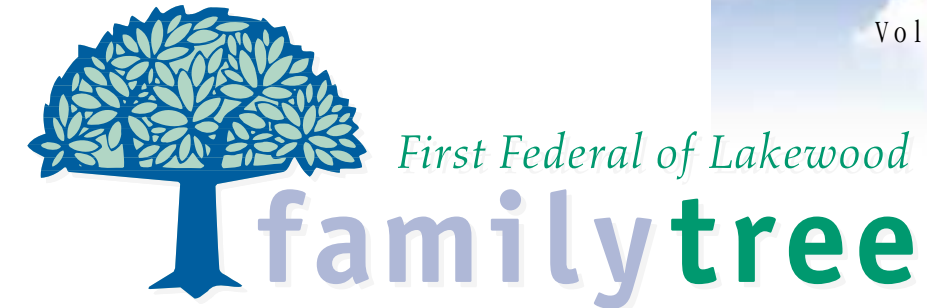


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Volume 2 / Issue 1



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- North Olmsted • North Ridgeville •
- Olmsted Township • Rocky River • Strongsville •
- Westlake/Crocker • Westlake/Detroit



14806 Detroit Ave.
Lakewood, Ohio 44107-0032



FFL Announces New Chief Financial Officer

Gary R. Fix, Executive Vice President (EVP) and Chief Operating Officer (COO), announced that Richard K. Smith has joined First Federal of Lakewood's senior management team, effective Jan. 20, 2004, as Vice President, Chief Financial Officer (CFO) and Treasurer.

Smith fills the CFO position, which had been held by Fix for 18 years before being promoted to EVP and COO in 2003.

"We are pleased to have found someone with Rick Smith's qualifications to assume this important position," said Fix. "His strong operational, financial and corporate planning skills make him a real asset to our management team."

Smith is responsible for the oversight of the Finance Division, which includes the accounting department and the

investment portfolio. Smith, a certified public accountant from Springfield, Ohio, joins First Federal with a strong financial background, having held the CFO position with two other Ohio-based financial institutions.

Smith earned bachelor's degrees in accounting and industrial management from the University of Akron. He is a Springfield Kiwanis Club member, and previously served as a Trumbull County Red Cross board member and a Trumbull County United Way division leader. Smith soon will be moving to the Greater Cleveland area, along with his wife and three children.



Appointments



Marie Marrali (left), Assistant Vice President, has assumed the position of Retail Sales Manager with First Federal of Lakewood. Marrali will oversee outside loan originators and business development officers, develop employee incentive programs, coordinate sales training and participate in establishing sales goals.

Ronald R. Webb (center), Assistant Vice President, has been promoted to Lending Operations Manager. Webb will manage overall operations in the mortgage and consumer lending areas and oversee the loan service, processing and closing departments.

Judy Platek (right) has been appointed Branch Coordinator for FFL's 10-branch system and call center. Platek will be responsible for branch operations, management and employee training.

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Winter 2004



FIRST FEDERAL LAKEWOOD
Investment Services
DEPARTMENT

- Free initial consultation
- Help building your retirement fund
- Free educational seminars
- "How to pay for college" strategies
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- Long-term care & life insurance programs

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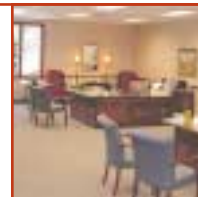
IRAs

The April 15th deadline nears.



Westlake/Detroit

Branch renovations complete.



FFL Personnel Moves

Richard Smith joins FFL as VP, CFO and Treasurer.



College Tuition

Costs are up. Aid is down. What now?



and more!

Whole New World Inside



First Federal of Lakewood is committed to providing customers secure, friendly and comfortable environments at its 10 branch locations.

Plans are underway to update a number of FFL branches, similar to renovations recently completed at the Westlake/Detroit branch (left).

The Westlake/Detroit branch, which opened in 1974, now features more secure and interactive ATM access and a fresh, new interior.

Visit branch manager Rich Morales and his team at the Westlake/Detroit branch today, and check out the new look.

Dignitaries celebrate the grand reopening of the First Federal of Lakewood Westlake/Detroit branch, 24441 Detroit Rd. Mayor Dennis Clough; Richard Morales, Westlake/Detroit Branch Manager; Gary Fix, FFL Executive Vice President and Chief Operating Officer; and Senator Robert Spada lead the ribbon-cutting ceremony for the newly renovated branch.

Tax-Time Tips

Earned Income Tax Credit (EITC)
The Internal Revenue Service encourages working, low-income taxpayers to review their eligibility for the Earned Income Tax Credit (EITC). The EITC reduces the amount of tax owed, and it may provide a refund.

For the 2003 tax year, taxpayers must earn less than \$33,692 if they have two or more qualifying children, \$29,666 with one qualifying child or \$11,230 if there are no children. Income limits are \$1,000 higher if a couple's filing status is married filing jointly.

For more information about the EITC, visit www.irs.gov.



Misleading Mortgage Mailings

If you're a FFL mortgage loan customer, you may receive misleading mortgage mailings offering reduced interest rates from non-affiliated, third-party organizations.

These mailings may show, "RE: FIRST FED S&L LAKEWOOD", on the envelope or reference FFL in the mailing.

As a homeowner, your address and mortgage are public record; therefore, non-affiliated organizations can access this information.

While the non-affiliated organization may be offering legitimate services, the information can be misleading and/or confusing.

Protecting the privacy and confidentiality of your personal information is important to First Federal and our employees. We value your business and the trust you put in us. View our Privacy Policy at www.FFL.net.

Please contact Customer Service & More and ask to speak with a FFL Loan Originator should you have any questions or concerns.

Lakewood Addition



Lakewood residents and local traffic now can find community events and financial updates on the FFL Community Ticker at the Detroit Avenue/Warren Road intersection in downtown Lakewood.

The Ticker is part of FFL's multi-million dollar headquarters renovation project that began in mid-July 2002 and encompasses the interior and exterior of five buildings along Detroit Avenue.

Avon Lake
32812 Walker Rd.
Linda Zelonis, Manager
440.930.5161

Fairview Park
22380 Lorain Rd.
Judy Norton, Manager
440.716.9708

Lakewood
14806 Detroit Ave.
Edward Turza, Manager
216.221.7300

North Olmsted
26614 Lorain Rd.
Debbie Girman, Manager
440.777.9000

North Ridgeville
34385 Center Ridge Rd.
Eileen Nunney, Manager
440.327.1311/440.244.5232

Olmsted Township
26908 Cook Rd.
Ted Yorkievitz, Manager
440.235.7154

Rocky River
20525 Center Ridge Rd.
Katherine Murphy, Manager
440.895.9586

Strongsville
14244 Pearl Rd.
Michael Sedlock, Manager
440.572.6080

Westlake/Crocker
2035 Crocker Rd.
Alysia Wright, Manager
440.835.4409

Westlake/Detroit
24441 Detroit Rd.
Rich Morales, Manager
440.871.4667

Check out www.FFL.net for up-to-date savings, CD and IRA rates.



IRAs – Individual Retirement Accounts

As the April 15th IRA contribution deadline approaches, there's no better time to make your final 2003 contributions . . . and get a head start on 2004.

Keep In Mind

- You have until April 15, 2004 to open or contribute to a 2003 IRA account.
- The earlier that you make your 2004 contributions, the more time your money will have to grow.
- In 2003 and 2004, the maximum annual contribution for traditional and Roth IRAs is \$3,000 per person or \$6,000 per married couple filing jointly.
- An additional \$500 per person "catch-up" contribution is accepted if you are 50 years or older. After 2005, the annual "catch-up" contribution will be \$1,000.
- In 2005, the maximum contribution will be \$4,000 per person or \$8,000 per married couple.

To learn more about the features and benefits of traditional and Roth IRAs, visit www.FFL.net/IRA.

IRA Facts and Figures

According to a study conducted by the Investment Company Institute (ICI), more Americans investing for retirement are contributing to traditional and Roth IRAs.

The following estimates are accurate as of June 2003:

- 45.2 million, or 41 percent of U.S. households own IRAs.
- 36.4 million U.S. households own traditional IRAs.



- 16 million U.S. households own Roth IRAs.
- 25 percent of U.S. Households hold bank deposits in their IRA portfolios.
- 51 percent of U.S. households with IRAs own certificates of deposit.
- 29 percent of U.S. households that own traditional IRAs hold them in a bank or savings institution.
- IRA assets totaled \$2.3 trillion at year-end 2002, or 23 percent of the \$10.2 trillion U.S. retirement market.

Source: Investment Company Institute, www.ici.org

First Federal of Lakewood IRAs

First Federal of Lakewood provides solid options for traditional and Roth IRAs, including Passbook Accounts, 18-Month Variable Rate CDs, Long Term Investment CDs, Jump Rate CDs, Short Term Liquidity CDs and Better Than A T-Bill Variable Investment Accounts. FFL also offers semi-annual statements and one low annual trustee fee per plan.

FFL is ready to help you make the most of your retirement investing. Contact Customer Service & More, visit www.FFL.net or stop by any of our 10 conveniently located branches for more information.

FIRST FEDERAL LAKEWOOD Investment Services DEPARTMENT



College Costs Soar

The Issue

In recent years, United States college and university tuition increases have significantly outpaced the inflation rate and growth in family incomes.

According to the Advisory Committee on Student Financial Assistance, cost factors prevent 48 percent of college-qualified high school graduates from attending a four-year institution and 22 percent from attending any type of college.

By the Numbers

From 1993-2003, after adjusting for inflation, average tuition fees at both public and private four-year colleges and universities rose 38 percent.

- In 2002:
- Annual costs at a four-year public university – including tuition, fees, room and board – rose 9.8 percent to \$10,636.
 - Tuition at public universities rose 13 percent adjusted for inflation, the highest increase in 30 years.
 - Annual costs at a four-year private university rose 5.7 percent to \$26,854.

Government Assistance

The U.S. Department of Education estimates that the federal government invested roughly \$90 billion for higher education during 2003, with about \$65 billion going directly to students through financial aid, including grants, federally backed loans, work-study opportunities and various other financial assistance programs.

- In 2002, total aid to an eligible full-time student averaged \$9,100.
- Since 1997, the median undergraduate student loan debt has risen 74 percent to \$16,500, according to Nellie Mae's 2002 National Student Loan Survey.
- In a recent survey, the Investment Company Institute found that of all parents saving for college, those with children between ages 11 and 15 had saved a median of only \$15,000.

What can you do?

With no end in sight to rising education costs, it's more important than ever to stay informed and have a sound financial plan.

Contact a First Federal of Lakewood Investments Services Department investment advisor representative for a free initial consultation to review your short- and long-term goals.

SOURCES: The College Cost Crisis: A congressional analysis of college costs and implications for America's higher education system. (Final release October 15, 2003) <http://edworkforce.house.gov/issues/108th/education/highereducation/collegecostcentral.htm>
The College Board, CNN/Money

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Take Control

College costs are soaring. The economy is rebounding. Tax season is approaching. And all of it has your portfolio on a daily rollercoaster ride.

What are you doing to take control? If you could use a little guidance, we're here to help.

- Free initial consultation
- Help building your retirement fund
- Free educational seminars
- "How to pay for college" strategies
- Estate planning
- Long-term care & life insurance programs

To make things even easier, First Federal of Lakewood Investment Services Department offers free portfolio reviews and free term life insurance quotes. Simply call or e-mail an investment advisor representative today for more information.



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