



Crowe Chizek and Company  
Member Horwath International

*Board of Directors  
The Ohio Educational Credit Union  
Cleveland, Ohio*

We have audited the accompanying balance sheets of The Ohio Educational Credit Union as of December 31, 2005 and 2004, and the related statements of income, changes in members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these 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 financial statements referred to above present fairly, in all material respects, the financial position of The Ohio Educational Credit Union as of December 31, 2005 and 2004, and the results of its operations and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Crowe Chizek and Company LLC".

*Crowe Chizek and Company LLC*

*Cleveland, Ohio  
January 20, 2006*

**BALANCE SHEETS**

*December 31, 2005 and 2004*

<b>ASSETS</b>	<b>2005</b>	<b>2004</b>
Cash and due from financial institutions	\$ 1,128,747	\$ 1,242,855
Federal funds sold	5,193,473	3,660,190
Total cash and cash equivalents	6,322,220	4,903,045
Interest-bearing time deposits with financial institutions	9,591,676	8,009,405
Securities available for sale	6,488,738	9,468,187
Net loans	78,626,354	75,311,095
Premises and equipment, net	3,782,845	3,555,673
Corporate One and WesCorp capital participation certificates	1,096,495	1,134,898
Accrued interest receivable	379,261	314,698
Member share insurance deposit	1,057,839	1,016,546
Member payroll deductions receivable	14,430	58,290
Prepaid expenses and other assets	592,612	510,217
Total assets	\$ 107,952,470	\$ 104,282,054
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Liabilities		
Members' shares	\$ 96,600,287	\$ 93,743,114
Accounts payable and accrued liabilities	1,087,819	848,013
Total liabilities	97,688,106	94,591,127
Members' equity		
Appropriated statutory reserve	3,339,398	3,259,357
Retained earnings	7,044,360	6,491,278
Accumulated other comprehensive income (loss)	(119,394)	(59,708)
Total members' equity	10,264,364	9,690,927
Total liabilities and members' equity	\$ 107,952,470	\$ 104,282,054

**STATEMENTS OF INCOME**

Years ended December 31, 2005 and 2004

	2005	2004
<b>Interest and dividend income</b>		
Loans	\$ 4,761,735	\$ 4,081,044
Securities	245,092	352,831
Federal funds sold	163,499	68,304
Interest bearing time deposits and other	390,060	306,855
Total interest and dividend income	5,560,386	4,809,034
<b>Interest and dividend expense</b>		
Share accounts	1,323,825	729,560
Borrowings	3,576	23,089
Total interest and dividend expense	1,327,401	752,649
Net interest income	4,232,985	4,056,385
Provision for loan losses	141,430	327,817
Net interest income after provision for loan losses	4,091,555	3,728,568
<b>Noninterest income</b>		
Fees and charges	2,167,456	2,065,108
Interchange fees	261,428	262,793
Other-than-temporary loss on securities available for sale	—	(49,900)
Loss on sale of securities and other investments	(18,581)	(508)
Other	163,276	79,099
Total noninterest income	2,573,579	2,356,592
<b>Noninterest expense</b>		
Compensation and benefits	2,644,777	2,340,769
Office operations	1,204,413	1,107,680
Service processing charges	985,983	996,338
Depreciation and amortization	301,181	245,688
Occupancy	426,092	363,441
Member education and promotion	220,851	199,564
Professional fees	120,701	83,402
Director and dues expenses	136,934	109,320
Insurance	43,016	39,924
Other	259,501	253,736
Total noninterest expense	6,343,449	5,739,862
Net income	\$ 321,685	\$ 345,298

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN MEMBERS' EQUITY**

Years ended December 31, 2005 and 2004

	Appropriated Statutory Reserve	Retained Earnings	Accumulated Other Comprehensive Income (loss)	Total Members' Equity
Balance, January 1, 2004	\$ 3,259,357	\$ 6,145,980	\$ (102,708)	\$ 9,302,629
<b>Comprehensive income</b>				
Net income	—	345,298	—	345,298
Other comprehensive income	—	—	43,000	43,000
Total comprehensive income				388,298
Balance, December 31, 2004	3,259,357	6,491,278	(59,708)	9,690,927
<b>Merger of Zanesville Armco Employees Credit Union</b>	80,041	231,397	—	311,438
<b>Comprehensive income</b>				
Net income	—	321,685	—	321,685
Other comprehensive income (loss)	—	—	(59,686)	(59,686)
Total comprehensive income				261,999
Balance, December 31, 2005	\$ 3,339,398	\$ 7,044,360	\$ (119,394)	\$ 10,264,364

See accompanying notes to financial statements

**STATEMENTS OF CASH FLOWS**

Years ended December 31, 2005 and 2004

Cash flows from operating activities	2005	2004
Net income	\$ 321,685	\$ 345,298
Adjustments to reconcile net income to net cash from operating activities		
Depreciation	301,181	245,688
Provision for loan losses	141,430	327,817
Net amortization of securities	7,401	12,610
Loss on sale of securities	18,581	2,681
Other-than-temporary loss on security	—	49,900
Mutual funds dividends	(38,293)	(80,432)
Net change in:		
Deferred loan costs	(139,069)	(106,414)
Other assets	(38,535)	210,672
Accrued interest receivable	(61,948)	21,448
Accounts payable and other liabilities	200,083	(9,062,110)
Net cash from operating activities	712,516	(8,032,842)
Cash flows from investing activities		
Net cash received in merger	898,312	—
Net change in interest-bearing time deposits	(884,271)	9,133,595
Securities available for sale		
Purchases	(1,000,000)	(8,453,806)
Maturities, calls and principal repayments	741,659	2,868,278
Proceeds from sale of available-for-sale securities	3,190,415	3,497,714
Net change in loans	(2,271,431)	(8,563,818)
Net change in share insurance deposits	(14,628)	(18,137)
Net change in capital participation certificates	62,887	323,724
Property and equipment expenditures, net	(526,149)	(288,920)
Net cash from investing activities	196,794	(1,501,370)
Cash flows from financing activities		
Net increase in members' shares	509,865	1,329,843
Net cash from financing activities	509,865	1,329,843
Net change in cash and cash equivalents	1,419,175	(8,204,369)
Cash and cash equivalents at beginning of year	4,903,045	13,107,414
Cash and cash equivalents at end of year	\$ 6,322,220	\$ 4,903,045
Supplemental cash flow information:		
Cash paid for interest and dividends	\$ 1,327,401	\$ 752,649