

**FINANCIAL STATEMENT
DECEMBER 31, 2005**

Officers Of First Federal Of Lakewood

Ronald W. Dees Chairman
 Gary R. Fix President, CEO & Managing Officer
 David T. Shaw Senior Vice President & Secretary
 Richard K. Smith Senior Vice President, CEO & Treasurer
 Gerald A. Buck Senior Vice President/Lending Division Manager
 Steve Neagle Vice President, Information Technology
 Michael G. Berichon Vice President & Chief Lending Officer
 Timothy S. Brimas Vice President & Controller
 Karen A. Herrmann Vice President, Manager, Human Resources
 Marie Marrall Vice President, Manager, Retail Sales
 Ronald B. Webb Vice President, Manager, Lending Operations

Assistant Vice Presidents

James D. Lechko Manager, Investment Services
 Judy L. Flitek Branch Coordinator

Officers

Deborah A. Brauer Manager, Savings Service
 Deborah E. Bythway Manager, Internal Audit/Compliance
 Brenty Carroll Branch Sales Manager, Avon/Avon Lake Office
 Debra M. Gorman Branch Sales Manager, Lakewood Office
 Sally A. Golden Manager, Loan Service
 Charles K. Hollingsworth Branch Sales Manager, Strongsville
 Brunswick Office

Jacqueline A. McLucas Manager, Accounting
 Katherine E. Murphy Branch Operations Manager, Rocky River Office
 Judith E. Norton Branch Operations Manager, Fairview Park Office
 Eileen Nanney Branch Operations Manager, Westlake Detroit Office
 Lin Schaefer Branch Sales Manager, North Ridgeville/Chimney Top Office
 Edward R. Tietz Branch Sales Manager, Rocky River/Fairview Park Office
 Alyssa K. Wright Branch Sales Manager, Westlake Detroit/Cruiser Office
 Lily Yee Lending Compliance Specialist
 Ted Yankovitz Branch Operations Manager, Lakewood Office
 Linda S. Zeloni Branch Operations Manager, Avon Lake Office

Directors

Ronald W. Dees President (retired)
 Bonnie Bell Inc.
 Gary R. Fix President, CEO & Managing Officer
 First Federal Of Lakewood
 W. Charles Geiger III President
 Geiger's Clothing & Sports
 William C. Huffman Attorney
 Huffman, Isaac & Frost, LLC
 Michael P. Summers President And Owner
 Summers Rubber Co.
 Terry G. Tracy President (retired)
 First Federal Of Lakewood

Directors Emeritus

Larry E. Fraibaker
 Roger L. Holmes
 William M. Malley
 Vernon L. Vanderhak
 Robert C. Weber

Statement Of Condition

As of December 31, 2005

ASSETS

CASH AND CASH EQUIVALENTS	\$ 10,575,008
SECURITIES AVAILABLE FOR SALE	280,877,326
SECURITIES HELD TO MATURITY	13,325,828
LOANS	800,776,003
FEDERAL HOME LOAN BANK STOCK	8,838,300
PREMISES AND EQUIPMENT, NET	11,381,214
ACCRUED INTEREST RECEIVABLE AND OTHER ASSETS	16,884,853
TOTAL ASSETS	\$ 1,351,858,654

LIABILITIES AND EQUITY

DEPOSITS	\$ 975,392,120
FHLB ADVANCES	40,900,000
ACCRUED INTEREST PAYABLE AND OTHER LIABILITIES	17,238,621
TOTAL LIABILITIES	1,033,530,741
RETAINED EARNINGS	119,296,639
ACCUMULATED OTHER COMPREHENSIVE INCOME	(968,726)
TOTAL RETAINED EARNINGS	118,327,913
TOTAL LIABILITIES AND NET WORTH	\$ 1,351,858,654

First Federal Savings and Loan Association of Lakewood has built one of the strongest financial institutions in America by careful investment management and concerned community involvement.

RECONCILIATION OF GENERALLY ACCEPTED ACCOUNTING PRINCIPLES (GAAP) TO REGULATORY CAPITAL:

THE ASSOCIATION WAS IN COMPLIANCE WITH THE CURRENT CAPITAL REQUIREMENTS AT DECEMBER 31, 2005, AS DETICED BELOW:

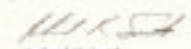
GAAP CAPITAL	CHARTERED REGULATORY		
	Tangible Capital	Core Capital	Risk-Based Capital
Tangible Capital	\$118,328,000	\$118,328,000	\$118,328,000
Non-liable assets	0	0	0
Additional capital items - general loan valuation allowances	0	0	3,259,000
Unrealized Gains - certain AFS securities	(968,000)	(968,000)	(2,091,000)
Regulatory capital - computed	\$117,360,000	\$117,360,000	\$119,496,000
Minimum capital required	23,091,000	40,182,000	49,985,000
Regulatory capital - excess	<u>\$94,269,000</u>	<u>\$77,178,000</u>	<u>\$74,511,000</u>

The Office of Thrift Supervision (OTS) requires that savings associations maintain 2% of its assets in Tangible Capital (10.53% actual) and 4.00% of its assets in Core Capital (17.33% actual) and 8% of its Risk-Weighted Assets (19.99% actual) in Risk-Based Capital. First Federal Savings & Loan Association of Lakewood's regulatory capital as detailed above is well in excess of the OTS capital requirements.

This statement has been prepared in accordance with the regulatory reporting requirements of the Office of Thrift Supervision (OTS). Tangible, core and total capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the OTS determines whether a savings association is operating in a safe and sound manner.

Copies of the audited financial statements as of and for the year ended December 31, 2005, will be available after March 31, 2006. These statements can be obtained by visiting our Lakewood office and contacting Mr. Richard K. Smith, Senior Vice President, Chief Financial Officer and Treasurer.

I, Richard K. Smith, Senior Vice President, Chief Financial Officer and Treasurer, of the above-named savings association, do hereby declare that this statement of condition has been prepared in conformance with the instructions issued by the Office of Thrift Supervision and is true to the best of my knowledge and belief.



Richard K. Smith
 Senior Vice President, Chief Financial Officer and Treasurer

Dear Customers and Friends:

As we present our 2005 financial statement for your review, we are pleased to report that a number of historical milestones were reached in a number of categories. Our asset base grew to over \$1,330,000,000 and we enhanced our financial strength by increasing our net worth to over \$118 million. In addition, we produced more than \$266 million in loans and our deposits increased to over \$975 million. We are especially proud that these accomplishments were achieved through prudent mortgage investment in communities we serve and by offering savings and investment products that attracted new and existing customers.

Throughout our 70 year history, the underlying reason for our success has been the value we place on our customers and the communities we serve. We are committed to our loyal customers, and we are especially pleased to have opened a new Brunswick Branch in October, 2005 as well as an Avon Branch that we opened in March, 2006.

These achievements were accomplished by enhancing our products, delivery systems and technology with the sole purpose of improving our ability to serve you better. We pledge to you that we will continue our commitment to being your customer friendly community bank that provides quality service and ease of doing business. You can also count on First Federal of Lakewood to remain strong and stable by continuing to invest in the communities and families we serve.

On behalf of the Directors, Officers and Employees of First Federal of Lakewood, we express our appreciation for your patronage in 2005. It has truly been our privilege to serve you and we look forward to continuing our relationship in 2006 and beyond.

Sincerely yours,


Ronald W. Dets
Chairman of the Board


Gary R. Fix
President, CEO & Managing Officer



Avon	419.954.0314	Evans Park	440.714.9700	North Ridgeville	440.327.1311	Strongsville	440.572.6080
Avon Lake	440.926.5161	Lakewood	216.221.7300	Westend Levee	440.235.7754	Wichita/Cosho	440.825.4409
Brunswick	330.273.0017	North Olmsted	440.777.9000	Easton Run	440.895.9586	Wichita/Sentel	402.871.4617
						Wesley Loan Office	330.721.0715

Customer Service & More 216.529.2700
Outside of Cuyahoga County 800.966.7300



For current rates and products, visit FFL.net

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GET MORE FROM YOUR NEIGHBORHOOD BANK.




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We've Been Here. We'll Be Here.


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