

FINANCIAL STATEMENT DECEMBER 31, 2010

Dear Customers and Friends,

In 2010, as we celebrated our 75th Anniversary, we also achieved a historic year in terms of growth. Most notably, we successfully acquired Century Bank. This combination not only added \$130 million in assets and five (5) new branches, but it melded two well respected mutually structured community banks with similar cultures into a larger and stronger financial institution. This combination of companies and cultures was accomplished without any loss of jobs or branch closings.

As of 12/31/10, our total assets were \$1.32 billion, our total deposits were \$1.12 billion and we closed a record \$502 million in loans. Also, we recorded net income of \$3.3 million which marked our 12th consecutive quarter of net income since the beginning of the credit and financial crisis of 2007. We also increased our total capital to \$131.5 million which, by regulatory definition, makes First Federal a "well capitalized company."

With the addition of the five (5) newly acquired branches along with a new branch in Chagrin Falls, we now have eighteen (18) full service branches in 4 counties (Cuyahoga, Lorain, Medina and Lake). During 2010, we also opened three (3) new loan production offices and established a wholly owned insurance company (First Federal Insurance Company) to address the needs of our customers.

We are especially proud that these achievements were realized by continuing our commitment to all customers and stakeholders in the communities we serve. We pledge to you, that our sound financial discipline and commitment to quality service will continue in the future.

On behalf of all of us at First Federal of Lakewood, we would like to take this opportunity to thank you, "Our valued customers," for your patronage during the year. It has been our privilege to serve you and we look forward to continuing our relationship in 2011 and beyond.

Sincerely yours,



Ronald W. Dees
Chairman of the Board



Gary R. Fix
President & CEO

FIRST FEDERAL OF LAKEWOOD BRANCHES

Lakewood - Main Office
14806 Detroit Avenue
(216) 221-7300

Avon
36839 Detroit Road
(440) 934-0314

Avon Lake
32812 Walker Road
(440) 930-5161

Brunswick - Center
3383 Center Road
(330) 273-3511

Brunswick - Pearl
1812 Pearl Road
(330) 273-0012

Chagrin Falls
2 East Washington Street
(440) 287-5715

Concord
7595 Crile Road
(440) 352-1072

Fairview Park
22380 Lorain Road
(440) 716-9708

Garfield Heights
12648 Rockside Road
(216) 475-5200

North Olmsted
26614 Lorain Road
(440) 777-9000

North Ridgeville
34385 Center Ridge Road
(440) 327-1311

North Royalton
6160 Royalton Road
(440) 582-2010

Olmsted Township
26908 Cook Road
(440) 235-7154

Parma
1640 Snow Road
(216) 351-7000

Rocky River
20425 Center Ridge Road
(440) 895-9586

Strongsville
14244 Pearl Road
(440) 572-6080

Westlake - Crocker
2035 Crocker Road
(440) 835-4409

Westlake - Detroit
24441 Detroit Road
(440) 871-4667

FIRST FEDERAL LENDING OFFICES

Canton
4328 Dressler Road NW
(330) 492-2135

Chagrin Falls
5 South Franklin Street
(440) 498-9900

Columbus - Hilliard
3592 Fishinger Blvd
(614) 410-5125

Columbus - Westerville
98 County Line Road
(614) 410-5115

Mentor
7324 Center Street
(440) 974-2083

Toledo - Findlay
1601 Tiffin Avenue
(419) 680-3744

Toledo - Perrysburg
624 W South Boundary Street
Suite A
(419) 874-3231

CUSTOMER SERVICE | **(216) 529-2700**
(800) 966-7300
(Outside of Cuyahoga County)

www.FFL.net

2010 FINANCIAL STATEMENT




FIRST FEDERAL LAKEWOOD®
We've Been Here. We'll Be Here.

STATEMENT OF CONDITION

As of December 31, 2010

OFFICERS OF FIRST FEDERAL LAKEWOOD

ASSETS

CASH AND CASH EQUIVALENTS	\$ 76,217,266
SECURITIES AVAILABLE FOR SALE.....	132,825,550
SECURITIES HELD TO MATURITY	1,415,624
LOANS	1,040,452,235
FEDERAL HOME LOAN BANK STOCK	11,020,700
PREMISES AND EQUIPMENT, NET	12,761,806
ACCRUED INTEREST RECEIVABLE AND OTHER ASSETS	51,515,556
TOTAL ASSETS	\$ 1,326,208,737

LIABILITIES AND EQUITY

DEPOSITS.....	\$ 1,122,792,542
FHLB ADVANCES	44,285,000
ACCRUED INTEREST PAYABLE AND OTHER LIABILITIES.....	27,595,243
TOTAL LIABILITIES	1,194,672,785
RETAINED EARNINGS.....	131,535,952
TOTAL LIABILITIES AND NET WORTH.....	\$ 1,326,208,737

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, 2010, AS DEPICTED BELOW:

UNAUDITED REGULATORY

	Tangible Capital	Core Capital	Riskd – Based Capital
GAAP CAPITAL	\$ 131,535,000	\$ 131,535,000	\$ 131,535,000
Less: Goodwill and Other Intangible Assets	4,852,000	4,852,000	4,852,000
Add: Additional capital – general loan valuation allowances	-	-	9,225,000
Add: Accumulated Other Comprehensive Income	3,421,000	3,421,000	3,421,000
Regulatory capital – computed	130,104,000	130,104,000	139,329,000
Minimum capital required	19,842,000	52,912,000	64,559,000
Regulatory capital – excess	\$ 110,262,000	\$ 77,192,000	\$ 74,770,000

The Office of Thrift Supervision (O.T.S.) requires that savings associations maintain 1.5% of its assets in Tangible Capital (9.84% actual) and 4% of its assets in Core Capital (9.84% actual) and 8% of its Risk Weighted Assets (17.27% actual) in Risk Based Capital. First Federal Savings & Loan Association of Lakewood's regulatory capital as detailed above is well in excess of the O.T.S. capital requirements.

This statement has been prepared in accordance with the regulatory reporting requirements of the Office of Thrift Supervision (O.T.S.). Tangible, Core and Risk-Based Capital are the elements of regulatory capital determined under such reporting requirements. Regulatory capital is a basis by which the O.T.S. 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, 2010, will be available after March 31, 2011. 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

EXECUTIVES

Ronald W. Dees
Chairman
Gary R. Fix
President and CEO
Thomas J. Fraser
Executive Vice President & Chief Operating Officer
David T. Shaw
Senior Vice President, Retail and Secretary
Richard K. Smith
Senior Vice President, CFO and Treasurer
Ronald R. Webb
Senior Vice President & Chief Lending Officer

VICE PRESIDENTS

Douglas R. Baker
Vice President, Residential Lending
Jeffrey J. Calabrese
Vice President, Commercial Loan Relationship Manager
Paul V. Capka
Vice President, Commercial Loan Operations
Kevin R. Cox
Vice President, Retail Banking
Richard I. Goss
Vice President, Commercial Loans
James P. Heide
Vice President, Marketing
Karen A. Herrmann
Vice President, Human Resources
Dennis R. Jaworski
Vice President, Internal Audit
Robert N. Malehorn
Vice President, Controller
Marie Marrali
Vice President, Private Banking
Lynda Nowak
Vice President, Business Banking
Kennaird H. Stewart
Vice President, Commercial Loans
Richard A. Swerbinsky
Vice President, Secondary Market
Ellen M. Walsh
Vice President, Commercial Loans

ASSISTANT VICE PRESIDENTS

Allan A. Chonko
Assistant Vice President, Consumer Loans
James D. Lechko
Assistant Vice President, Investment Services
Judy L. Platek
Assistant Vice President, Retail Operations, Western Division
Bethany A. Schulte
Assistant Vice President, Retail Operations, Eastern Division

OFFICERS

Doris D. Alvelo
Branch Manager, Olmsted Township
Deborah A. Brauer
Manager, Savings Service
Michelle L. Cabassa
Branch Manager, Brunswick Region
Tiffany A. Cardenas
Branch Manager, North Royalton
Bonny M. Carroll
Public Funds Officer
Hugh L. Dawson
Manager, Appraisal
Nancy M. Dixon
Manager, Call Center
Barry N. Ezell
Commercial Loan Relationship Manager
Debra M. Girman
Business Banking Officer
Sally A. Golden
Manager, Loan Services
Matthew J. Knotts
Branch Manager, Avon Lake
Joseph P. Lester
Asset Workout Officer
Gail F. Liggett
Branch Manager, Rocky River
James E. Madrzak
Commercial Loan Document Officer
Jacqueline A. McLucas
Manager, Accounting & Assistant Controller
Katherine E. Murphy
Branch Manager, Fairview Park

Stephen T. Schaefer

Assistant Treasurer
Sandra D. Schaldach
Branch Manager, Strongsville
Jacqueline A. Stratton
Branch Manager, North Ridgeville
Amber L. Tanzillo
Branch Manager, Westlake Region
Elizabeth T. Towns
Assistant Vice President, Chagrin Falls
Edward R. Turza
Marketing Sales Liaison Officer
Jeffrey W. Vaji
Branch Manager, Concord
Sharon M. Vorisek
Branch Manager, Avon
Michael A. Wheeler
Branch Manager, Garfield Heights
Brian D. Winslow
Branch Manager, Parma
Alysia K. Wright
Branch Manager, Float
Ted Yorkievtz
Branch Manager, Lakewood

DIRECTORS

Ronald W. Dees
President (retired) Bonne Bell Inc.
Gary R. Fix
President and CEO First Federal of Lakewood
W. Charles Geiger III
President Geiger's Clothing and Sport
William C. Huffman
Attorney Huffman, Isaac & Klym, LLC
Michael P. Summers
Mayor, City of Lakewood
Terry G. Tracy
President (retired) First Federal of Lakewood

DIRECTORS EMERITUS

Larry F. Faulhaber Roger L. Holmes
William M. Malley Robert C. Weber