TCF to attract a diversity of funding sources to promptly meet funding requirements.

Deposits are the primary source of TCF's funds for use in lending and for other general business purposes. In addition to deposits, TCF derives funds primarily from loan and lease repayments and proceeds from the discounting of leases and borrowings. Deposit inflows and outflows are significantly influenced by general interest rates, money market conditions, competition for funds, customer service and other factors. TCF's deposit inflows and outflows have been and will continue to be affected by these factors. Borrowings may be used to compensate for reductions in normal sources of funds, such as deposit inflows at less than projected levels, net deposit outflows or to support expanded activities. Historically, TCF has borrowed primarily from the FHLB, from institutional sources under repurchase agreements and, to a lesser extent, from other sources. At December 31, 2003, TCF had over $2.4 billion in unused capacity under these funding sources, which could be used to meet future liquidity needs. See "Borrowings."

Potential sources of liquidity for TCF Financial Corporation (parent company only) include cash dividends from TCF's wholly owned bank subsidiary, issuance of equity securities and borrowings under a $105 million line of credit. TCF's National Bank's ability to pay dividends or make other capital distributions to TCF is restricted by regulation and may require regulatory approval. Undistributed earnings and profits at December 31, 2003 includes approximately $134.4 million for which no provision for federal income tax has been made. This amount represents earnings appropriated to bad debt reserves and deducted for federal income tax purposes, and is generally not available for payment of cash dividends or other distributions to shareholders without incurring an income tax liability based on the amount of earnings removed and current tax rates.

Deposits Checking, savings and money market deposits are an important source of low cost funds and fee income for TCF. Deposits totaled $7.6 billion at December 31, 2003, down $98.2 million from December 31, 2002. Lower interest-cost checking, savings and money market deposits totaled $6 billion, up $208.4 million from December 31, 2002, and comprised 78.8% of total deposits at December 31, 2003, compared with 75.1% of total deposits at December 31, 2002. The average balance of these deposits for 2003 was $6 billion, an increase of $742.7 million over the $5.3 billion average balance for 2002. Higher interest-cost certificates of deposit decreased $306.6 million from December 31, 2002 as other lower-cost funding sources were available to TCF. TCF's weighted-average rate for deposits, including non-interest-bearing deposits, was .58% at December 31, 2003, down from 1.02% at December 31, 2002.

New Branch Expansion Key to TCF's growth is its continued investment in new branch expansion. New branches are an important source of new customers in both deposit products and consumer lending products. While supermarket branches continue to play an important role in TCF's expansion strategy, the opportunity to add new supermarket branches within TCF's markets has slowed from prior years. Therefore, TCF has continued new branch expansion by opening more traditional branches. Although traditional branches require a higher initial investment than supermarket branches, they ultimately attract more customers and become more profitable. During 2003, TCF opened 19 new branches. The focus on opening new branches will continue in 2004, with the planned opening of 28 branches, including 22 new traditional branches and six new supermarket branches.

Of TCF's 401 branches, 228, or 57%, were newly opened since January 1, 1998. Additional information regarding TCF's branches opened since January 1, 1998 is displayed in the table below:

	At or For the Year Ended December 31,					Compound Annual Growth Rate	
(Dollars in thousands)	**2003**	2002	2001	2000	1999	**1-Year 2003/2002**	5-Year 2003/1998
Number of new branches opened during the year							
Traditional	**14**	12	6	3	1	**N.M.**	N.M.
Supermarket	**5**	15	21	22	34	**N.M.**	N.M.
Total	**19**	27	27	25	35	**N.M.**	N.M.
Number of new branches* at year-end							
Traditional	**42**	28	16	10	7	**N.M.**	N.M.
Supermarket	**186**	184	174	153	133	**N.M.**	N.M.
Total	**228**	212	190	163	140	**N.M.**	N.M.
Percent of total branches	**56.9%**	53.7%	50.7%	46.3%	41.4%	**N.M.**	N.M.
Number of checking accounts	**480,371**	396,266	327,792	239,052	180,230	**21.2%**	39.5%
Deposits:							
Checking	**$ 616,539**	$ 447,914	$ 335,198	$ 236,633	$ 140,880	**37.6**	50.7
Savings	**390,253**	407,088	133,987	63,764	49,863	**(4.1)**	65.7
Money market	**66,604**	70,476	91,092	68,504	13,729	**(5.5)**	46.8
Subtotal	**1,073,396**	925,478	560,277	368,901	204,472	**16.0**	54.9
Certificates	**152,050**	162,655	184,020	225,401	139,116	**(6.5)**	16.9
Total deposits	**$1,225,446**	$1,088,133	$ 744,297	$ 594,302	$ 343,588	**12.6**	45.2
Total fees and other revenue for the year	**$ 126,123**	$ 107,769	$ 85,333	$ 60,750	$ 39,164	**17.0**	54.4

N.M. Not meaningful.

* New branches opened since January 1, 1998.

Borrowings Borrowings totaled $2.4 billion at December 31, 2003, down $695.5 million from year-end 2002. The decrease was primarily due to decreases in residential real estate loans and mortgage-backed securities which reduces TCF's reliance on borrowings. See Notes 12 and 13 of Notes to Consolidated Financial Statements for detailed information on TCF's borrowings. Included in long-term borrowings at December 31, 2003 are $767.5 million of fixed-rate FHLB advances and repurchase agreements with other financial institutions which are callable by the counterparty at par on certain anniversary dates and, for most, quarterly thereafter until maturity. If called, replacement funding will be provided by the counterparties at the then-prevailing short-term market rate of interest for the remaining term-to-maturity of the advances and repurchase agreements, subject to standard terms and conditions. The weighted-average rate on borrowings decreased to 3.24% at December 31, 2003, from 4.43% at December 31, 2002 as a result of the previously discussed prepayments of FHLB advances and generally lower interest rates on short-term borrowings.

TCF does not utilize unconsolidated subsidiaries or special purpose entities to provide off-balance-sheet borrowings. See Note 20 of Notes to Consolidated Financial Statements for information relating to off-balance-sheet instruments.

Contractual Obligations and Commitments As disclosed in the Notes to Consolidated Financial Statements, TCF has certain obligations and commitments to make future payments under contracts. At December 31, 2003, the aggregate contractual obligations (excluding bank deposits) and commitments are as follows:

(In thousands)	Payments Due by Period				
Contractual Obligations	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Total borrowings	$2,414,825	$ 925,019	$1,067,253	$ 122,553	$ 300,000
Annual rental commitments under non-cancelable operating leases	164,784	22,310	42,601	31,517	68,356
Purchase obligations (construction contracts and land purchase commitments for future branch sites)	13,807	13,807	–	–	–
	$2,593,416	$ 961,136	$1,109,854	$ 154,070	$ 368,356

(In thousands)	Amount of Commitment – Expiration by Period				
Other Commitments	Total	Less than 1 Year	1-3 Years	4-5 Years	After 5 Years
Commitments to lend:					
Consumer	$1,382,348	$ 25,083	$ 15,050	$ 19,470	$1,322,745
Commercial	624,664	443,012	164,507	4,598	12,547
Leasing and equipment finance	57,485	57,485	–	–	–
Other	56,007	56,007	–	–	–
Total commitments to lend	2,120,504	581,587	179,557	24,068	1,335,292
Loans serviced with recourse	130,765	3,096	6,828	6,529	114,312
Standby letters of credit and guarantees on industrial revenue bonds	40,796	18,369	21,196	160	1,071
	$2,292,065	$ 603,052	$ 207,581	$ 30,757	$1,450,675

Commitments to lend are agreements to lend to a customer provided there is no violation of any condition in the contract. These commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Collateral predominantly consists of residential and commercial real estate.

Loans serviced with recourse represent a contingent guarantee based upon the failure to perform by another party. These loans consist of $126 million of Veterans Administration ("VA") loans and $4.8 million of loans sold with recourse to the Federal National Mortgage Association ("FNMA"). As is typical of a servicer of VA loans, TCF must cover any principal loss in excess of the VA's guarantee if the VA elects its "no-bid" option upon the foreclosure of a loan. TCF has established a liability of $100 thousand relating to the VA "no-bid" exposure on VA loans serviced with partial recourse at December 31, 2003 which was recorded in other liabilities. No claims have been made under the "no-bid" option during 2003 or 2002. Loans sold with recourse to FNMA represent residential real estate loans sold to FNMA prior to 1982. TCF no longer sells loans on a recourse basis, and thus has limited the amount of loans subject to this contingent guarantee. The contingent guarantee related to both types of recourse remains in effect for the duration of the loans and thus expires in various years through the year 2033. All loans sold with recourse are collateralized by residential real estate. Since conditions under which TCF would be required either to cover any principal loss in excess of the VA's guarantee or repurchase the loan sold to FNMA may not materialize, the actual cash requirements are expected to be significantly less than the amount provided in the table above.

Standby letters of credit and guarantees on industrial revenue bonds are conditional commitments issued by TCF guaranteeing the performance of a customer to a third party. These conditional commitments expire in various years through the year 2011. Since the conditions under which TCF is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments. Collateral held on these commitments primarily consists of commercial real estate mortgages.

Stockholders' Equity Stockholders' equity at December 31, 2003 was $920.9 million, or 8.1% of total assets, down from $977 million, or 8% of total assets, at December 31, 2002. The decrease in stockholders' equity was primarily due to the repurchase of 3.5 million shares of TCF's common stock at a cost of $150.4 million, the payment of $93 million in dividends on common stock and a $40.5 million decrease in accumulated comprehensive income, partially offset by net income of $215.9 million for the year ended December 31, 2003. On July 21, 2003, TCF's Board of Directors authorized the repurchase of up to an additional 5% of TCF's common stock, or 3.6 million shares. At December 31, 2003, 3.7 million shares remain available under remaining authorizations from the Board of Directors. Since January 1, 1998, the Company has repurchased 25.1 million shares of its common stock at an average cost of $33.33 per share. For the year ended December 31, 2003, average total equity to average assets was 8.03% compared with 7.91% for the year ended December 31, 2002. Dividends paid to common shareholders on a per share basis totaled $1.30 in 2003, an increase of 13% from $1.15 in 2002. TCF's dividend payout ratio was 42.62% in 2003 and 36.51% in 2002. The Company's primary funding sources for common dividends are dividends received from its subsidiary bank. At December 31, 2003, TCF and TCF National Bank 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. See Notes 15 and 16 of Notes to Consolidated Financial Statements.

TCF has used stock options as a form of employee compensation only to a limited extent. At December 31, 2003, the number of incentive stock options outstanding was 240,848 or .34% of total shares outstanding.

Interest-Rate Risk TCF's results of operations are dependent to a large degree on its net interest income and its 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. Since TCF does not hold a trading portfolio, the Company is not exposed to market risk from trading activities. The mismatch between maturities, interest rate sensitivities and prepayment characteristics of assets and liabilities results in interest rate risk.

TCF, like most financial institutions, has material interest rate risk exposure to changes in both short-term and long-term interest rates as well as variable interest rate indices (e.g., prime).

TCF's Asset/Liability 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.

Although the measure is subject to a number of assumptions and is only one of a number of measurements, management believes that the interest rate gap (difference between interest-earning 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. While the interest rate gap measurement has some limitations, which include no assumptions regarding future asset or liability production and the possibility of a static interest rate environment which can result in large quarterly changes due to changes of the above items, interest rate gap represents the net asset or liability sensitivity at a point in time. In addition to the interest rate gap analysis, management also utilizes a simulation model to measure and manage TCF's interest rate risk, relative to a base case scenario.

TCF's one-year interest rate gap was a positive $161.3 million, or 1% of total assets, at December 31, 2003, compared with a positive $1.1 billion, or 9% of total assets at December 31, 2002. A positive interest rate gap position exists when the amount of interest-earning assets maturing or repricing, including assumed prepayments, within a particular time period exceeds the amount of interest-bearing liabilities maturing or repricing. The decrease in the one-year interest rate gap is primarily the result of a decrease in fixed-rate mortgage-backed securities and residential real estate loans of $1.5 billion.

TCF's balance sheet is generally positioned to benefit from rising interest rates due to a positive interest rate gap position. TCF would also likely benefit from an increase in interest rates as this might signify that economic conditions are improving. The favorable impact of an increase in interest rates on net interest income would be partially diminished by the fact that at December 31, 2003, $1.7 billion of variable rate consumer loans and $379 million of variable rate commercial loans were at their interest rate floors. These loans will remain at their interest rate floors until interest rates rise above the floor rates. An increase in the TCF base rate of 50 basis points would result in the repricing of $1.2 billion of variable rate consumer loans and $303.9 million of variable rate commercial loans currently at their floor rates. Additionally, increases in interest rates could have an adverse impact on TCF's checking account balances, if customers transfer some of these funds to higher interest rate deposit products or other investments and would likely result in an increase in the cost of interest-bearing deposits. An increase in interest rates would affect TCF's fixed-rate/variable-rate product origination mix and origination volumes and would also likely result in slower fixed-rate loan prepayments.

While this positive interest rate gap may compress net interest income in the short-term, TCF believes this positive interest rate gap to be warranted because current rates are well below historical averages, and consequently, there is a greater possibility over time of higher interest rates versus lower interest rates. However, if interest rates remain at current levels or fall further, TCF could continue to experience an increase in prepayments of residential loans, mortgage-backed securities and fixed-rate consumer and commercial real estate loans and may continue to experience further compression of its net interest income.

The one-year interest rate gap 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, a general rise or decline in interest rates, and the possibility that TCF's counterparties will exercise their option to call certain of TCF's longer-term callable borrowings. Decisions by management to purchase or sell assets or to retire debt could change the maturity/repricing and spread relationships. In addition, TCF's interest-rate risk may increase during periods of rising interest rates due to slower prepayments on fixed-rate loans and mortgage-backed securities. TCF estimates that a 100 basis point increase in interest rates would slow prepayments on the $2.7 billion of mortgage-backed securities and residential real estate loans at December 31, 2003 by approximately $328.8 million, or 49%. A slowing in prepayments would increase the estimated life of the mortgage-backed securities and residential real estate loan portfolios and may adversely impact net interest income or net interest margin in the future.

The following table summarizes TCF's interest-rate gap position at December 31, 2003:

(Dollars in thousands)	Maturity/Rate Sensitivity					
	Within 30 Days	30 Days to 6 Months	6 Months to 1 Year	1 to 3 Years	3+ Years	Total
Interest-earning assets:						
Loans held for sale	$ 297,068	$ 26,837	$ 674	$ 2,855	$ 7,938	$ 335,372
Securities available for sale (1)	29,827	154,165	192,421	461,476	695,399	1,533,288
Real estate loans (1)	34,190	219,260	225,849	345,461	387,883	1,212,643
Leasing and equipment finance (1)	38,964	165,563	182,498	496,363	277,009	1,160,397
Other loans (1) (2)	1,313,030	613,204	624,448	2,267,208	1,156,848	5,974,738
Investments	21	51,157	–	–	24,045	75,223
	1,713,100	1,230,186	1,225,890	3,573,363	2,549,122	10,291,661
Interest-bearing liabilities:						
Checking deposits (3)	203,034	–	–	–	3,045,378	3,248,412
Savings deposits (3)	928,532	–	–	–	977,391	1,905,923
Money market deposits (3)	405,591	–	–	–	439,700	845,291
Certificate deposits	164,318	631,897	414,166	336,970	64,772	1,612,123
Short-term borrowings	290,689	190,025	397,698	–	–	878,412
Long-term borrowings (4)	109,134	21,834	17,541	964,109	423,795	1,536,413
	2,101,298	843,756	829,405	1,301,079	4,951,036	10,026,574
Interest-earning assets over (under) interest-bearing liabilities (Primary gap)	(388,198)	386,430	396,485	2,272,284	(2,401,914)	265,087
Impact of unsettled transactions:						
Securities available for sale	(283,678)	13,546	36,692	106,283	127,157	–
Adjusted gap	$ (671,876)	$ 399,976	$ 433,177	$ 2,378,567	$(2,274,757)	$ 265,087
Cumulative adjusted gap	$ (671,876)	$ (271,900)	$ 161,277	$ 2,539,844	$ 265,087	$ 265,087
Cumulative adjusted gap as a percentage of total assets:						
At December 31, 2003	(6)%	(2)%	1%	22%	2%	2%
At December 31, 2002	(4)%	4 %	9%	19%	3%	3%

(1) Based upon contractual maturity, repricing date, if applicable, scheduled repayments of principal and projected prepayments of principal based upon experience and third party projections.

(2) At December 31, 2003, $1.7 billion of consumer variable rate loans and $379 million of commercial variable rate loans were at their floor rate and were treated as fixed-rate for gap reporting purposes. At December 31, 2002, $1.1 billion of consumer variable rate loans were at their floor rate and were treated as fixed-rate.

(3) Includes non-interest bearing deposits. At December 31, 2003, 6% of checking deposits, 49% of savings deposits, and 48% of money market deposits are included in amounts repricing within one year. All remaining checking, savings and money market deposits are assumed to mature in the "3+ Years" category. While management believes that these assumptions are reasonable, no assurance can be given that amounts on deposit in checking, savings, and money market accounts will not significantly change or be repriced in the event of a general change in interest rates. At December 31, 2002, 7% of checking deposits, 59% of savings deposits, and 53% of money market deposits were included in amounts repricing within one year and 18% of savings deposits were included in the "1 to 3 Years" category.

(4) Includes $767.5 million of callable borrowings. At December 31, 2003, the contract rates on all callable borrowings exceeded current market rates.

As previously noted, TCF also utilizes simulation models to estimate the near-term effects (next twelve months) of changing interest rates on its net interest income. Net interest income simulation involves forecasting net interest income under a variety of scenarios, including the level of interest rates, the shape of the yield curve, and spreads between market interest rates. At December 31, 2003, net interest income is estimated to increase by 2.3%, compared with the base case scenario, over the next twelve months if interest rates were to sustain an immediate increase of 100 basis points. In the unlikely event interest rates were to decline by 100 basis points, reflecting an interest rate on overnight Federal Funds of 0%, net interest income is estimated to decrease by 5%, compared with the base case scenario, over the next twelve months. The decrease from the base case scenario is largely due to an assumed continued decrease in total interest-earning assets.

Management exercises its best judgment in making assumptions regarding loan prepayments, early deposit withdrawals, and other non-controllable events in estimating TCF's exposure to changes in interest rates. These assumptions are inherently uncertain and, as a result, the simulation models cannot precisely estimate net interest income or precisely predict the impact of a change in interest rates on net interest income. Actual results will differ from simulated results due to the timing, magnitude and frequency of interest rate changes and changes in market conditions and management strategies, among other factors.

Summary of Critical Accounting Estimates Critical accounting estimates occur in certain accounting policies and procedures and are particularly susceptible to significant change. Policies that contain critical accounting estimates include the determination of the allowance for loan and lease losses, mortgage servicing rights,

income taxes, lease financings and pension liability and expenses. See Note 1 of Notes to Consolidated Financial Statements for further discussion of critical accounting estimates.

Recent Accounting Developments In January 2003, the Financial Accounting Standards Board ("FASB") issued FASB Interpretation ("FIN") No. 46 "Consolidation of Variable Interest Entities," which addresses consolidation and disclosure of interests in variable interest entities ("VIEs"). See Note 1 of Notes to Consolidated Financial Statements for information relating to investments in affordable housing limited partnerships. There was no impact on TCF's financial statements upon adoption of this interpretation.

In December 2003, the FASB issued a revised version of FIN No. 46. The revised FIN No. 46 clarifies some of the provisions of the original interpretation and adds new scope exceptions. TCF expects no significant impact on TCF's financial statements upon adoption of the revised interpretation.

In April 2003, the FASB issued SFAS No. 149, "Amendment of Statement 133 on Derivative Instruments and Hedging Activities." SFAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." This Statement is generally effective for contracts entered into or modified and hedging relationships designated after June 30, 2003. There was no impact on TCF's financial statements as a result of the adoption of this Statement.

In May 2003, the FASB issued SFAS No. 150, "Accounting for Certain Financial Instruments with Characteristics of both Liabilities and Equity." SFAS No. 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both a liability and equity. It requires that an issuer classify certain financial instruments as a liability, although the financial instrument may previously have been classified as equity. This Statement was effective for financial instruments entered into or modified after May 31, 2003 and otherwise was effective at the beginning of the first interim period beginning after June 15, 2003. There was no impact on TCF's financial statements upon adoption of this Statement.

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the "Act") was signed into law. This Act includes a prescription drug benefit and a federal subsidy for sponsors of retiree healthcare plans beginning in 2006. TCF offers a prescription drug benefit to certain retirees in its post-retirement medical plan. In January 2004, the FASB issued limited guidance regarding the effects of the Act on the estimated costs of providing this retirement benefit under SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" with various implementation options. The impact of the Act has not yet been included in TCF's determination of post retirement benefit obligations or expense. TCF is currently reviewing the Act and considering its options. However, the effects of this Act are not expected to be significant.

Fourth Quarter Summary In the fourth quarter of 2003, TCF reported net income of $59.5 million, compared with $59.8 million in the fourth quarter of 2002. Diluted earnings per common share was 86 cents for the fourth quarter of 2003, compared with 82 cents for the fourth quarter of 2002. TCF opened 10 new branches in the fourth quarter of 2003, of which two were supermarket branches.

Net interest income was $119.1 million and $126.6 million for the quarter ended December 31, 2003 and 2002 respectively. The net interest margin was 4.68% and 4.59% for the fourth quarter of 2003 and 2002, respectively. TCF's net interest income declined by $7.5 million, or 5.9% over the fourth quarter of 2002. Of this decline in net interest income $11.6 million was due to interest rate changes, partially offset by an increase of $4 million due to volume changes.

TCF provided $4 million for credit losses in the fourth quarter of 2003, compared with $4.1 million in the fourth quarter of 2002. Net loan and lease charge-offs were $6.1 million, or .30% of average loans and leases outstanding, compared with $3.2 million, or .16% of average loans and leases outstanding during the same 2002 period. Included in net charge-offs was a $1.3 million charge-off related to an office building that TCF took ownership of during the fourth quarter of 2003. Included in leasing and equipment net charge-offs in the fourth quarter of 2003 was a $1.3 million charge-off related to the sale of $5.6 million of under-performing leases from the transportation portfolio.

Non-interest income increased $5.7 million, or 5.2%, during the fourth quarter of 2003 to $114.9 million. The increase was primarily due to increased leasing and mortgage banking revenues and fees and service charges.

Non-interest expense increased $993 thousand, or.7%, in the fourth quarter of 2003 to $142.2 million. Increases from the fourth quarter of 2002 in occupancy expense of $1.2 million due to branch expansion and in advertising of $1 million to support checking account promotions were mostly offset by a $1.9 million decrease in other non-interest expense primarily due to lower mortgage banking volumes and lower ATM and debit card processing expense.

In the fourth quarter of 2003, the effective income tax rate was reduced to 32.14% of income before tax expense for the quarter due to the increased investments in affordable housing limited partnerships and a reduction in state and local income taxes.

Earnings Teleconference and Website Information 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 website at www.tcfexpress.com or by contacting TCF's Corporate Communications Department at (952) 745-2760. The website also includes free access to company news releases, TCF's annual report, quarterly reports,

investor presentations and Securities and Exchange Commission ("SEC") filings. Replays of prior quarterly conference calls discussing financial results may also be accessed at the investor relations section within TCF's website.

Legislative, Legal and Regulatory Developments

Federal and state legislation imposes numerous legal and regulatory requirements on financial institutions. Future legislative or regulatory change, or changes in enforcement practices or court rulings, may have a dramatic and potentially adverse impact on TCF and its bank and other subsidiaries.

The Federal Deposit Insurance Corporation ("FDIC") and members of the United States Congress have proposed new legislation that would reform the bank deposit insurance system. This reform could merge the Bank Insurance Fund ("BIF") and Savings Association Insurance Fund ("SAIF"), increase the deposit insurance coverage limits and index future coverage limitations, among other changes. Most significantly, reform proposals could allow the FDIC to raise or lower (within certain limits) the currently mandated designated reserve ratio requiring the FDIC to maintain a 1.31% reserve ratio ($1.31 against $100 of insured deposits), and require certain changes in the calculation methodology. Although it is too early to predict the ultimate impact of such proposals, they could, if adopted, result in the imposition of additional deposit insurance premium costs on TCF.

On July 30, 2002, the Sarbanes-Oxley Act of 2002 ("the Act") was signed into law by the President of the United States. The Act provides for sweeping changes dealing with corporate governance, accounting practices and disclosure requirements for public companies, and also for their directors and officers. Section 302 of the Act, entitled "Corporate Responsibility for Financial Reports," required the SEC to adopt rules to implement certain requirements noted in the Act and it did so effective August 29, 2002. The new rules require a company's chief executive and chief financial officers to certify the financial and other information included in the company's quarterly and annual reports. The rules also require these officers to certify that they are responsible for establishing, maintaining and regularly evaluating the effectiveness of the company's disclosure controls and procedures; that they have made certain disclosures to the auditors and to the audit committee of the board of directors about the company's controls and procedures; and that they have included information in their quarterly and annual filings about their evaluation and whether there have been significant changes in disclosure controls or internal controls over financial reporting during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting. These certifications called for under Section 302 of the Act are filed as an exhibit to Form 10-K. See "Controls and Procedures" in Form 10-K for TCF's evaluation of disclosure controls and procedures. TCF is also furnishing as an exhibit to Form 10-K certificates called for under Section 906 of the Act.

On June 5, 2003, the SEC published its final rules on Section 404 of the Act, requiring public companies to complete an annual assessment of the effectiveness of internal control over financial reporting. The rules are effective in 2004 and a management report must be included in the 2004 Form 10-K describing management's responsibility for establishing and maintaining adequate internal control over financial reporting and its assessment of the effectiveness of such controls as of year-end. The Company's independent auditors will also be required to complete an attestation report on management's assessment.

In September 2002, the SEC issued its final ruling covering the acceleration of periodic report filing dates. The rule applies to certain companies, including TCF, and will reduce the annual report filing deadline from 90 days after year-end to 60 days after year-end for TCF's 2004 Annual Report. The quarterly report on Form 10-Q filing deadline will also be accelerated from 45 days after quarter-end to 35 days after quarter-end for the quarterly Form 10-Q filings in 2005. TCF has taken steps to modify its financial reporting process to meet these accelerated filing deadlines.

Forward-Looking Information

This Annual Report and other reports issued by the Company, including reports filed with the SEC, 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, which could be impacted by lower prepayment rates in a period of rising interest rates; deposit outflows; ability to increase the number of checking accounts and the possibility that deposit account losses (fraudulent checks, etc.) may increase; reduced demand for financial services and loan and lease products; adverse developments affecting TCF's supermarket banking relationships or any of the supermarket chains in which TCF maintains supermarket branches; changes in accounting policies or guidelines, or monetary, fiscal or tax policies of the federal or state governments; 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; the risk that TCF could be unable to effectively manage the volatility of its mortgage banking business, which could adversely affect earnings; results of litigation, including reductions in debit card revenues resulting from litigation brought by retail merchants against VISA® USA, or other significant uncertainties.

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Dollars in thousands, except per-share data)	At December 31, 2003	2002
Assets		
Cash and due from banks	**$ 370,054**	$ 416,397
Investments	**75,223**	153,722
Securities available for sale	**1,533,288**	2,426,794
Loans held for sale	**335,372**	476,475
Loans and leases:		
Consumer	**3,630,341**	3,005,882
Commercial real estate	**1,916,701**	1,835,788
Commercial business	**427,696**	440,074
Leasing and equipment finance	**1,160,397**	1,039,040
Subtotal	**7,135,135**	6,320,784
Residential real estate	**1,212,643**	1,800,344
Total loans and leases	**8,347,778**	8,121,128
Allowance for loan and lease losses	**(76,619)**	(77,008)
Net loans and leases	**8,271,159**	8,044,120
Premises and equipment	**282,193**	243,452
Goodwill	**145,462**	145,462
Deposit base intangibles	**5,907**	7,573
Mortgage servicing rights	**52,036**	62,644
Other assets	**248,321**	225,430
	$11,319,015	$12,202,069
Liabilities and Stockholders' Equity		
Deposits:		
Checking	**$ 3,248,412**	$ 2,864,896
Savings	**1,905,923**	2,041,723
Money market	**845,291**	884,614
Subtotal	**5,999,626**	5,791,233
Certificates of deposit	**1,612,123**	1,918,755
Total deposits	**7,611,749**	7,709,988
Short-term borrowings	**878,412**	842,051
Long-term borrowings	**1,536,413**	2,268,244
Total borrowings	**2,414,825**	3,110,295
Accrued expenses and other liabilities	**371,583**	404,766
Total liabilities	**10,398,157**	11,225,049
Stockholders' equity:		
Preferred stock, par value $.01 per share, 30,000,000 shares authorized; none issued and outstanding	**–**	–
Common stock, par value $.01 per share, 280,000,000 shares authorized; 92,513,355 and 92,638,937 shares issued	**925**	926
Additional paid-in capital	**518,878**	518,813
Retained earnings, subject to certain restrictions	**1,234,804**	1,111,955
Accumulated other comprehensive income	**5,652**	46,102
Treasury stock at cost, 22,037,025 and 18,783,051 shares, and other	**(839,401)**	(700,776)
Total stockholders' equity	**920,858**	977,020
	$11,319,015	$12,202,069

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per-share data)	Year Ended December 31, 2003	2002	2001
Interest income:			
Loans and leases	**$513,171**	$585,693	$681,110
Securities available for sale	**103,821**	118,272	112,267
Loans held for sale	**20,016**	22,464	24,266
Investments	**4,511**	6,934	8,966
Total interest income	**641,519**	733,363	826,609
Interest expense:			
Deposits	**56,795**	95,386	162,727
Borrowings	**103,579**	138,752	182,660
Total interest expense	**160,374**	234,138	345,387
Net interest income	**481,145**	499,225	481,222
Provision for credit losses	**12,532**	22,006	20,878
Net interest income after provision for credit losses	**468,613**	477,219	460,344
Non-interest income:			
Fees and service charges	**247,456**	226,051	195,162
Debit card revenue	**52,991**	47,190	40,525
ATM revenue	**43,623**	45,296	45,768
Investments and insurance commissions	**13,901**	15,848	11,554
Subtotal	**357,971**	334,385	293,009
Leasing and equipment finance	**51,088**	51,628	45,730
Mortgage banking	**12,719**	6,979	12,042
Other	**9,014**	13,272	16,526
Fees and other revenue	**430,792**	406,264	367,307
Gains on sales of securities available for sale	**32,832**	11,536	863
Gains (losses) on termination of debt	**(44,345)**	–	–
Gains on sales of branches	**–**	1,962	3,316
Other non-interest income	**(11,513)**	13,498	4,179
Total non-interest income	**419,279**	419,762	371,486
Non-interest expense:			
Compensation and employee benefits	**302,804**	294,295	266,818
Occupancy and equipment	**88,423**	83,131	78,774
Advertising and promotions	**25,536**	21,894	20,909
Amortization of goodwill	**–**	–	7,777
Other	**143,346**	139,968	127,718
Total non-interest expense	**560,109**	539,288	501,996
Income before income tax expense	**327,783**	357,693	329,834
Income tax expense	**111,905**	124,762	122,512
Net income	**$215,878**	$232,931	$207,322
Net income per common share:			
Basic	**$ 3.06**	$ 3.17	$ 2.73
Diluted	**$ 3.05**	$ 3.15	$ 2.70
Dividends declared per common share	**$ 1.30**	$ 1.15	$ 1.00

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(Dollars in thousands)
Balance, December 31, 2000
Comprehensive income:
Net income
Other comprehensive income
Comprehensive income
Dividends on common stock
Repurchase of 3,670,107 shares
Issuance of 262,340 shares
Cancellation of shares
Amortization of deferred compensation
Exercise of stock options, 86,677 shares
Change in shares held in trust for deferred compensation plans, at cost
Purchase of TCF stock to fund the Employees Stock Purchase Plan, net
Loan to deferred compensation plans
Balance, December 31, 2001
Comprehensive income:
Net income
Other comprehensive income
Comprehensive income
Dividends on common stock
Repurchase of 3,108,431 shares
Issuance of 61,440 shares
Cancellation of shares
Amortization of deferred compensation
Exercise of stock options, 51,656 shares
Change in shares held in trust for deferred compensation plans, at cost
Repayment of loans to deferred compensation plans
Balance, December 31, 2002
Comprehensive income (loss):
Net income
Other comprehensive income (loss)
Comprehensive income (loss)
Dividends on common stock
Repurchase of 3,459,490 shares
Issuance of 142,737 shares
Cancellation of shares
Amortization of deferred compensation
Exercise of stock options, 62,779 shares
Change in shares held in trust for deferred compensation plans, at cost
Balance, December 31, 2003

See accompanying notes to consolidated financial statements.

Number of Common Shares Issued	Common Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income (Loss)	Treasury Stock and Other	Total
92,755,659	$ 928	$ 508,682	$ 835,605	$ (9,868)	$ (425,127)	$ 910,220
–	–	–	207,322	–	–	207,322
–	–	–	–	16,097	–	16,097
–	–	–	207,322	16,097	–	223,419
–	–	–	(77,473)	–	–	(77,473)
–	–	–	–	–	(148,043)	(148,043)
–	–	3,057	–	–	(3,057)	–
(36,115)	(1)	(1,484)	–	–	646	(839)
–	–	15	–	–	11,049	11,064
–	–	885	–	–	2,405	3,290
–	–	9,744	–	–	(9,744)	–
–	–	41	–	–	–	41
–	–	–	–	–	(4,646)	(4,646)
92,719,544	927	520,940	965,454	6,229	(576,517)	917,033
–	–	–	232,931	–	–	232,931
–	–	–	–	39,873	–	39,873
–	–	–	232,931	39,873	–	272,804
–	–	–	(86,430)	–	–	(86,430)
–	–	–	–	–	(148,030)	(148,030)
–	–	1,139	–	–	(1,139)	–
(80,607)	(1)	(3,586)	–	–	742	(2,845)
–	–	28	–	–	11,590	11,618
–	–	1,536	–	–	1,551	3,087
–	–	(1,244)	–	–	1,244	–
–	–	–	–	–	9,783	9,783
92,638,937	926	518,813	1,111,955	46,102	(700,776)	977,020
–	**–**	**–**	**215,878**	**–**	**–**	**215,878**
–	**–**	**–**	**–**	**(40,450)**	**–**	**(40,450)**
–	**–**	**–**	**215,878**	**(40,450)**	**–**	**175,428**
–	**–**	**–**	**(93,029)**	**–**	**–**	**(93,029)**
–	**–**	**–**	**–**	**–**	**(150,356)**	**(150,356)**
–	**–**	**1,704**	**–**	**–**	**(1,704)**	**–**
(125,582)	**(1)**	**(3,598)**	**–**	**–**	**2,371**	**(1,228)**
–	**–**	**–**	**–**	**–**	**9,701**	**9,701**
–	**–**	**1,264**	**–**	**–**	**2,058**	**3,322**
–	**–**	**695**	**–**	**–**	**(695)**	**–**
92,513,355	**$ 925**	**$ 518,878**	**$1,234,804**	**$ 5,652**	**$ (839,401)**	**$ 920,858**

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands)	Year Ended December 31, 2003	2002	2001
Cash flows from operating activities:			
Net income	**$ 215,878**	$ 232,931	$ 207,322
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	**39,478**	40,772	46,599
Mortgage servicing rights amortization and impairment	**44,833**	35,374	20,964
Provision for credit losses	**12,532**	22,006	20,878
Proceeds from sales of loans held for sale	**2,944,298**	2,703,744	2,135,218
Principal collected on loans held for sale	**8,913**	15,814	12,469
Originations of loans held for sale	**(2,816,960)**	(2,734,741)	(2,375,396)
Net (increase) decrease in other assets and accrued expenses and other liabilities	**(14,913)**	43,091	91,612
Gains on sales of assets	**(32,832)**	(13,900)	(4,393)
Losses on termination of debt	**44,345**	–	–
Other, net	**(8,655)**	(20,141)	(9,885)
Total adjustments	**221,039**	92,019	(61,934)
Net cash provided by operating activities	**436,917**	324,950	145,388
Cash flows from investing activities:			
Principal collected on loans and leases	**4,343,655**	3,434,153	3,352,341
Originations and purchases of loans	**(4,108,727)**	(2,984,568)	(2,719,682)
Purchases of lease financing receivables	**(58,421)**	–	–
Purchases of equipment for lease financing	**(510,140)**	(470,917)	(449,231)
Proceeds from sales of securities available for sale	**849,333**	485,406	33,645
Proceeds from maturities of and principal collected on securities available for sale	**881,885**	718,431	398,316
Purchases of securities available for sale	**(871,559)**	(1,973,974)	(587,324)
Net (increase) decrease in Federal Home Loan Bank stock	**79,307**	3,126	(18,927)
Purchases of premises and equipment	**(69,782)**	(60,279)	(44,682)
Sales of deposits, net of cash paid	**–**	(15,206)	(26,958)
Repayment of loans to deferred compensation plans	**–**	9,783	(4,646)
Other, net	**7,648**	92	(15,544)
Net cash provided (used) by investing activities	**543,199**	(853,953)	(82,692)
Cash flows from financing activities:			
Net increase (decrease) in deposits	**(98,239)**	628,142	237,180
Net increase (decrease) in short-term borrowings	**36,361**	122,192	(178,836)
Proceeds from long-term borrowings	**425,469**	52,462	677,334
Payments on long-term borrowings	**(1,147,876)**	(11,665)	(579,529)
Purchases of common stock	**(150,356)**	(148,030)	(148,043)
Dividends paid on common stock	**(93,029)**	(86,430)	(77,473)
Other, net	**1,211**	2,029	1,364
Net cash provided (used) by financing activities	**(1,026,459)**	558,700	(68,003)
Net increase (decrease) in cash and due from banks	**(46,343)**	29,697	(5,307)
Cash and due from banks at beginning of year	**416,397**	386,700	392,007
Cash and due from banks at end of year	**$ 370,054**	$ 416,397	$ 386,700
Supplemental disclosures of cash flow information:			
Cash paid for:			
Interest on deposits and borrowings	**$ 157,751**	$ 234,046	$ 352,903
Income taxes	**$ 139,120**	$ 87,899	$ 24,128
Transfer of loans and leases to other assets	**$ 44,292**	$ 51,713	$ 33,447

See accompanying notes to consolidated financial statements.

Note 1. Summary of Significant Accounting Policies

Basis of Presentation The consolidated financial statements include the accounts of TCF Financial Corporation and its wholly owned subsidiaries. TCF Financial Corporation ("TCF" or the "Company") is a national financial holding company engaged primarily in community banking, mortgage banking and leasing and equipment finance through its wholly owned subsidiary, TCF National Bank. TCF National Bank owns leasing and equipment finance, mortgage banking, brokerage and investment and insurance sales, and real estate investment trust ("REIT") subsidiaries. These subsidiaries are consolidated with TCF National Bank and are therefore included in the consolidated financial statements of TCF Financial Corporation. All significant intercompany accounts and transactions have been eliminated in consolidation.

Certain reclassifications have been made to prior years' financial statements to conform to the current year presentation. For Consolidated Statements of Cash Flows purposes, cash and cash equivalents include cash and due from banks.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

POLICIES RELATED TO CRITICAL ACCOUNTING ESTIMATES

Summary of Critical Accounting Estimates Critical accounting estimates occur in certain accounting policies and procedures and are particularly susceptible to significant change. Policies that contain critical accounting estimates include the determination of the allowance for loan and lease losses, mortgage servicing rights, income taxes, lease financings and pension liability and expenses.

Allowance for Loan and Lease Losses The allowance for loan and lease losses is maintained at a level believed to be appropriate by management to provide for probable loan and lease losses inherent in the portfolio 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. Management's judgment as to the amount 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 impaired and non-performing assets, historical net charge-off amounts, geographic location, prevailing economic conditions and other relevant factors. Impaired loans include all non-accrual and restructured commercial real estate and commercial business loans and equipment finance loans. Consumer loans, residential real estate loans and leases are excluded from the definition of an impaired loan. Loan impairment is measured as the present value of the expected future cash flows discounted at the loan's initial effective interest rate or the fair value of the collateral for collateral-dependent loans. Consumer loans, residential loans, smaller-balance commercial loans and leases and equipment finance loans are segregated by loan type and sub-type, and are evaluated on a group basis. Loans and leases are charged off to the extent they are deemed to be uncollectible. The amount 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 recorded in the provision for credit losses in the periods in which they become known.

Mortgage Servicing Rights TCF records a mortgage servicing rights asset for its right to service mortgage loans it has sold to third parties, but continues to service for a fee. The total cost of loans sold is allocated between the loans sold and the servicing rights retained based on the relative fair values of each. Mortgage servicing rights are initially recorded at cost and are subsequently carried at the lower of cost, adjusted for amortization, or estimated fair value. Mortgage servicing rights are amortized in proportion to, and over the period of, estimated net servicing income.

TCF periodically evaluates its capitalized mortgage servicing rights for impairment. Loan type and note rate are the predominant risk characteristics of the underlying loans used to stratify capitalized mortgage servicing rights for purposes of measuring impairment. The fair value of mortgage servicing rights is estimated by calculating the present value of estimated future net servicing cash flows, taking into consideration actual and expected mortgage loan prepayment rates, discount rates, servicing costs, and other economic factors. The expected and actual rate of mortgage loan prepayments are the most significant factors driving the value of mortgage servicing rights.

Adjustments to the mortgage servicing rights valuation allowance for other than permanent impairment are recorded in mortgage banking revenues. Permanent impairment is recognized as a reduction in the capitalized mortgage servicing rights and a charge to the related valuation allowance.

Income Taxes Income taxes are accounted for using the asset and liability method. Under this method, deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date.

The determination of current and deferred income taxes is based on complex analyses of many factors including interpretation of Federal and state income tax laws, the difference between tax and financial reporting basis of assets and liabilities (temporary differences), estimates of amounts due or owed such as the timing of reversals of temporary differences and current financial accounting standards. Actual results could differ significantly from the estimates and interpretations used in determining the current and deferred income tax liabilities.

Lease Financing TCF provides various types of lease financing that are classified for accounting purposes as either direct financing, sales-type, leveraged or operating leases. Leases that transfer substantially all of the benefits and risks of equipment ownership to the lessee are classified as direct financing or sales-type leases and are included in loans and leases. Direct financing and sales-type leases are carried at the combined present value of the future minimum lease payments and the lease residual value. Investments in leveraged leases are the sum of all lease payments (less non-recourse debt payments) plus estimated residual values, less unearned income. The determination of the lease classification requires various judgments and estimates by management including the fair value of the equipment at lease inception, useful life of the equipment under lease, and collectibility of minimum lease payments.

Sales-type leases generate dealer profit which is recognized at lease inception by recording lease revenue net of the lease cost. Lease revenue consists of the present value of the future minimum lease payments discounted at the rate implicit in the lease. Lease cost consists of the leased equipment's book value, less the present value of its residual. The revenues associated with other types of leases are recognized over the term of the underlying leases. Interest income on direct financing and sales-type leases is recognized using methods which approximate a level yield over the term of the leases. Income from leveraged leases is recognized using a method which approximates a level yield over the term of the leases based on the unrecovered equity investment. Management has policies and procedures in place for the determination of lease classification and review of the related judgments and estimates for all lease financings.

Additionally, some lease financings include a residual value component, which represents the estimated value of the leased equipment at the end of the initial term of the lease. The estimation of residual values involves judgments regarding product and technology changes, customer behavior, shifts in supply and demand and other economic assumptions. These estimates are reviewed at least annually and downward adjustments, if necessary, are charged to non-interest expense in the periods in which they become known.

Pension Plan As summarized in Note 18, TCF provides pension benefits to eligible employees in the TCF Cash Balance Pension Plan. In accordance with Statement of Financial Accounting Standards ("SFAS") No. 87 "Employers' Accounting for Pensions," the Company does not consolidate the assets and liabilities associated with the pension plan.

The measurement of the projected benefit obligation, prepaid pension asset and annual pension expense involves complex actuarial valuation methods and the use of actuarial and economic assumptions. Due to the long-term nature of the pension plan obligation, actual results may differ significantly from the actuarial-based estimates. Differences between estimates and actual experience are required to be deferred and under certain circumstances amortized over the future expected working lifetime of plan participants. As a result, these differences are not recognized when they occur. TCF closely monitors all assumptions and updates them annually.

OTHER SIGNIFICANT ACCOUNTING POLICIES

Investments Investments are carried at cost, adjusted for amortization of premiums or accretion of discounts, using methods which approximate a level yield.

Securities Available for Sale Securities available for sale are carried at fair value with the unrealized holding gains or losses, net of related deferred income taxes, reported as accumulated other comprehensive income (loss), which is a separate component of stockholders' equity. Cost of securities sold is determined on a specific identification basis and gains or losses on sales of securities available for sale are recognized at trade dates. Declines in the value of securities available for sale that are considered other than temporary are recorded in noninterest income as a loss on securities available for sale. Discounts and premiums on securities available for sale are amortized using methods which approximate a level yield over the life of the security.

Loans Held for Sale Loans held for sale include residential mortgage and education loans. Residential mortgage loans held for sale are carried at the lower of cost or market as adjusted for the effects of fair value hedges using quoted market prices. See Note 19 for additional information concerning derivative instruments and

hedging activities. Education loans held for sale are carried at the lower of cost of market. Net fees and costs associated with originating and acquiring loans held for sale are deferred and are included in the basis for determining the gain or loss on sales of loans held for sale. Gains on sales are recorded at the settlement date and cost is determined on a specific identification basis.

Loans and Leases Net fees and costs associated with originating and acquiring loans and most leases are deferred and amortized over the lives of the assets. The net fees and costs for sales-type leases are offset against revenues recorded at the commencement of sales-type leases. Discounts and premiums on loans purchased, net deferred fees and costs, unearned discounts and finance charges, and unearned lease income are amortized using methods which approximate a level yield over the estimated remaining lives of the loans and leases.

Loans and leases, including loans that are considered to be impaired, are reviewed regularly by management and are placed on non-accrual status when the collection of interest or principal is 90 days or more past due (150 days or six payments or more past due for loans secured by residential real estate), unless the loan or lease is adequately secured and in the process of collection. When a loan or lease is placed on non-accrual status, uncollected interest accrued in prior years is charged off against the allowance for loan and lease losses. Interest accrued in the current year is reversed. For those non-accrual leases that have been funded on a non-recourse basis by third-party financial institutions, the related debt is also placed on non-accrual status. Interest payments received on non-accrual loans and leases are generally applied to principal unless the remaining principal balance has been determined to be fully collectible.

Premises and Equipment Premises and equipment, including leasehold improvements, are carried at cost and are depreciated or amortized on a straight-line basis over their estimated useful lives of owned assets and for leasehold improvements over the estimated useful life of the related asset or the lease term, whichever is shorter. Maintenance and repairs are charged to expense as incurred.

Other Real Estate Owned Other real estate owned is recorded at the lower of cost or fair value minus estimated costs to sell at the date of transfer to other real estate owned. At the time a loan is transferred to other real estate owned, any carrying amount in excess of the fair value less estimated costs to sell the property is charged off to the allowance for loan and lease losses. Subsequently, should the fair value of an asset less the estimated costs to sell decline to less than the carrying amount of the asset, the deficiency is recognized in the period in which it becomes known and is included in other non-interest expense.

Investments in Affordable Housing Limited Partnerships
Investments in affordable housing consist of investments in limited partnerships that operate qualified affordable housing projects or that invest in other limited partnerships formed to operate affordable housing projects. TCF generally utilizes the effective yield method to account for these investments with the tax credits net of the amortization of the investment reflected in the Consolidated Statements of Income as a reduction of income tax expense; however, depending on circumstances, the equity or cost methods may be utilized. The amount of the investment along with any unfunded equity contributions which are unconditional and legally binding are recorded in other assets. A liability for the unfunded equity contributions is recorded in other liabilities. At December 31, 2003, TCF's investments in affordable housing limited partnerships were $41.8 million, compared with $27.2 million at December 31, 2002 and were recorded in other assets.

Three of these investments in affordable housing limited partnerships are considered variable interest entities under the Financial Accounting Standards Board ("FASB") Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46). These partnerships are not required to be consolidated with TCF under FIN 46. As of December 31, 2003, the carrying amount of these three investments, which were made in May and October 2002 and November 2003, was $39.3 million. This amount included $9 million of unconditional unfunded equity contributions which are recorded in other liabilities. Thus, the maximum exposure to loss on these three investments was $39.3 million at December 31, 2003; however, the general partner of these partnerships provides various guarantees to TCF including guaranteed minimum returns. These guarantees are backed by a AAA credit-rated company and significantly limit any risk of loss.

Intangible Assets On January 1, 2002, TCF adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill and intangible assets with indefinite lives no longer be amortized, but instead tested for impairment annually. Upon adoption of SFAS No. 142, TCF performed impairment testing and concluded that goodwill was not impaired. There have been no subsequent events that have occurred that would change the conclusions reached. Deposit based intangibles are amortized over 10 years on an accelerated basis. The Company reviews the recoverability of the carrying values of these assets whenever an event occurs indicating that they may be impaired. See Notes 9 and 22 for additional information concerning intangible assets and goodwill.

Stock-Based Compensation TCF utilizes the recognition provisions of SFAS No. 123, "Accounting for Stock-Based Compensation," for stock-based grants. 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. TCF applied the

intrinsic value based method of accounting prescribed by Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees," as amended, for stock-based transactions through December 31, 1999. Accordingly, no compensation expense has been recognized for any stock option grants made prior to 2000. Compensation expense for restricted stock is recorded as unearned compensation in stockholders' equity and amortized to compensation expense over the vesting periods. The amount of pre-2000 stock option grants accounted for under APB Opinion No. 25 and the related pro-forma impact on net income and earnings per share during 2002, 2001 and 2000 had the recognition provisions of SFAS No. 123 been applied to such grants is not material. See Note 17 for additional information concerning stock-based compensation.

Derivative Financial Instruments TCF utilizes derivative financial instruments to meet the ongoing credit needs of its customers and in order to manage the market exposure of its residential loans held for sale and its commitments to extend credit for residential loans. Derivative financial instruments include commitments to extend credit and forward mortgage loan sales commitments. See Notes 19 and 20 for additional information concerning these derivative financial instruments.

Note 2. Cash and Due from Banks

At December 31, 2003, TCF was required by Federal Reserve Board ("FRB") regulations to maintain reserve balances of $34.3 million in cash on hand or at the FRB.

Note 3. Investments

The carrying values of investments, which approximate their fair values, consist of the following:

(In thousands)	At December 31, 2003	2002
Federal Home Loan Bank stock, at cost	**$ 50,411**	$128,855
Federal Reserve Bank stock, at cost	**24,045**	23,999
Interest-bearing deposits with banks	**767**	868
	$ 75,223	$153,722

The carrying values and yields on investments at December 31, 2003, by contractual maturity, are shown below:

(Dollars in thousands)	Carrying Value	Yield
Due in one year or less	$ 767	.88%
No stated maturity [1]	74,456	4.19
	$ 75,223	4.15

[1] Balance represents FRB and Federal Home Loan Bank ("FHLB") stock, required regulatory investments.

Note 4. Securities Available for Sale

Securities available for sale consist of the following:

	At December 31,							
	2003				2002			
(Dollars in thousands)	**Amortized Cost**	**Gross Unrealized Gains**	**Gross Unrealized Losses**	**Fair Value**	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Mortgage-backed securities:								
Federal agencies	**$1,514,400**	**$ 13,744**	**$ (4,677)**	**$1,523,467**	$2,341,549	$ 73,225	$ (35)	$2,414,739
Private issuer and collateralized mortgage obligations	**9,272**	**–**	**(201)**	**9,071**	12,178	4	(877)	11,305
Other securities	**750**	**–**	**–**	**750**	750	–	–	750
	$1,524,422	**$ 13,744**	**$ (4,878)**	**$1,533,288**	$2,354,477	$ 73,229	$ (912)	$2,426,794
Weighted-average yield	**5.33%**				5.96%			

Gross gains of $32.8 million, $11.5 million and $863 thousand were recognized on sales of securities available for sale during 2003, 2002 and 2001, respectively. Mortgage-backed securities aggregating $1.3 billion and $867.7 million were pledged as collateral to secure certain deposits and borrowings at December 31, 2003 and 2002, respectively. See Notes 12 and 13 for additional information regarding securities pledged as collateral to secure certain borrowings.

The following table shows the securities available for sale portfolio's gross unrealized losses and fair value, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2003. TCF has reviewed these securities and has concluded that the unrealized losses are temporary and no permanent impairment has occurred at December 31, 2003.

	Less than 12 months		12 months or more		Total	
(In thousands)	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
Mortgage-backed securities:						
Federal agencies	$716,264	$ (4,662)	$ 1,477	$ (15)	$717,741	$ (4,677)
Private issuer and collateralized mortgage obligations	–	–	8,113	(201)	8,113	(201)
Total temporarily impaired securities	$716,264	$ (4,662)	$ 9,590	$ (216)	$725,854	$ (4,878)

Note 5. Loans Held for Sale

Loans held for sale consist of the following:

	At December 31,	
(In thousands)	**2003**	2002
Residential mortgage loans	**$101,035**	$277,395
Education loans	**234,337**	199,080
	$335,372	$476,475

Note 6. Loans and Leases

Loans and leases consist of the following:

	At December 31,		Percentage
(Dollars in thousands)	**2003**	2002	Change
Consumer:			
Home equity	**$3,588,027**	$2,955,644	21.4%
Other secured	**27,265**	33,411	(18.4)
Unsecured	**15,049**	16,827	(10.6)
Total consumer	**3,630,341**	3,005,882	20.8
Commercial:			
Commercial real estate:			
Permanent	**1,745,435**	1,639,860	6.4
Construction and development	**171,266**	195,928	(12.6)
Total commercial real estate	**1,916,701**	1,835,788	4.4
Commercial business	**427,696**	440,074	(2.8)
Total commercial	**2,344,397**	2,275,862	3.0
Leasing and equipment finance:			
Equipment finance loans	**309,740**	289,558	7.0
Lease financings:			
Direct financing leases	**853,395**	758,169	12.6
Sales-type leases	**33,073**	30,346	9.0
Lease residuals, excluding leveraged leases	**34,171**	35,375	(3.4)
Unearned income and deferred lease costs	**(92,710)**	(95,927)	(3.4)
Investment in leveraged leases	**22,728**	21,519	5.6
Total lease financings	**850,657**	749,482	13.5
Total leasing and equipment finance	**1,160,397**	1,039,040	11.7
Total consumer, commercial and leasing and equipment finance	**7,135,135**	6,320,784	12.9
Residential real estate	**1,212,643**	1,800,344	(32.6)
	$8,347,778	$8,121,128	2.8

The aggregate amount of loans to non-management directors of TCF and their related interests was $60.9 million and $35.3 million at December 31, 2003 and 2002, respectively. During 2003, $23 million of new loans were made, repayments of such loans totaled $15.3 million and changes in the composition of outside directors and their related interests increased loans outstanding by $17.9 million. All loans to outside directors and their related interests were made in the ordinary course of business on normal credit terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated persons. The aggregate amount of loans to executive officers of TCF was $25 thousand at December 31, 2003 and 2002. During 2002, TCF's Board of Directors eliminated the loan feature from its officers' and directors' deferred compensation plans and requested and received repayment in full of all outstanding loans totaling $9.8 million. The deferred compensation plans sold 166,665 shares of TCF common stock owned by plan participants to repay the outstanding loans to the plans. See Note 15 for additional information regarding loans to the deferred compensation plan. In the opinion of management the above mentioned loans to outside directors and their related interests and executive officers do not represent more than a normal credit risk of collection.

The investment in leveraged leases represents net unpaid rentals and estimated unguaranteed residual values of the leased assets, less related unearned income. TCF has no general obligation for principal and interest on notes representing third-party participation related to leveraged leases; such notes, which totaled $30.2 million at December 31, 2003, down from $34.6 million at December 31, 2002, are recorded as an offset against the related rental receivable. As the equity owner in a leveraged lease, TCF is taxed on total lease payments received and is entitled to tax deductions based on the cost of the leased asset and tax deductions for interest paid to third-party participants. Included in the investment in leveraged leases at December 31, 2003 is $19.8 million for a 100% equity interest in a Boeing 767-300 aircraft on lease to Delta Airlines in the United States. The leveraged lease has renewal and purchase options by the lessee at the end of the lease term. The lessee is current on the lease payments and the lease expires in 2010. This lease represents TCF's only material direct exposure to the commercial airline industry.

TCF's net investment in leveraged leases is comprised of the following:

(In thousands)	At December 31, 2003	2002
Rental receivable (net of principal and interest on non-recourse debt)	**$ 12,758**	$ 12,758
Estimated residual value of leased assets	**18,679**	18,679
Less: Unearned income	**(8,709)**	(9,918)
Investment in leveraged leases	**22,728**	21,519
Less: Deferred taxes	**(11,813)**	(9,005)
Net investment in leveraged leases	**$ 10,915**	$ 12,514

Future minimum lease payments for direct financing and sales-type leases as of December 31, 2003 are as follows:

(In thousands)	Payments to be Received by TCF	Payments to be Received by Other Financial Institutions	Total
2004	$261,464	$ 46,335	$307,799
2005	214,890	18,813	233,703
2006	150,244	4,251	154,495
2007	95,980	538	96,518
2008	44,031	54	44,085
Thereafter	17,687	–	17,687
	$784,296	$ 69,991	$854,287

Note 7. Allowance for Loan and Lease Losses

Following is a summary of the allowance for loan and lease losses and selected statistics:

(Dollars in thousands)	Year Ended December 31, 2003	2002	2001
Balance at beginning of year	**$ 77,008**	$ 75,028	$ 66,669
Provision for credit losses	**12,532**	22,006	20,878
Charge-offs	**(16,369)**	(24,361)	(16,951)
Recoveries	**3,448**	4,335	4,432
Net charge-offs	**(12,921)**	(20,026)	(12,519)
Balance at end of year	**$ 76,619**	$ 77,008	$ 75,028
Ratio of net loan and lease charge-offs to average loans and leases outstanding	**.16%**	.25%	.15%
Allowance for loan and lease losses as a percentage of total loan and lease balances at year end	**.92**	.95	.91

Information relating to impaired loans and non-accrual loans and leases is as follows:

(In thousands)	At or For the Year Ended December 31, 2003	2002	2001
Impaired loans:			
Balance, at year-end	**$ 9,133**	$ 12,090	$ 18,839
Related allowance for loan losses, at year-end [1]	**4,456**	5,512	4,986
Average recorded investment in impaired loans	**10,770**	14,686	9,939
Interest income recognized on impaired loans (cash basis)	**27**	92	29
Non-accrual loans and leases:			
Balance, at year-end	**35,328**	42,068	51,224
Contractual interest [2]	**3,271**	4,301	5,450
Interest income recognized on non-accrual loans and leases (cash basis)	**783**	1,225	1,711

[1] There were no impaired loans at December 31, 2003, 2002 and 2001 which did not have a related allowance for loan losses.

[2] Represents interest which would have been recorded had the loans and leases performed in accordance with their original terms.

At December 31, 2003, 2002 and 2001, TCF had no loans outstanding with terms that had been modified in troubled debt restructurings. There were no material commitments to lend additional funds to customers whose loans or leases were classified as non-accrual at December 31, 2003.

Note 8. Premises and Equipment

Premises and equipment are summarized as follows:

(In thousands)	At December 31, 2003	2002
Land	**$ 76,902**	$ 62,226
Office buildings	**169,098**	155,954
Leasehold improvements	**40,927**	39,208
Furniture and equipment	**242,958**	213,759
	529,885	471,147
Less accumulated depreciation and amortization	**247,692**	227,695
	$282,193	$243,452

TCF leases certain premises and equipment under operating leases. Net lease expense was $23.5 million, $20.8 million and $20.7 million in 2003, 2002 and 2001, respectively.

At December 31, 2003, the total annual minimum lease commitments for operating leases were as follows:

(In thousands)	
2004	$ 22,310
2005	20,364
2006	18,495
2007	16,988
2008	15,329
Thereafter	71,298
	$164,784

Note 9. Goodwill and Other Intangible Assets

Goodwill and other intangible assets are summarized as follows:

	At December 31,					
	2003			2002		
(In thousands)	**Gross Amount**	**Accumulated Amortization**	**Net Amount**	Gross Amount	Accumulated Amortization	Net Amount
Amortizable intangible assets:						
Mortgage servicing rights, net	**$ 76,306**	**$ 24,270**	**$ 52,036**	$ 92,525	$ 29,881	$ 62,644
Deposit base intangibles	**21,180**	**15,273**	**5,907**	21,180	13,607	7,573
Total	**$ 97,486**	**$ 39,543**	**$ 57,943**	$113,705	$ 43,488	$ 70,217
Unamortizable intangible assets:						
Goodwill (included in Banking Segment)	**$145,462**		**$145,462**	$145,462		$145,462

Amortization expense for intangible assets was $25.3 million and $24.5 million for the years ended December 31, 2003 and 2002, respectively. The following table shows the estimated future amortization expense for amortized intangible assets based on existing asset balances and the interest rate environment as of December 31, 2003. The Company's actual amortization expense in any given period may be significantly different from the estimated amounts depending upon the addition of new intangible assets, changes in mortgage interest rates, prepayment rates and other market conditions.

(In thousands) Estimated Amortization Expense for the Year Ended December 31,:	Mortgage Servicing Rights	Deposit Base Intangibles	Total
2004	$12,389	$ 1,662	$14,051
2005	10,063	1,659	11,722
2006	7,763	1,630	9,393
2007	5,917	913	6,830
2008	4,540	17	4,557

Note 10. Mortgage Banking

The activity in mortgage servicing rights and the related valuation allowance is summarized as follows:

	Year Ended December 31,		
(In thousands)	**2003**	2002	2001
Mortgage servicing rights at beginning of year	**$ 71,990**	$ 63,607	$ 41,032
Wholesale originations	**21,385**	30,781	31,854
Retail originations	**12,840**	8,976	7,285
Amortization	**(23,679)**	(22,874)	(16,564)
Impairment write-down	**(28,500)**	(8,500)	–
Mortgage servicing rights at end of year	**54,036**	71,990	63,607
Valuation allowance at beginning of year	**9,346**	5,346	946
Provision for impairment	**21,154**	12,500	4,400
Impairment write-down	**(28,500)**	(8,500)	–
Valuation allowance at end of year	**2,000**	9,346	5,346
Mortgage servicing rights, net	**$ 52,036**	$ 62,644	$ 58,261

The following table represents the components of mortgage banking revenue:

(In thousands)	Year Ended December 31, 2003	2002	2001
Servicing income	**$ 20,533**	$ 20,443	$ 16,932
Less mortgage servicing rights:			
Amortization	**23,679**	22,874	16,564
Provision for impairment	**21,154**	12,500	4,400
Subtotal	**44,833**	35,374	20,964
Net servicing income (loss)	**(24,300)**	(14,931)	(4,032)
Gains on sales of loans	**33,505**	18,110	11,795
Other income	**3,514**	3,800	4,279
Total mortgage banking revenue	**$ 12,719**	$ 6,979	$ 12,042

Gains on sales of loans includes the changes in fair value of residential mortgage loans held for sale, loan applications in process and related forward sales contracts. The net unrealized gains (losses) related to these items are summarized as follows:

(In thousands)	At December 31, 2003	2002
Unrealized gains (losses):		
Residential loans held for sale	**$ 1,092**	$ 6,066
Loan applications in process	**195**	4,162
Subtotal	**1,287**	10,228
Forward sales contracts	**(1,105)**	(7,454)
Net unrealized gains	**$ 182**	$ 2,774

At December 31, 2003, 2002 and 2001, TCF was servicing real estate loans for others with aggregate unpaid principal balances of approximately $5.1 billion, $5.6 billion and $4.7 billion, respectively. At December 31, 2003 and 2002, TCF had custodial funds of $128.5 million and $287.4 million, respectively, relating to the servicing of residential real estate loans, which are included in deposits in the Consolidated Statements of Financial Condition. These custodial deposits relate primarily to mortgage servicing operations and represent funds due to investors on mortgage loans serviced by TCF and customer funds held for real estate taxes and insurance.

The estimated fair value of mortgage servicing rights included in the Consolidated Statements of Financial Condition at December 31, 2003 was approximately $58 million. The estimated fair value is based on estimated cash flows discounted using rates management believes are commensurate with the risks involved. Assumptions regarding prepayments, defaults and interest rates are determined using available market information.

Note 11. Deposits

Deposits are summarized as follows:

	At December 31, 2003			2002		
(Dollars in thousands)	**Rate at Year End**	**Amount**	**% of Total**	Rate at Year End	Amount	% of Total
Checking:						
Non-interest bearing	**–%**	**$2,113,572**	**27.8%**	–%	$1,879,584	24.4%
Interest bearing	**.08**	**1,134,840**	**14.9**	.12	985,312	12.8
	.03	**3,248,412**	**42.7**	.04	2,864,896	37.2
Savings:						
Non-interest bearing	**–**	**104,104**	**1.3**	–	228,210	2.9
Interest bearing	**.43**	**1,801,819**	**23.7**	.90	1,813,513	23.5
	.41	**1,905,923**	**25.0**	.80	2,041,723	26.4
Money market	**.37**	**845,291**	**11.1**	.74	884,614	11.5
Total checking, savings, and money market	**.20**	**5,999,626**	**78.8**	.42	5,791,233	75.1
Certificates of deposit	**2.01**	**1,612,123**	**21.2**	2.85	1,918,755	24.9
	.58	**$7,611,749**	**100.0%**	1.02	$7,709,988	100.0%

Certificates of deposit had the following remaining maturities at December 31, 2003:

(In thousands) Maturity	$100,000 Minimum	Other	Total [1]
0-3 months	$ 83,153	$ 388,049	$ 471,202
4-6 months	40,592	284,306	324,898
7-12 months	50,507	363,776	414,283
13-24 months	38,588	238,396	276,984
25-36 months	8,604	51,381	59,985
37-48 months	8,497	33,353	41,850
49-60 months	1,604	15,120	16,724
Over 60 months	836	5,361	6,197
	$ 232,381	$1,379,742	$1,612,123

[1] Includes no brokered deposits.

Note 12. Short-term Borrowings

The following table sets forth selected information for short-term borrowings (borrowings with an original maturity of less than one year) for each of the years in the three year period ended December 31, 2003:

	2003		2002		2001	
(Dollars in thousands)	Amount	Rate	Amount	Rate	Amount	Rate
At December 31,						
Federal funds purchased	**$ 219,000**	**.95%**	$ 265,000	1.20%	$ 48,000	1.73%
Securities sold under repurchase agreements	**607,631**	**1.30**	547,743	1.37	669,734	1.83
Treasury, tax and loan note payable	**14,781**	**.73**	15,808	1.12	125	1.40
Line of credit	**37,000**	**1.95**	13,500	2.20	2,000	2.41
Total	**$ 878,412**	**1.23**	$ 842,051	1.32	$ 719,859	1.82
Year ended December 31, Average daily balance						
Federal funds purchased	**$ 231,060**	**1.12%**	$ 188,559	1.67%	$ 120,812	3.77%
Securities sold under repurchase agreements	**504,328**	**1.26**	340,311	1.70	908,016	4.14
Treasury, tax and loan note payable	**5,103**	**.86**	29,348	1.50	62,111	3.61
Line of credit	**16,637**	**2.63**	15,717	3.23	6,749	5.57
Total	**$ 757,128**	**1.25**	$ 573,935	1.72	$1,097,688	4.08
Maximum month-end balance						
Federal funds purchased	**$ 321,000**	**N.A.**	$ 271,000	N.A.	$ 304,000	N.A.
Securities sold under repurchase agreements	**896,752**	**N.A.**	766,511	N.A.	1,047,301	N.A.
Treasury, tax and loan note payable	**31,903**	**N.A.**	200,000	N.A.	262,680	N.A.
Line of credit	**47,000**	**N.A.**	42,500	N.A.	30,500	N.A.

N.A. Not applicable.

The securities underlying the repurchase agreements are book entry securities. During the borrowing period, book entry securities were delivered by appropriate entry into the counterparties' accounts through the Federal Reserve System. The dealers may sell, loan or otherwise dispose of such securities to other parties in the normal course of their operations, but have agreed to resell to TCF identical or substantially the same securities upon the maturities of the agreements. At December 31, 2003, all of the securities sold under repurchase agreements provided for the repurchase of identical securities. At December 31, 2003, $607.6 million of securities sold under repurchase agreements with an interest rate of 1.30% maturing in 2004 were collateralized by mortgage-back securities having a fair value of $612.8 million.

TCF Financial Corporation (parent company only) has a $105 million line of credit maturing in April 2004 which is unsecured and contains certain covenants common to such agreements. TCF is not in default with respect to any of its covenants under the credit agreement. The interest rate on the line of credit is based on either the prime rate or LIBOR. TCF has the option to select the interest rate index and term for advances on the line of credit. The line of credit may be used for appropriate corporate purposes.

Note 13. Long-term Borrowings

Long-term borrowings consist of the following:

		At December 31,			
		2003		2002	
(Dollars in thousands)	Year of Maturity	**Amount**	**Weighted-Average Rate**	Amount	Weighted-Average Rate
Federal Home Loan Bank ("FHLB") advances and securities sold under repurchase agreements	2003	**$ –**	**–%**	$ 135,000	5.76%
	2004	**3,000**	**4.76**	853,000	5.72
	2005	**741,500**	**3.82**	446,000	6.13
	2006	**303,000**	**4.20**	303,000	4.30
	2009	**122,500**	**5.25**	122,500	5.25
	2010	**100,000**	**6.02**	100,000	6.02
	2011	**200,000**	**4.85**	200,000	4.85
		1,470,000	**4.31**	2,159,500	5.51
Discounted lease rentals	2003	**–**	**–**	62,461	7.30
	2004	**43,607**	**6.24**	36,101	7.08
	2005	**18,097**	**5.68**	9,459	6.88
	2006	**4,134**	**5.55**	723	6.94
	2007	**522**	**5.30**	–	–
	2008	**53**	**5.54**	–	–
		66,413	**6.04**	108,744	7.19
		$1,536,413	**4.38**	$2,268,244	5.59

At December 31, 2003, $599.5 million of securities sold under repurchase agreements maturing in 2005 were collateralized by mortgage-backed securities having a fair value of $655.8 million.

During 2003, TCF prepaid $954 million of fixed-rate borrowings. These borrowings had an average interest rate of 5.66% and an average remaining maturity of 13 months. Certain of these borrowings were replaced with $787 million of fixed-rate borrowings with an average maturity of 12 months and an average interest rate of 1.42%. The termination cost of prepaying these borrowings was $44.3 million ($29.2 million after-tax).

For certain equipment leases, TCF utilizes its lease rentals and underlying equipment as collateral to borrow from other financial institutions at fixed rates on a non-recourse basis. In the event of a default by the customer in non-recourse financings, the other financial institution has a first lien on the underlying leased equipment with no further recourse against TCF.

FHLB advances and repurchase agreements are collateralized by residential real estate loans, consumer loans and FHLB stock with an aggregate carrying value of $2.4 billion at December 31, 2003. Included in FHLB advances and repurchase agreements at December 31, 2003 are $767.5 million of fixed-rate FHLB advances and repurchase agreements with other financial institutions which are callable at par on certain anniversary dates and, for most, quarterly thereafter until maturity. If called, replacement funding will be provided by the counterparties at the then-prevailing market interest rates. The probability that these advances and repurchase agreements will be called depends primarily on the level of related interest rates during the call period. At December 31, 2003, the next call dates for these advances and repurchase agreements were within 2004. The stated maturity dates for the callable advances and repurchase agreements outstanding at December 31, 2003 were as follows (dollars in thousands):

Year	Stated Maturity	Weighted-Average Rate
2005	$342,000	6.20%
2006	3,000	5.46
2009	122,500	5.25
2010	100,000	6.02
2011	200,000	4.85
	$767,500	5.67

Note 14. Income Taxes

Income tax expense consists of:

(In thousands)	Current	Deferred	Total
Year ended December 31, 2003:			
Federal	**$111,922**	**$ (4,649)**	**$107,273**
State	**4,830**	**(198)**	**4,632**
	$116,752	**$ (4,847)**	**$111,905**
Year ended December 31, 2002:			
Federal	$ 31,829	$ 86,288	$ 118,117
State	1,810	4,834	6,644
	$ 33,639	$ 91,122	$ 124,761
Year ended December 31, 2001:			
Federal	$ 112,288	$ 3,707	$ 115,995
State	6,188	329	6,517
	$ 118,476	$ 4,036	$ 122,512

Income tax expense differs from the amounts computed by applying the federal income tax rate of 35% to income before income tax expense as a result of the following:

	Year Ended December 31,		
(Dollars in thousands)	**2003**	2002	2001
Computed income tax expense	**$114,724**	$125,192	$115,442
Increase in income tax expense resulting from:			
State income tax, net of federal income tax benefit	**3,011**	4,319	4,236
Deductible stock dividends	**(3,291)**	(3,682)	(2,758)
Investments in affordable housing limited partnerships	**(1,419)**	(489)	(331)
Amortization of goodwill	**–**	–	2,553
Other, net	**(1,120)**	(579)	3,370
	$111,905	$124,761	$122,512
Effective income tax rate	**34.14%**	34.88%	37.14%

The significant components of the Company's deferred tax assets and deferred tax liabilities are as follows:

	At December 31,	
(In thousands)	**2003**	2002
Deferred tax assets:		
Restricted stock and deferred compensation plans	**$ 34,325**	$ 33,189
Allowance for loan and lease losses	**27,108**	28,811
Total deferred tax assets	**61,433**	62,000
Deferred tax liabilities:		
Lease financing	**109,279**	91,770
Subsidiary tax year-end	**28,931**	59,857
Loan fees and discounts	**18,428**	15,326
Mortgage servicing rights	**15,061**	12,970
Pension plan	**9,066**	9,455
Securities available for sale	**3,214**	26,215
Other, net	**5,145**	1,946
Total deferred tax liabilities	**189,124**	217,539
Net deferred tax liabilities	**$127,691**	$155,539

The company has determined that a valuation allowance for deferred tax assets is not necessary.

Note 15. Stockholders' Equity

Restricted Retained Earnings Retained earnings at December 31, 2003 includes approximately $134.4 million for which no provision for federal income taxes has been made. This amount represents earnings legally appropriated to bad debt reserves and deducted for federal income tax purposes and is generally not available for payment of cash dividends or other distributions to shareholders. Future payments or distributions of these appropriated earnings could invoke a tax liability for TCF based on the amount of the distributions removed and the tax rates in effect at that time.

Shareholder Rights Plan TCF's preferred share purchase rights will become exercisable only if a person or group acquires or announces an offer to acquire 15% or more of TCF's common stock. When exercisable, each right will entitle the holder to buy one one-hundredth of a share of a new series of junior participating preferred stock at a price of $100. In addition, upon the occurrence of certain events, holders of the rights will be entitled to purchase either TCF's common stock or shares in an "acquiring entity" at half of the market value. TCF's Board of Directors (the "Board") is generally entitled to redeem the rights at $.001 per right at any time before they become exercisable. The rights will expire on June 9, 2009, if not previously redeemed or exercised.

Treasury Stock and Other Treasury stock and other consists of the following:

	At December 31,	
(In thousands)	2003	2002
Treasury stock, at cost	$(751,586)	$(608,007)
Shares held in trust for deferred compensation plans, at cost	(71,103)	(70,408)
Unamortized deferred compensation	(16,712)	(22,361)
	$(839,401)	$(700,776)

TCF purchased 3,459,490, 3,108,431 and 3,670,107 shares of its common stock during the years ended December 31, 2003, 2002 and 2001, respectively. On July 21, 2003, TCF's Board of Directors authorized the repurchase of up to an additional 5% of TCF's common stock, or 3.6 million shares. At December 31, 2003, 3.7 million shares remain under remaining authorizations from the Board of Directors.

In 2002, TCF's Board of Directors eliminated the loan feature from its officers' and directors' deferred compensation plans and requested and received repayment in full of all outstanding loans totaling $9.8 million. The deferred compensation plans sold 166,665 shares of TCF common stock owned by plan participants to repay the outstanding loans to the plans.

Shares Held in Trust for Deferred Compensation Plans
TCF has deferred compensation plans that allow eligible executives, senior officers and certain other employees to defer payment of up to 100% of their base salary and bonus as well as grants of restricted stock. There are no company contributions to these plans, other than payment of administrative expenses. The amounts deferred are invested in TCF stock or other publicly traded stocks, bonds or mutual funds. At December 31, 2003 the fair value of the assets in the plans totaled $205.4 million and included $198.3 million invested in TCF common stock. The cost of TCF common stock held by TCF's deferred compensation plans is reported separately in a manner similar to treasury stock (that is, changes in fair value are not recognized) with a corresponding deferred compensation obligation reflected in additional paid-in capital.

Note 16. Regulatory Capital Requirements

TCF is subject to various regulatory capital requirements administered by the federal banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by the federal banking agencies that could have a direct material effect on TCF's financial statements. Also, in general, TCF National Bank may not declare or pay a dividend to TCF in excess of 100% of its net profits for that year combined with its retained net profits for the preceding two calendar years without prior approval of the Office of the Comptroller of the Currency ("OCC").

The following table sets forth TCF's and TCF National Bank's regulatory tier 1 leverage, tier 1 risk-based and total risk-based capital levels, and applicable percentages of adjusted assets, together with the excess over minimum capital requirements:

(Dollars in thousands)	Actual		Minimum Capital Requirement		Excess	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2003:						
Tier 1 leverage capital						
TCF Financial Corporation	**$765,271**	**6.87%**	**$334,402**	**3.00%**	**$430,869**	**3.87%**
TCF National Bank	**754,599**	**6.83**	**331,649**	**3.00**	**422,950**	**3.83**
Tier 1 risk-based capital						
TCF Financial Corporation	**765,271**	**9.75**	**313,825**	**4.00**	**451,446**	**5.75**
TCF National Bank	**754,599**	**9.64**	**313,143**	**4.00**	**441,456**	**5.64**
Total risk-based capital						
TCF Financial Corporation	**841,982**	**10.73**	**627,650**	**8.00**	**214,332**	**2.73**
TCF National Bank	**831,310**	**10.62**	**626,286**	**8.00**	**205,024**	**2.62**
As of December 31, 2002:						
Tier 1 leverage capital						
TCF Financial Corporation	$ 773,594	6.42%	$ 361,435	3.00%	$ 412,159	3.42%
TCF National Bank	750,935	6.24	361,017	3.00	389,918	3.24
Tier 1 risk-based capital						
TCF Financial Corporation	773,594	9.96	310,828	4.00	462,766	5.96
TCF National Bank	750,935	9.68	310,247	4.00	440,688	5.68
Total risk-based capital						
TCF Financial Corporation	850,694	10.95	621,657	8.00	229,037	2.95
TCF National Bank	828,035	10.68	620,493	8.00	207,542	2.68

At December 31, 2003, TCF and TCF National Bank exceeded their regulatory capital requirements and are considered "well-capitalized" under guidelines established by the FRB and the OCC pursuant to the Federal Deposit Insurance Corporation Improvement Act of 1991.

Note 17. Incentive Stock Program

The TCF Financial 1995 Incentive Stock Program (the "Program") was adopted to enable TCF to attract and retain key personnel. Under the Program, no more than 5% of the shares of TCF common stock outstanding on the date of initial shareholder approval may be awarded. At December 31, 2003, there were 2,707,627 shares reserved for issuance under the Program, including 240,848 shares related to outstanding stock options.

At December 31, 2003, there were 1,071,123 shares of performance-based restricted stock that will vest only if certain earnings per share goals are achieved by 2008. Failure to achieve the goals will result in all or a portion of the shares being forfeited. Other restricted stock grants generally vest over periods from three to eight years. The weighted-average grant date fair value of restricted stock was $45.00, $48.93 and $39.53 in 2003, 2002 and 2001, respectively. Compensation expense for restricted stock totaled $9.7 million, $11.6 million and $11.1 million in 2003, 2002 and 2001, respectively.

TCF has also issued stock options under the Program that generally become exercisable over a period of one to 10 years from the date of the grant and expire after 10 years. All outstanding options have a fixed exercise price equal to the market price of TCF common stock on the date of grant.

The following table reflects TCF's stock option and restricted stock transactions under the Program since December 31, 2000:

	Restricted Stock		Stock Options		
				Exercise Price	
	Shares	Price Range	Shares	Range	Weighted-Average
Outstanding at December 31, 2000	2,275,100	$16.56-43.70	467,515	$ 3.46-33.28	$ 23.32
Granted	262,340	27.98-48.20	–	–	–
Exercised	–	–	(86,832)	3.46-32.19	17.47
Forfeited	(18,850)	27.98-48.20	(10,558)	23.56-32.19	24.73
Vested	(59,179)	16.56-40.75	–	–	–
Outstanding at December 31, 2001	2,459,411	20.88-48.20	370,125	5.33-33.28	24.65
Granted	61,400	41.42-52.78	–	–	–
Exercised	–	–	(51,798)	5.33-33.28	19.72
Forfeited	(23,245)	22.10-52.78	(14,450)	23.56-32.19	25.91
Vested	(862,250)	20.88-50.33	–	–	–
Outstanding at December 31, 2002	1,635,316	22.10-52.78	303,877	6.88-33.28	25.43
Granted	**127,950**	**37.45-50.63**	**–**	**–**	**–**
Exercised	**–**	**–**	**(62,779)**	**21.81-32.19**	**24.22**
Forfeited	**(107,240)**	**22.10-52.78**	**(250)**	**21.81**	**21.81**
Vested	**(125,449)**	**22.10-40.75**	**–**	**–**	**–**
Outstanding at December 31, 2003	**1,530,577**	**22.10-52.78**	**240,848**	**6.88-33.28**	**25.76**
Exercisable at December 31, 2003	**N.A.**	**N.A.**	**232,998**	**6.88-33.28**	**25.75**

N.A. Not applicable.

The following table summarizes information about stock options outstanding at December 31, 2003:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Shares	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life in Years	Shares	Weighted-Average Exercise Price
$6.88 to $20.00	23,298	$ 9.91	1.4	23,298	$ 9.91
$20.01 to $25.00	89,500	23.60	5.0	85,400	23.59
$25.01 to $30.00	61,750	28.94	5.4	58,000	28.96
$30.01 to $33.28	66,300	31.27	4.2	66,300	31.27
Total options	240,848	25.76	4.5	232,998	25.75

Note 18. Employee Benefit Plans

Employee Stock Purchase Plan The TCF Employees Stock Purchase Plan generally allows participants to make contributions by salary deduction of up to 50% of their salary on a tax-deferred basis. TCF matches the contributions of all employees at the rate of 50 cents per dollar, with a maximum company contribution of 3% of the employee's salary. Employee contributions vest immediately while the Company's matching contributions are subject to a graduated vesting schedule based on an employee's years of vesting service over five years. Employee contributions and matching contributions are invested in TCF stock. Employees age 50 and over may invest all or a portion of their account balance in various mutual funds. The Company's matching contributions are expensed when made. At December 31, 2003, the fair value of the assets in the plan totaled $217 million and included $211.7 million invested in TCF common stock. Additionally, as of December 31, 2003, $95 million of plan assets were eligible for diversification under plan provisions, while $5 million have actually diversified. TCF's contribution to the plan was $3.9 million, $3.6 million and $3 million in 2003, 2002 and 2001, respectively.

Pension Plan The TCF Cash Balance Pension Plan (the "Pension Plan") is a qualified defined benefit plan covering all full time employees and certain part-time employees who are at least 21 years old and have completed a year of eligibility service with TCF. TCF makes a monthly allocation to the participant's account based on a percentage of the participant's compensation. The percentage is based on the sum of the participant's age and years of employment with TCF. Participants are fully vested after five years of qualifying service.

Postretirement Plan TCF provides health care benefits for eligible retired employees (the "Postretirement Plan"). Effective January 1, 2000, TCF modified the Postretirement Plan for employees not yet eligible for benefits under the Postretirement Plan by eliminating the Company subsidy. The plan provisions for full-time and retired employees then eligible for these benefits were not changed. The Postretirement Plan is not funded.

The following table sets forth the status of the Pension Plan and the Postretirement Plan at the dates indicated:

	Pension Plan		Postretirement Plan	
	Year Ended December 31,		Year Ended December 31,	
(In thousands)	**2003**	2002	**2003**	2002
Benefit obligation:				
Accrued participant balance – vested	**$ 42,958**	$ 37,993	**N.A.**	N.A.
Accrued participant balance – unvested	**3,621**	3,101	**N.A.**	N.A.
Subtotal	**46,579**	41,094	**N.A.**	N.A.
Present value of future service and benefits	**4,251**	1,230	**N.A.**	N.A.
Total projected benefit obligation	**$ 50,830**	$ 42,324	**N.A.**	N.A.
Accumulated benefit obligation	**$ 43,230**	$ 35,516	**N.A.**	N.A.
Change in benefit obligation:				
Benefit obligation at beginning of year	**$ 42,324**	$ 36,053	**$ 11,837**	$ 9,578
Service cost – benefits earned during the year	**3,950**	3,547	**60**	48
Interest cost on projected benefit obligation	**2,950**	2,857	**740**	685
Actuarial loss	**3,907**	1,736	**891**	2,838
Benefits paid	**(2,301)**	(1,869)	**(1,142)**	(1,312)
Projected benefit obligation at end of year	**50,830**	42,324	**12,386**	11,837
Change in fair value of plan assets:				
Fair value of plan assets at beginning of year	**49,486**	59,604	**–**	–
Actual return on plan assets	**6,670**	(8,249)	**–**	–
Benefits paid	**(2,301)**	(1,869)	**(1,142)**	(1,312)
TCF contributions	**–**	–	**1,142**	1,312
Fair value of plan assets at end of year	**53,855**	49,486	**–**	–
Funded status of plans:				
Funded status at end of year	**3,025**	7,162	**(12,386)**	(11,837)
Unamortized transition obligation	**–**	–	**1,883**	2,093
Unamortized prior service cost	**(452)**	(813)	**–**	–
Unrecognized net loss	**23,344**	19,733	**4,742**	4,077
Prepaid (accrued) benefit cost at end of year	**$ 25,917**	$ 26,082	**$ (5,761)**	$ (5,667)

N.A. Not applicable.

On December 8, 2003, the Medicare Prescription Drug, Improvement, and Modernization Act of 2003 (the "Act") was signed into law. This Act includes a prescription drug benefit and a federal subsidy for sponsors of a retiree healthcare plan, like TCF's Postretirement Plan, beginning in 2006. TCF offers a prescription drug benefit to certain retirees. In January 2004, the FASB issued limited guidance regarding the effects of the Act on the estimated costs of providing this retirement benefit under SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions" with various implementation options. The effects of the Act have not yet been included in TCF's determination of post retirement benefit obligations or expenses summarized in the table above. TCF is currently reviewing the Act and considering its options.

The measurement date used for determining the Pension Plan and the Postretirement Plan projected and accumulated benefit obligations above and the date used to value plan assets disclosed above was September 30, 2003 and 2002. The discount rate and rate of increase in future compensation used to measure the benefit obligation were as follows:

	Pension Plan			Postretirement Plan		
Assumptions used to	Year Ended December 31,			Year Ended December 31,		
determine benefit obligations	**2003**	2002	2001	**2003**	2002	2001
Discount rate	**6.0%**	6.5%	7.5%	**6.0%**	6.5%	7.5%
Rate of compensation increase	**4.5**	4.5	4.5	**N.A.**	N.A.	N.A.

N.A. Not applicable.

Net periodic benefit cost (credit) included in compensation and employee benefits expense consists of the following:

	Pension Plan			Postretirement Plan		
	Year Ended December 31,			Year Ended December 31,		
(In thousands)	**2003**	2002	2001	**2003**	2002	2001
Service cost	**$ 3,950**	$ 3,547	$ 2,969	**$ 60**	$ 48	$ 49
Interest cost	**2,950**	2,857	2,480	**740**	685	547
Expected return on plan assets	**(6,374)**	(7,683)	(7,156)	**–**	–	–
Amortization of transition obligation	**–**	–	–	**210**	210	209
Amortization of prior service cost	**(361)**	(1,056)	(1,057)	**–**	–	–
Recognized actuarial (gain) loss	**–**	(387)	(1,810)	**226**	38	(3)
Net periodic benefit cost (credit)	**$ 165**	$(2,722)	$(4,574)	**$ 1,236**	$ 981	$ 802

The discount rate, the expected long-term rate of return on plan assets and the rate of increase in future compensation used to determine the net benefit cost (credit) were as follows:

	Pension Plan			Postretirement Plan		
Assumptions used to determine	Year Ended December 31,			Year Ended December 31,		
net periodic benefit cost (credit)	**2003**	2002	2001	**2003**	2002	2001
Discount rate	**6.5%**	7.5%	7.5%	**6.5%**	7.5%	7.5%
Expected long-term rate of return on plan assets	**8.5**	10.0	10.0	**N.A.**	N.A.	N.A.
Rate of compensation increase	**4.5**	4.5	4.5	**N.A.**	N.A.	N.A.

N.A. Not applicable.

TCF's pension plan asset allocation is summarized as follows:

	Pension Plan	
	Percentage of Plan Assets at December 31	
Asset Category	**2003**	2002
Equity securities, excluding TCF Financial Corporation common stock	**75%**	67%
Fixed income securities	**21**	26
Cash equivalents	**2**	5
TCF Financial Corporation common stock	**2**	2
Total	**100%**	100%

The assets in TCF's pension plan are managed by external investment managers. The plan's investment policy allows the investment manager to determine the mix of equity and fixed income debt securities and the individual investments held. No single investment, other than U.S. government securities, may exceed 5% of plan assets, foreign securities are also limited to 5% and the use of derivative instruments is prohibited. The results of the investment managers performance is periodically monitored and is compared with a benchmark return consisting of 75% S&P 500 Index and 25% Lehman Brothers Aggregate Bond Index returns.

The actuarial assumptions used in the pension plan valuation are reviewed annually. The expected long-term rate of return on plan assets is changed based on historical returns on plan assets and adjusted for future expectations of returns, if necessary. Over the past 20 years, TCF's pension plan assets have achieved actual returns, net of investment management fees, of 10.6%. TCF is not aware of any reasons why it should not be able to achieve future average annual returns of 8.5% long-term expected return on plan assets assumption over complete market cycles. A 1% difference in the expected return on plan assets would result in a $701 thousand change in net periodic pension expense.

TCF currently does not expect to contribute to the Pension Plan in 2004. TCF expects to contribute approximately $1.1 million to the Postretirement Plan in 2004.

The following table presents assumed health care cost trend rates for the Postretirement Plan at December 31, 2003 and 2002:

	2003	2002
Health care cost trend rate assumed for next year	**11.0%**	12%
Final health care cost trend rate	**5.0%**	5%
Year that the final health care trend rate is reached	**2009**	2009

Assumed health care cost trend rates have an effect on the amounts reported for the Postretirement Plan. A one-percentage-point change in assumed health care cost trend rates would have the following effects:

(In thousands)	1-Percentage-Point Increase	1-Percentage-Point Decrease
Effect on total of service and interest cost components	$ 38	$ (35)
Effect on postretirement benefits obligations	610	(545)

TCF currently has no plans to pre-fund the Postretirement Plan in 2004.

Note 19. Derivative Instruments and Hedging Activities

All derivative instruments as defined, including derivatives embedded in other financial instruments or contracts, are recognized as either assets or liabilities in the Consolidated Statements of Financial Condition at fair value. Changes in the fair value of a derivative are recorded in the Consolidated Statements of Income.

TCF's pipeline of locked residential mortgage loan commitments, adjusted for loans not expected to close, and forward sales contracts are considered derivatives and are recorded at fair value, with the changes in fair value recognized in gains on sales of loans under mortgage banking revenue in the Consolidated Statements of Income. TCF utilizes forward sales contracts to hedge its risk of changes in the fair value, due to changes in interest rates, of both its locked residential mortgage loan commitments and its residential loans held for sale. Residential mortgage loans held for sale are carried at the lower of cost or market as adjusted for the effects of fair value hedges using quoted market prices. Because the fair value of the residential loans held for sale are hedged with forward sales contracts of the same loan types, or substantially the same loan types, the hedges are highly effective at managing the risk of changing fair values of such loans. Any differences between the changes in fair value of the hedged residential loans held for sale and in the fair value of the forward sales contracts are not expected to be and were not material due to the nature of the hedging instruments and were recorded in gains on sales of loans and was not material. Forward mortgage loan sales commitments totaled $149.1 million and $511 million at December 31, 2003 and 2002, respectively.

Note 20. Financial Instruments with Off-Balance-Sheet Risk

TCF is a party to financial instruments with off-balance-sheet risk, primarily to meet the financing needs of its customers. These financial instruments, which are issued or held by TCF for purposes other than trading, involve elements of credit and interest-rate risk in excess of the amount recognized in the Consolidated Statements of Financial Condition.

TCF's exposure to credit loss in the event of non-performance by the counterparty to the financial instrument for commitments to extend credit and standby letters of credit is represented by the contractual amount of the commitments. TCF uses the same credit policies in making these commitments as it does for on-balance-sheet instruments. TCF evaluates each customer's creditworthiness on a case-by-case basis. The amount of collateral obtained is based on management's credit evaluation of the customer.

Financial instruments with off-balance sheet risk are summarized as follows:

	At December 31,	
(In thousands)	**2003**	2002
Commitments to extend credit:		
Consumer	**$1,382,348**	$1,154,133
Commercial	**624,664**	576,568
Leasing and equipment finance	**57,485**	67,006
Other	**56,007**	32,419
Total commitments to extend credit	**2,120,504**	1,830,126
Loans serviced with recourse	**130,765**	180,285
Standby letters of credit and guarantees on industrial revenue bonds	**40,796**	27,094
	$2,292,065	$2,037,505

Commitments to Extend Credit Commitments to extend credit are agreements to lend to a customer provided there is no violation of any condition in the contract. These commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since certain of the commitments are expected to expire without being drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Collateral predominantly consists of residential and commercial real estate.

Loans Serviced with Recourse Loans serviced with recourse represent a contingent guarantee based upon failure to perform by another party. These loans consist of $126 million of Veterans Administration ("VA") loans and $4.8 million of loans sold with recourse to the Federal National Mortgage Association ("FNMA"). As is typical of a servicer of VA loans, TCF must cover any principal loss in excess of the VA's guarantee if the VA elects its "no-bid" option upon the foreclosure of a loan. TCF has established a liability of $100 thousand relating to this VA "no-bid" exposure on VA loans serviced with partial recourse at December 31, 2003 and 2002, respectively, which was recorded in other liabilities. No claims have been made under the "no-bid" option during 2003 or 2002. Loans sold with recourse to FNMA represent residential real estate loans sold to FNMA prior to 1982. TCF no longer sells loans on a recourse basis. The contingent guarantee related to both types of recourse remains in effect for the duration of the loans and thus expires in various years through the year 2033. All loans sold with recourse are collateralized by residential real estate. Since conditions under which TCF would be required to cover any principal loss in excess of the VA's guarantee or repurchase the loan sold to FNMA may not materialize, the actual cash requirements are expected to be less than the outstanding commitments.

Standby Letters of Credit Standby letters of credit and guarantees on industrial revenue bonds are conditional commitments issued by TCF guaranteeing the performance of a customer to a third party. These conditional commitments expire in various years through the year 2011. Collateral held primarily consists of commercial real estate mortgages. Since the conditions under which TCF is required to fund these commitments may not materialize, the cash requirements are expected to be less than the total outstanding commitments.

Note 21. Fair Values of Financial Instruments

TCF is required to disclose the estimated fair value of financial instruments, both assets and liabilities on and off the balance sheet, for which it is practicable to estimate fair value. Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instruments. Fair value estimates are subjective in nature, involving uncertainties and matters of significant judgment, and therefore cannot be determined with precision. Changes in assumptions could significantly affect the estimates.

The carrying amounts of cash and due from banks, investments and accrued interest payable and receivable approximate their fair values due to the short period of time until their expected realization. Securities available for sale are carried at fair value, which is based on quoted market prices. Certain financial instruments, including lease financings and discounted lease rentals, and all non-financial instruments are excluded from fair value of financial instrument disclosure requirements.

The following methods and assumptions are used by the Company in estimating fair value disclosures for its remaining financial instruments, all of which are issued or held for purposes other than trading.

Loans The fair value of residential loans is estimated based on quoted market prices of loans with similar characteristics. For certain variable-rate loans that reprice frequently and that have experienced no significant change in credit risk, fair values are based on carrying values. The fair values of other loans are estimated by discounting contractual cash flows adjusted for prepayment estimates, using interest rates currently being offered for loans with similar terms to borrowers with similar credit risk characteristics.

Deposits The fair value of checking, savings and money market deposits is deemed equal to the amount payable on demand. The fair value of certificates of deposit is estimated based on discounted cash flow analyses using interest rates offered by TCF for certificates of deposit with similar remaining maturities. The intangible value of long-term relationships with depositors is not taken into account in the fair values disclosed in the table below.

Borrowings The carrying amounts of short-term borrowings approximate their fair values. The fair values of TCF's long-term borrowings are estimated based on quoted market prices or discounted cash flow analyses using interest rates for borrowings of similar remaining maturities.

Financial Instruments with Off-Balance-Sheet Risk
The fair values of TCF's commitments to extend credit and standby letters of credit are estimated using fees currently charged to enter into similar agreements. For fixed-rate loan commitments and standby letters of credit issued in conjunction with fixed-rate loan agreements, fair value also considers the difference between current levels of interest rates and the committed rates. The fair value of loans serviced with recourse approximates the carrying value recorded in other liabilities.

As discussed above, the carrying amounts of certain of the Company's financial instruments approximate their fair value. The carrying amounts and fair values of the Company's remaining financial instruments are set forth in the following table:

	At December 31,			
	2003		2002	
(In thousands)	**Carrying Amount**	**Estimated Fair Value**	Carrying Amount	Estimated Fair Value
Financial instrument assets:				
Loans held for sale	**$ 335,372**	**$ 340,189**	$ 476,475	$ 480,409
Forward mortgage loan sales commitments [1]	**(1,105)**	**(1,105)**	(7,454)	(7,454)
Loans:				
Consumer	**3,630,341**	**3,649,810**	3,005,882	3,068,900
Commercial real estate	**1,916,701**	**1,947,267**	1,835,788	1,883,183
Commercial business	**427,696**	**429,727**	440,074	438,106
Equipment finance loans	**309,740**	**312,948**	289,558	299,035
Residential real estate	**1,212,643**	**1,247,610**	1,800,344	1,868,132
Allowance for loan losses [2]	**(67,654)**	**–**	(68,143)	–
	$ 7,763,734	**$ 7,926,446**	$ 7,772,524	$ 8,030,311
Financial instrument liabilities:				
Checking, savings and money market deposits	**$ 5,999,626**	**$ 5,999,626**	$ 5,791,233	$ 5,791,233
Certificates of deposit	**1,612,123**	**1,630,511**	1,918,755	1,948,947
Short-term borrowings	**878,412**	**878,615**	842,051	842,051
Long-term borrowings	**1,536,413**	**1,627,253**	2,268,244	2,443,653
	$10,026,574	**$10,136,005**	$10,820,283	$11,025,884
Financial instruments with off-balance-sheet risk: [3]				
Commitments to extend credit [4]	**$ 22,773**	**$ 22,773**	$ 24,569	$ 24,569
Standby letters of credit [1]	**43**	**43**	32	32
Loans serviced with recourse [1]	**(100)**	**(100)**	(100)	(100)
	$ 22,716	**$ 22,716**	$ 24,501	$ 24,501

[1] Carrying amounts are included in accrued expenses and other liabilities.

[2] Excludes the allowance for lease losses.

[3] Positive amounts represent assets, negative amounts represent liabilities.

[4] Carrying amounts are included in other assets.

Note 22. Net Income and Goodwill Amortization

On January 1, 2002, TCF adopted SFAS No. 142, "Goodwill and Other Intangible Assets," which requires that goodwill and other intangible assets with indefinite useful lives no longer be amortized, but instead be tested for impairment at least annually. The following table reconciles prior period net income and earnings per share to an adjusted basis, which excludes goodwill amortization, for comparison purposes:

	Year Ended December 31,		
(In thousands, except per-share data)	**2003**	2002	2001
Net Income:			
Reported net income	**$ 215,878**	$ 232,931	$ 207,322
Add back: Amortization of goodwill, net of applicable income taxes	**–**	–	7,600
Adjusted net income	**$ 215,878**	$ 232,931	$ 214,922
Basic Earnings Per Common Share:			
Reported earnings per common share	**$ 3.06**	$ 3.17	$ 2.73
Amortization of goodwill, net of applicable income taxes	**–**	–	.10
Adjusted earnings per common share	**$ 3.06**	$ 3.17	$ 2.83
Diluted Earnings Per Common Share:			
Reported earnings per common share	**$ 3.05**	$ 3.15	$ 2.70
Amortization of goodwill, net of applicable income taxes	**–**	–	.10
Adjusted earnings per common share	**$ 3.05**	$ 3.15	$ 2.80

Note 23. Earnings per Common Share

The computation of basic and diluted earnings per share is presented in the following table:

	Year Ended December 31,		
(Dollars in thousands, except per-share data)	**2003**	2002	2001
Basic Earnings Per Common Share			
Net income	**$ 215,878**	$ 232,931	$ 207,322
Weighted average shares outstanding	**72,014,020**	75,240,321	78,233,471
Unvested restricted stock grants [1]	**(1,520,753)**	(1,644,879)	(2,408,454)
Weighted average common shares outstanding for basic earnings per common share	**70,493,267**	73,595,442	75,825,017
Basic earnings per common share	**$ 3.06**	$ 3.17	$ 2.73
Diluted Earnings Per Common Share			
Net income	**$ 215,878**	$ 232,931	$ 207,322
Weighted average number of common shares outstanding adjusted for effect of dilutive securities:			
Weighted average common shares outstanding used in basic earnings per common share calculation	**70,493,267**	73,595,442	75,825,017
Net dilutive effect of:			
Stock option plans	**93,673**	124,222	149,711
Restricted stock plans	**183,424**	221,280	868,209
	70,770,364	73,940,944	76,842,937
Diluted earnings per common share	**$ 3.05**	$ 3.15	$ 2.70

[1] At December 31, 2003, 2002 and 2001, there were 1,071,123, 1,145,000 and 1,145,000 shares, respectively, of performance-based restricted stock granted to certain executive officers which will vest only if certain earnings per share goals are achieved by 2008. Failure to achieve the goals will result in all or a portion of the shares being forfeited. In accordance with SFAS No. 128, "Earnings per Share," these shares have been deducted from weighted average shares outstanding used for the computation of basic and diluted earnings per common share, as all necessary conditions for inclusion have not been satisfied. The remaining unvested restricted stock grants vest over specified time periods, and are included in the computation of diluted earnings per common share in accordance with the treasury stock method prescribed in SFAS No. 128.

Note 24. Comprehensive Income

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 investment securities available for sale. The following table summarizes the components of comprehensive income:

	Year Ended December 31,		
(In thousands)	**2003**	2002	2001
Net income	**$ 215,878**	$ 232,931	$ 207,322
Other comprehensive income:			
Unrealized holding gains (losses) arising during the period on securities available for sale	**(30,619)**	74,044	26,295
Reclassification adjustment for gains included in net income	**(32,832)**	(11,536)	(863)
Income tax expense (benefit)	**(23,001)**	22,635	9,335
Total other comprehensive income (loss)	**(40,450)**	39,873	16,097
Comprehensive income	**$ 175,428**	$ 272,804	$ 223,419

Note 25. Other Expense

Other expense consists of the following:

	Year Ended December 31,		
(In thousands)	**2003**	2002	2001
Deposit account losses	**$ 19,495**	$ 19,750	$ 19,415
Postage and courier	**14,358**	13,579	13,150
Telecommunication	**12,634**	12,738	11,541
Debit card processing	**10,883**	10,270	6,901
ATM processing	**9,545**	10,071	9,723
Office supplies	**9,316**	9,023	9,315
Mortgage servicing liquidation expense	**4,352**	2,394	1,440
Federal deposit insurance and OCC assessments	**2,796**	2,761	2,757
Deposit base intangible amortization	**1,666**	1,671	1,939
Other	**58,301**	57,712	51,537
	$ 143,346	$ 139,969	$ 127,718

Note 26. Business Segments

Banking, leasing and equipment finance, and mortgage banking have been identified as reportable operating segments. Banking includes the following operating units that provide financial services to customers: deposits and investment products, commercial lending, consumer lending, residential lending and treasury services. Management of TCF's banking area is organized by state. The separate state operations have been aggregated for purposes of segment disclosures. Leasing and equipment finance provides a broad range of comprehensive leasing and equipment finance products addressing the financing needs of diverse companies. Mortgage banking activities include the origination and purchase of residential mortgage loans primarily for sale to third parties, generally with servicing retained. In addition, TCF operates a bank holding company ("parent company") and has corporate functions that provide data processing, bank operations and other professional services to the operating segments.

TCF evaluates performance and allocates resources based on the segments' net income. The business segments follow generally accepted accounting principles as described in the Summary of Significant Accounting Policies. TCF generally accounts for inter-segment sales and transfers at cost.

The following table sets forth certain information about the reported profit or loss and assets of each of TCF's reportable segments, including a reconciliation of TCF's consolidated totals. The results of TCF's parent company and corporate functions comprise the "other" category in the table below.

(In thousands)	Banking	Leasing and Equipment Finance	Mortgage Banking	Other	Eliminations and Reclassifications	Consolidated
At or For the Year Ended December 31, 2003:						
Revenues from external customers:						
Interest income	**$ 545,764**	**$ 81,912**	**$ 13,843**	**$ –**	**$ –**	**$ 641,519**
Non-interest income	**355,387**	**51,088**	**12,719**	**85**	**–**	**419,279**
Total	**$ 901,151**	**$ 133,000**	**$ 26,562**	**$ 85**	**$ –**	**$ 1,060,798**
Net interest income	**$ 414,288**	**$ 45,358**	**$ 21,357**	**$ (199)**	**$ 341**	**$ 481,145**
Provision for credit losses	**4,361**	**8,171**	**–**	**–**	**–**	**12,532**
Non-interest income	**355,387**	**51,088**	**13,102**	**88,760**	**(89,058)**	**419,279**
Other non-interest expense	**487,808**	**41,977**	**29,963**	**89,078**	**(88,717)**	**560,109**
Income tax expense (benefit)	**96,496**	**17,031**	**1,590**	**(3,212)**	**–**	**111,905**
Net income	**$ 180,010**	**$ 29,267**	**$ 2,906**	**$ 2,695**	**$ –**	**$ 215,878**
Total assets	**$10,935,853**	**$ 1,216,854**	**$ 173,867**	**$ 105,634**	**$(1,113,193)**	**$11,319,015**
At or For the Year Ended December 31, 2002:						
Revenues from external customers:						
Interest income	$ 632,803	$ 85,447	$ 15,112	$ 1	$ –	$ 733,363
Non-interest income	359,896	51,628	6,979	1,259	–	419,762
Total	$ 992,699	$ 137,075	$ 22,091	$ 1,260	$ –	$ 1,153,125
Net interest income	$ 435,883	$ 41,374	$ 20,676	$ (45)	$ 1,337	$ 499,225
Provision for credit losses	12,778	9,228	–	–	–	22,006
Non-interest income	359,896	51,806	8,316	95,272	(95,528)	419,762
Other non-interest expense	471,739	40,983	24,796	95,961	(94,191)	539,288
Income tax expense (benefit)	110,158	15,497	1,511	(2,404)	–	124,762
Net income	$ 201,104	$ 27,472	$ 2,685	$ 1,670	$ –	$ 232,931
Total assets	$ 11,806,012	$ 1,100,744	$ 447,840	$ 75,270	$ (1,227,797)	$ 12,202,069
At or For the Year Ended December 31, 2001:						
Revenues from external customers:						
Interest income	$ 722,722	$ 89,131	$ 14,334	$ 422	$ –	$ 826,609
Non-interest income	313,501	45,730	12,042	213	–	371,486
Total	$ 1,036,223	$ 134,861	$ 26,376	$ 635	$ –	$ 1,198,095
Net interest income	$ 423,043	$ 39,429	$ 14,919	$ 433	$ 3,398	$ 481,222
Provision for credit losses	7,359	13,519	–	–	–	20,878
Non-interest income	313,501	45,730	15,439	96,829	(100,013)	371,486
Amortization of goodwill	7,350	427	–	–	–	7,777
Other non-interest expense	432,298	38,369	20,893	99,274	(96,615)	494,219
Income tax expense (benefit)	109,063	12,410	3,577	(2,538)	–	122,512
Net income	$ 180,474	$ 20,434	$ 5,888	$ 526	$ –	$ 207,322
Total assets	$ 10,985,850	$ 988,387	$ 374,263	$ 74,673	$ (1,064,458)	$ 11,358,715

Note 27. Parent Company Financial Information

TCF Financial Corporation's (parent company only) condensed statements of financial condition as of December 31, 2003 and 2002, and the condensed statements of income and cash flows for the years ended December 31, 2003, 2002 and 2001 are as follows:

Condensed Statements of Financial Condition

(In thousands)	At December 31, 2003	2002
Assets:		
Cash	**$ 397**	$ 352
Interest-bearing deposits with banks	**2,457**	1,796
Investment in TCF National Bank	**910,186**	954,361
Premises and equipment	**228**	366
Dividends receivable from TCF National Bank	**11,400**	10,308
Accounts receivable from affiliates	**21,867**	17,043
Other assets	**20,179**	17,786
	$ 966,714	$1,002,012
Liabilities and Stockholders' Equity:		
Short-term borrowings	**$ 37,000**	$ 13,500
Other liabilities	**8,856**	11,492
Total liabilities	**45,856**	24,992
Stockholders' equity	**920,858**	977,020
	$ 966,714	$1,002,012

Condensed Statements of Income

(In thousands)	Year Ended December 31, 2003	2002	2001
Interest income	**$ 40**	$ 323	$ 833
Interest expense	**438**	508	376
Net interest income (expense)	**(398)**	(185)	457
Dividends from TCF National Bank	**219,653**	206,566	206,970
Other non-interest income:			
Affiliate service fees	**8,116**	13,755	14,292
Other	**1,338**	(322)	95
Total other non-interest income	**9,454**	13,433	14,387
Non-interest expense:			
Compensation and employee benefits	**7,184**	12,965	13,785
Occupancy and equipment	**631**	847	784
Other	**1,631**	1,348	1,690
Total non-interest expense	**9,446**	15,160	16,259
Income before income tax benefit and equity in undistributed earnings of subsidiary	**219,263**	204,654	205,555
Income tax benefit	**907**	1,852	496
Income before equity in undistributed earnings of subsidiary	**220,170**	206,506	206,051
Equity in undistributed earnings of subsidiary	**(4,292)**	26,425	1,271
Net income	**$ 215,878**	$ 232,931	$ 207,322

Condensed Statements of Cash Flows

(In thousands)	Year Ended December 31, 2003	2002	2001
Cash flows from operating activities:			
Net income	**$ 215,878**	$ 232,931	$ 207,322
Adjustments to reconcile net income to net cash provided by operating activities:			
Equity in undistributed earnings of subsidiary	**4,292**	(26,425)	(1,271)
Other, net	**(1,102)**	5,323	5,381
Total adjustments	**3,190**	(21,102)	4,110
Net cash provided by operating activities	**219,068**	211,829	211,432
Cash flows from investing activities:			
Net (increase) decrease in interest-bearing deposits with banks	**(661)**	861	21,339
Investments in TCF National Bank, net	**–**	–	(6,000)
Loan to deferred compensation plans, net	**–**	9,783	(4,646)
Purchases of premises and equipment, net	**–**	(112)	(273)
Net cash provided (used) by investing activities	**(661)**	10,532	10,420
Cash flows from financing activities:			
Dividends paid on common stock	**(93,029)**	(86,430)	(77,473)
Purchases of common stock	**(150,356)**	(148,030)	(148,043)
Net increase in short-term borrowings	**23,500**	11,500	2,000
Other, net	**1,523**	914	1,510
Net cash used by financing activities	**(218,362)**	(222,046)	(222,006)
Net increase (decrease) in cash	**45**	315	(154)
Cash at beginning of year	**352**	37	191
Cash at end of year	**$ 397**	$ 352	$ 37

Note 28. Litigation and Contingent Liabilities

From time to time, TCF is a party to legal proceedings arising out of its lending, leasing and deposit operations. TCF is and expects to become engaged in a number of 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. Financial services companies are subject to the risk of class action litigation, and TCF has had such actions brought against it from time to time. After review with its legal counsel, management believes that the ultimate disposition of existing litigation will not have a material effect on TCF's financial condition but litigation is often unpredictable and the actual results of litigation cannot be determined with certainty.

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders of
TCF Financial Corporation:

We have audited the accompanying consolidated statements of financial condition of TCF Financial Corporation and subsidiaries as of December 31, 2003 and 2002, and the related consolidated statements of income, stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2003. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of TCF Financial Corporation and subsidiaries as of December 31, 2003 and 2002, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2003, in conformity with accounting principles generally accepted in the United States of America.

As discussed in note 1 to the consolidated financial statements, the Company adopted the provisions of the Financial Accounting Standards Board's Statement of Financial Accounting Standards No. 142, *Goodwill and Other Intangible Assets*, as of January 1, 2002.

KPMG LLP

Minneapolis, Minnesota
February 23, 2004

OTHER FINANCIAL DATA

Selected Quarterly Financial Data (Unaudited)

(Dollars in thousands, except per-share data)	At							
	Dec. 31, 2003	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
Selected Financial Condition Data:								
Securities available for sale	**$ 1,533,288**	$ 1,604,282	$ 1,980,830	$ 2,442,724	$ 2,426,794	$ 2,252,786	$ 1,965,664	$ 1,556,798
Residential real estate loans	**1,212,643**	1,283,640	1,393,183	1,568,430	1,800,344	1,975,481	2,249,365	2,458,431
Subtotal	**2,745,931**	2,887,922	3,374,013	4,011,154	4,227,138	4,228,267	4,215,029	4,015,229
Loans and leases excluding residential real estate loans	**7,135,135**	6,863,683	6,705,169	6,485,179	6,320,784	6,106,818	5,879,607	5,693,330
Total assets	**11,319,015**	11,253,906	11,807,764	12,127,272	12,202,069	11,970,331	11,527,351	11,170,583
Checking, savings and money market deposits	**5,999,626**	6,115,863	6,234,447	6,068,095	5,791,233	5,636,989	5,397,505	5,108,494
Certificates of deposit	**1,612,123**	1,596,740	1,745,290	1,897,243	1,918,755	2,023,508	2,159,121	2,185,478
Total deposits	**7,611,749**	7,712,603	7,979,737	7,965,338	7,709,988	7,660,497	7,556,626	7,293,972
Borrowings	**2,414,825**	2,243,725	2,506,039	2,767,890	3,110,295	2,955,295	2,702,133	2,610,712
Stockholders' equity	**920,858**	931,968	952,069	971,413	977,020	950,290	920,088	921,847

(Dollars in thousands, except per-share data)	Three Months Ended							
	Dec. 31, 2003	Sept. 30, 2003	June 30, 2003	March 31, 2003	Dec. 31, 2002	Sept. 30, 2002	June 30, 2002	March 31, 2002
Selected Operations Data:								
Interest income	**$ 148,919**	$ 156,482	$ 164,004	$ 172,114	$ 182,352	$ 182,406	$ 184,234	$ 184,371
Interest expense	**29,827**	36,605	44,240	49,702	55,729	58,637	59,925	59,847
Net interest income	**119,092**	119,877	119,764	122,412	126,623	123,769	124,309	124,524
Provision for credit losses	**4,037**	2,658	3,127	2,710	4,067	4,071	4,714	9,154
Net interest income after provision for credit losses	**115,055**	117,219	116,637	119,702	122,556	119,698	119,595	115,370
Non-interest income:								
Fees and other revenue	**114,865**	118,089	101,003	96,835	106,346	102,837	102,032	95,049
Gains on sales of securities available for sale	**–**	–	11,695	21,137	2,830	2,662	–	6,044
Gains (losses) on termination of debt	**–**	(37,769)	–	(6,576)	–	–	–	–
Gains on sales of branches	**–**	–	–	–	–	–	–	1,962
Total non-interest income	**114,865**	80,320	112,698	111,396	109,176	105,499	102,032	103,055
Non-interest expense	**142,244**	142,382	136,733	138,750	141,251	134,485	132,130	131,422
Income before income tax expense	**87,676**	55,157	92,602	92,348	90,481	90,712	89,497	87,003
Income tax expense	**28,180**	19,193	32,311	32,221	30,705	31,845	31,526	30,686
Net income	**$ 59,496**	$ 35,964	$ 60,291	$ 60,127	$ 59,776	$ 58,867	$ 57,971	$ 56,317
Per common share:								
Basic earnings	**$ .86**	$ .51	$ .85	$ .83	$ .83	$ .81	$ .78	$ .75
Diluted earnings	**$ .86**	$ .51	$ .85	$ .83	$ .82	$ .80	$ .78	$ .75
Dividends declared	**$ .325**	$ .325	$ .325	$ .325	$ .2875	$ .2875	$ .2875	$ .2875
Financial Ratios:								
Return on average assets [(1)]	**2.13%**	1.24%	2.04%	1.99%	1.97%	2.03%	2.04%	2.01%
Return on average common equity [(1)]	**26.18**	15.77	25.17	24.70	25.17	25.53	25.36	24.68
Net interest margin [(1)]	**4.68**	4.57	4.45	4.45	4.59	4.68	4.76	4.83
Average total equity to average assets	**8.13**	7.89	8.11	8.06	7.82	7.96	8.03	8.15

(1) Annualized.

SENIOR OFFICERS

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Chairman of the Board and Chief Executive Officer
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President and Chief Operating Officer
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Executive Vice President and Chief Information Officer
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SCOTT W. JOHNSON
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JAMES M. MATHEIS
DAVID B. MCCULLOUGH
ANTON J. NEGRINI
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STEPHEN D. STEEN
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STEVEN E. RYKKELI
KURT A. SCHRUPP
JAMES T. STAHLMANN
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NATALIE A. GLASS
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JOHN J. OWENS
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EDWARD F. TIERNEY

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STEPHEN M. MAGISTAD
WILLIAM A. MILLER
TIMOTHY J. O'KEEFE

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FRANK A. MCCARTHY

Senior Vice President
BUFFIE A. BLESI

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Executive Vice President
DOUGLAS L. DINNDORF

Senior Vice Presidents
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PAULA T. HUGHES
TAMARA J. SALVO
CAROL B. SCHIRMERS
ALFRED K. VELASCO
JEFFREY G. WILLIAMSON

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CRAIG R. DAHL

Executive Vice Presidents
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MARK D. NYQUIST

Senior Vice Presidents
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WALTER E. DZIELSKY
BRADLEY C. GUNSTAD
THOMAS F. JASPER
CHARLES A. SELL, JR.
ROBERT J. STARK

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CRAIG R. DAHL

President
RONALD J. PALMER

Senior Vice Presidents
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PAUL L. GENDLER
JOHN G. MCMANIGAL
DEBORAH L. MOGENSEN
RICHARD J. PIEPER
DEAN J. STINCHFIELD

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Chairman,
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RODNEY P. BURWELL[2,3,4]
Chairman,
Xerxes Corporation

THOMAS A. CUSICK[4]
Retired Vice Chairman

JOHN M. EGGEMEYER III[2,3,4]
President,
Castle Creek Capital LLC

ROBERT E. EVANS[1]
Retired Vice Chairman

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Past Chair,
University of Minnesota Foundation,
Former Acting President,
Wellesley College

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CPA/Managing Director,
George Johnson & Company

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President and Chief Executive Officer
McGough Companies

LYNN A. NAGORSKE
President and Chief Operating Officer

PETER L. SCHERER[4]
President and Chief Executive Officer,
Scherer Bros. Lumber Co.

GERALD A. SCHWALBACH[1,2,3,4]
Chairman,
Superior Storage LLC

RALPH STRANGIS[4,5]
Senior Partner,
Kaplan, Strangis and Kaplan, P.A.

[1] Audit Committee

[2] Compensation/Nominating/Corporate Governance Committee

[3] Advisory Committee – TCF Employees Stock Purchase Plan

[4] Shareholder Relations/De Novo Banking Committee

[5] Executive Committee

OFFICES

EXECUTIVE OFFICES

TCF Financial Corporation
200 LAKE STREET EAST
MAIL CODE EX0-03-A
WAYZATA, MN 55391-1693
(612) 661-6500

MINNESOTA

Headquarters
801 MARQUETTE AVENUE
MAIL CODE 001-03-P
MINNEAPOLIS, MN 55402
(612) 661-6500

Traditional Branches
MINNEAPOLIS/ST. PAUL AREA (44)
GREATER MINNESOTA (6)

Supermarket Branches
MINNEAPOLIS/ST. PAUL AREA (44)
GREATER MINNESOTA (4)

ILLINOIS/WISCONSIN/INDIANA

Headquarters
800 BURR RIDGE PARKWAY
BURR RIDGE, IL 60527
(630) 986-4900

Traditional Branches
CHICAGOLAND (34)
MILWAUKEE AREA (11)
KENOSHA/RACINE AREA (7)

Supermarket Branches
CHICAGOLAND (157)
MILWAUKEE AREA (13)
KENOSHA/RACINE AREA (3)
INDIANA (5)

MICHIGAN

Headquarters
401 EAST LIBERTY STREET
ANN ARBOR, MI 48104
(734) 769-8300

Traditional Branches
METRO DETROIT AREA (39)
GREATER MICHIGAN (10)

Supermarket Branches
METRO DETROIT AREA (5)
GREATER MICHIGAN (1)

COLORADO

Headquarters
6400 SOUTH FIDDLER'S GREEN CIRCLE
SUITE 800
ENGLEWOOD, CO 80111
(720) 200-2400

Traditional Branches
METRO DENVER AREA (11)
COLORADO SPRINGS (2)

Supermarket Branches
METRO DENVER AREA (2)
COLORADO SPRINGS (3)

TCF MORTGAGE CORPORATION

Headquarters
801 MARQUETTE AVENUE
MINNEAPOLIS, MN 55402
(612) 661-7500

TCF LEASING, INC.

Headquarters
11100 WAYZATA BOULEVARD
SUITE 801
MINNETONKA, MN 55305
(952) 656-5080

WINTHROP RESOURCES CORPORATION

Headquarters
11100 WAYZATA BOULEVARD
SUITE 800
MINNETONKA, MN 55305
(952) 936-0226

SHAREHOLDER INFORMATION

STOCK DATA

Year	Close	High	Low	Dividends Paid Per Share
2003				
Fourth Quarter	**$51.35**	**$54.25**	**$47.81**	**$ .325**
Third Quarter	**47.95**	**49.72**	**39.52**	**.325**
Second Quarter	**39.84**	**42.54**	**36.90**	**.325**
First Quarter	**40.04**	**45.77**	**36.50**	**.325**
2002				
Fourth Quarter	$43.69	$44.75	$35.10	$.2875
Third Quarter	42.33	50.30	39.90	.2875
Second Quarter	49.10	54.07	46.65	.2875
First Quarter	52.61	54.60	46.87	.2875
2001				
Fourth Quarter	$47.98	$48.25	$39.40	$ .25
Third Quarter	46.06	51.12	39.45	.25
Second Quarter	46.31	46.55	34.90	.25
First Quarter	37.79	44.38	32.81	.25
2000				
Fourth Quarter	$44.56	$45.56	$33.81	$.2125
Third Quarter	37.63	37.88	25.75	.2125
Second Quarter	25.69	29.06	22.00	.2125
First Quarter	23.81	24.88	18.00	.1875
1999				
Fourth Quarter	$24.88	$30.56	$23.75	$.1875
Third Quarter	28.56	29.38	26.63	.1875
Second Quarter	27.88	30.69	25.13	.1875
First Quarter	26.06	27.25	21.69	.1625

TRADING OF COMMON STOCK

The common stock of TCF Financial Corporation is listed on the New York Stock Exchange under the symbol TCB. At December 31, 2003, TCF had approximately 70.5 million shares of common stock outstanding.

2004 COMMON STOCK DIVIDEND DATES

Expected Record:	*Expected Payment:*
February 6	February 27
May 7	May 28
August 6	August 31
November 5	November 30

TRANSFER AGENT AND REGISTRAR

EquiServe Trust Company, N.A.
PO Box 43010
Providence, RI 02940-3010
(800) 730-4001
www.equiserve.com

COMMON STOCK DIVIDEND REINVESTMENT PLAN

Approximately 58% of TCF's 10,645 shareholders of record participate in the Dividend Reinvestment Plan. Under the plan, common shareholders may purchase additional shares of common stock at market price without service charges or brokerage commissions through automatic reinvestment of cash dividends. Optional cash contributions may be made monthly with a minimum investment of $25 per month and limited to $25,000 per quarter. Information is available from:

EquiServe Trust Company, N.A.
PO Box 43010
Providence, RI 02940-3010
(800) 730-4001
www.equiserve.com

INVESTOR/ANALYST CONTACT

Jason Korstange
Senior Vice President
Corporate Communications
(952) 745-2755

ADDITIONAL INFORMATION

TCF's report on Form 10-K is filed with the Securities and Exchange Commission and is available to shareholders without charge. Information may also be obtained from:

TCF Financial Corporation
Corporate Communications
200 Lake Street East
EX0-02-C
Wayzata, MN 55391-1693
(952) 745-2760

CORPORATE WEBSITE

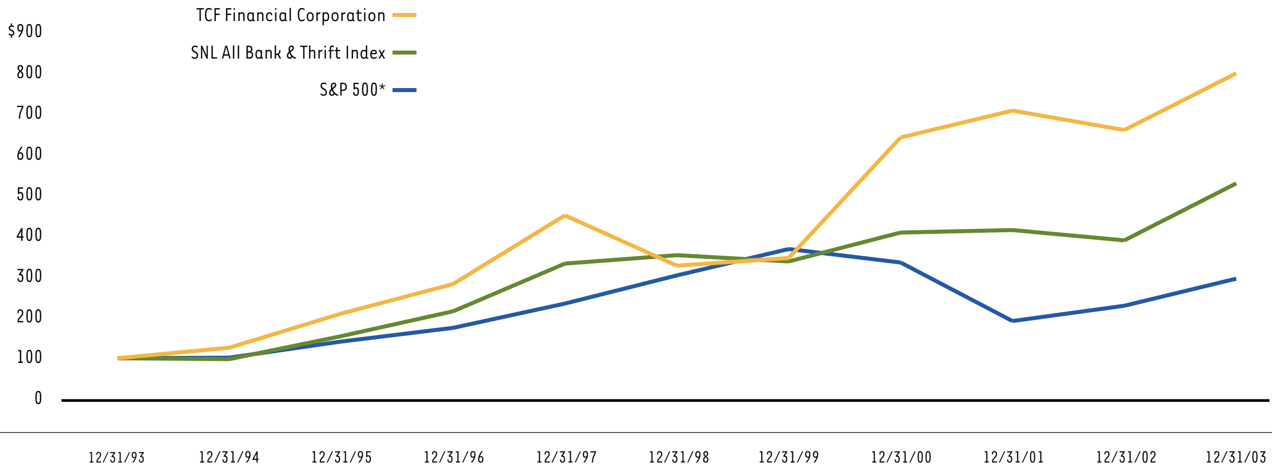
Please visit our website at www.tcfexpress.com for free access to investor information, news, investor presentations, access to TCF's quarterly conference calls, TCF's annual report, quarterly reports and SEC filings.

ANNUAL MEETING

The annual meeting of shareholders of TCF will be held on Wednesday, April 28, 2004 at 10:00 a.m. at the Sheraton Minneapolis West, 12201 Ridgedale Drive, Minnetonka, Minnesota.

Total Return to Shareholders

(In Dollars)



* Source: CRSP, Center for Research in Security Prices, Graduate School of Business, The University of Chicago 2004. Used with permission. All rights reserved. crsp.com.

Credit Ratings

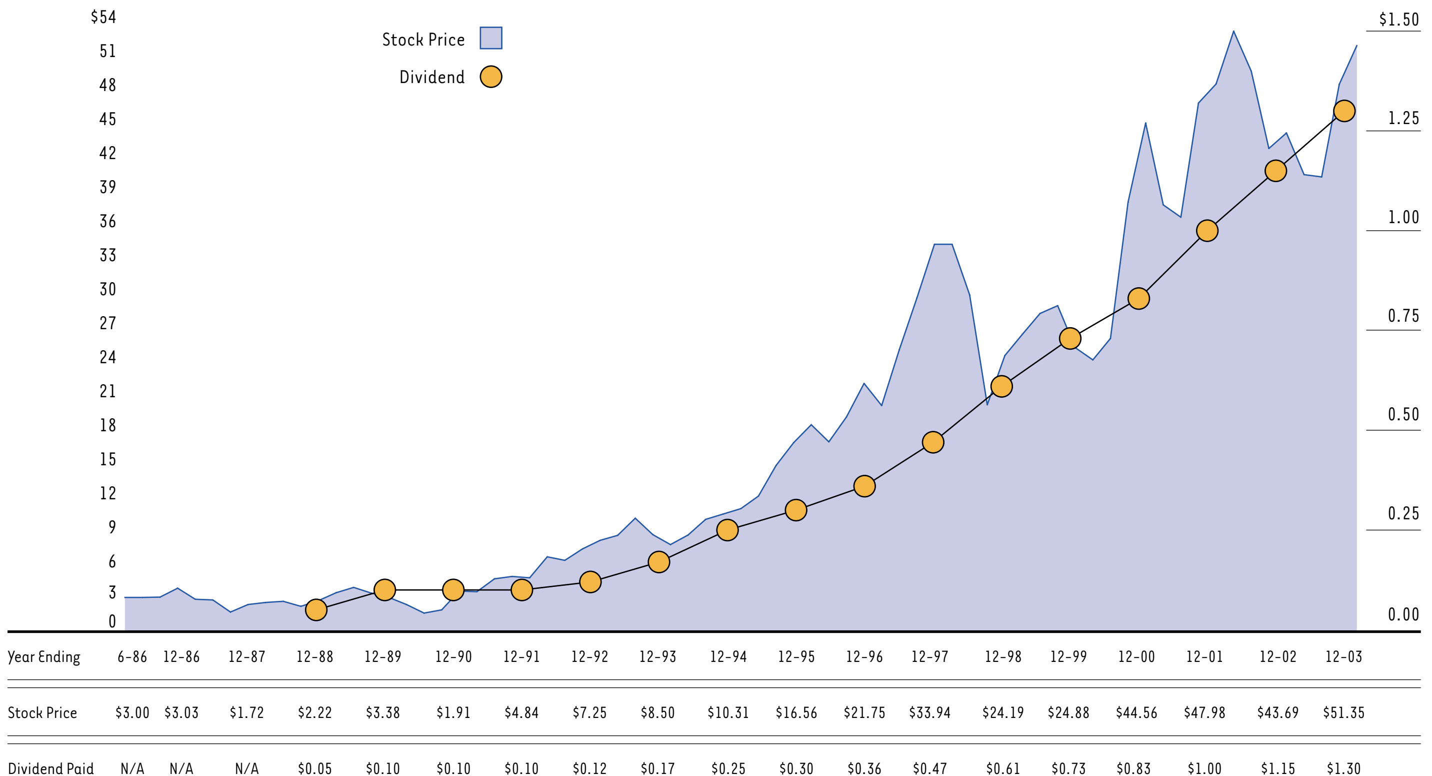
Last Rating Action	Last Review February 2003
Moody's	
TCF National Bank:	
Outlook	Stable
Issuer	A2
Long-term deposits	A2
Short-term deposits	Prime-1
Bank financial strength	C+

Last Rating Action	Last Review August 2003
Standard & Poor's	
Outlook	Stable
TCF Financial Corporation:	
Long-term counterparty	BBB+
Short-term counterparty	A-2
TCF National Bank:	
Long-term counterparty	A-
Short-term counterparty	A-2

Last Rating Action	Last Review January 2003
FITCH	
Outlook	Stable
Issuer rating	B
TCF Financial Corporation:	
Long-term senior	A-
Short-term	F1
TCF National Bank:	
Long-term deposits	A
Short-term deposits	F1

Stock Price Performance

(In Dollars)



Year Ending	6-86	12-86	12-87	12-88	12-89	12-90	12-91	12-92	12-93	12-94	12-95	12-96	12-97	12-98	12-99	12-00	12-01	12-02	12-03
Stock Price	$3.00	$3.03	$1.72	$2.22	$3.38	$1.91	$4.84	$7.25	$8.50	$10.31	$16.56	$21.75	$33.94	$24.19	$24.88	$44.56	$47.98	$43.69	$51.35
Dividend Paid	N/A	N/A	N/A	$0.05	$0.10	$0.10	$0.10	$0.12	$0.17	$0.25	$0.30	$0.36	$0.47	$0.61	$0.73	$0.83	$1.00	$1.15	$1.30

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2690-AR-04

TCFIR9322