

## FFW CORP PRESS RELEASE

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### FFW CORPORATION ANNOUNCES FOURTH QUARTER AND JUNE 30, 2009 YEAR END RESULTS

**WABASH, INDIANA** - FFW Corporation (the "Corporation") (**OTCBB: FFWC**) (**8/13/2009 Close: \$9.80**), parent corporation of Crossroads Bank, announced operating results for the three and twelve months ended June 30, 2009.

For the three months ended June 30, 2009, the Corporation reported net income of \$109,000. This is compared to net income of \$565,000 for the quarter ended June 30, 2008. The earnings decrease for the fourth quarter of fiscal year 2009 reflected a decrease of approximately 80.7% over the same period in fiscal year 2008. The decrease is primarily due to an increase to the provision for loan losses, recognition of other-than-temporary impairments on certain securities and expense for the Federal Deposit Insurance Corporation (FDIC) special assessment insurance premium. During the quarter, the FDIC issued a final rule imposing a 5 basis point special assessment on depository institution's total assets (less Tier 1 capital) as reported at June 30, 2009. The special assessment is payable September 30, 2009.

For the twelve months ended June 30, 2009, the Corporation reported net loss of (\$2,387,000). This is compared to net income of \$2,602,000 for the twelve months ended June 30, 2008. The twelve month period ended June 30, 2009 includes security losses of approximately \$7,743,000, an increase in the loan loss provision of \$1,078,000 and an increase in FDIC insurance assessments of approximately \$517,000. The security losses include the non-cash impairment charge of \$6,692,000 related to certain Federal National Mortgage Association ("Fannie Mae") preferred stocks. These securities were sold prior to December 31, 2008.

Roger K. Cromer, President and Chief Executive Officer, stated, "The past fiscal year has proven to be very challenging financially to our company. Based on the current economic environment, we wrote down securities and continued to build our allowance for loan loss reserve. Our capital levels are strong and we had growth in loans and deposits during the year. While we are disappointed in our results, we believe the actions taken will preserve and protect our franchise value over the long term."

The three and twelve month periods ended June 30, 2009 represent a return on average common equity of (0.18%) and (12.57%), respectively. Return on average total assets for the three and twelve month periods ended June 30, 2009 was 0.16% and (0.74%).

The allowance for loan losses as a percentage of gross loans receivable was 1.53% at June 30, 2009 and 1.20% at June 30, 2008. Nonperforming assets increased to \$4.8 million at June 30, 2009 from \$3.3 million at June 30, 2008.

As of June 30, 2009, FFWC's equity-to-assets ratio was 8.26% compared to 7.46% at June 30, 2008. Total assets at June 30, 2009 were \$332.6 million compared to \$315.9 million at June 30, 2008. The combined \$10.4 million increase in available for sale securities and net loans receivable was funded through a \$17.4 million increase in total deposits. The deposit growth was also used to pay down outstanding Federal Home Loan Bank advances by \$7.2 million. The \$2.6 million increase in other assets was largely attributable to the deferred tax asset that resulted from the sale of Fannie Mae preferred stock. The \$2.6 million increase in accrued expenses and other liabilities is attributable to a trade date payable for a security that was purchased prior to year-end, but did not settle until after year-end. Shareholders' equity was \$27.5 million at June 30, 2009 compared to \$23.6 million at June 30, 2008. Crossroads Bank exceeds all applicable regulatory requirements to be considered "well capitalized."

Crossroads Bank is a wholly owned subsidiary of FFW Corporation providing an extensive array of banking services and a wide range of investments and securities products through its main office in Wabash and four Indiana banking centers located in Columbia City, North Manchester, South Whitley, and Syracuse. The Bank provides leasing services at its banking centers and its Carmel, IN leasing and commercial loan office. Insurance products are offered through an affiliated company, Insurance 1 Services, Inc. The corporation's stock is traded on the OTC Bulletin Board under the symbol "FFWC.OB." Our website address is [www.crossroadsbanking.com](http://www.crossroadsbanking.com).

**FFW Corporation**  
**Selected Financial Information**

**Consolidated Balance Sheet**

	June 30	
	2009	2008
	Unaudited	
<b>Assets</b>		
Cash and due from financial institutions	\$ 3,830,526	\$ 6,095,999
Interest-earning deposits in other financial institutions – short term	7,284,371	2,347,131
Cash and cash equivalents	11,114,897	8,443,130
Securities available for sale	66,273,786	60,367,678
Loans receivable, net of allowance for loan losses of \$3,605,204 at June 30, 2009 and \$2,768,622 at June 30, 2008	232,378,508	227,839,891
Loans held for sale	1,049,519	77,000
Federal Home Loan Bank stock, at cost	3,627,100	3,627,100
Accrued interest receivable	1,425,374	1,560,163
Premises and equipment, net	4,096,623	4,040,369
Mortgage servicing rights	392,839	488,452
Cash surrender value of life insurance	6,094,321	5,815,227
Goodwill	1,213,898	1,213,898
Other assets	4,964,787	2,412,579
<b>Total assets</b>	<b>\$332,631,652</b>	<b>\$315,885,487</b>
<b>Liabilities</b>		
Noninterest-bearing deposits	\$ 12,924,010	\$ 13,737,624
Interest-bearing deposits	248,643,498	230,446,720
Total deposits	261,567,508	244,184,344
Federal Home Loan Bank advances	38,098,030	45,283,087
Accrued expenses and other liabilities	5,477,874	2,856,193
<b>Total liabilities</b>	<b>305,143,412</b>	<b>292,323,624</b>
<b>Shareholders' equity</b>		
Preferred stock, \$.01 par; 500,000 shares authorized;		
Series A, 5% Fixed Rate Cumulative Perpetual Preferred Stock - 7,289	6,922,771	---
Series B, 9% Fixed Rate Cumulative Perpetual Preferred Stock - 364 shares outstanding March 31, 2009	402,629	---
Common stock, \$.01 par; 2,000,000 shares authorized;	18,363	18,363
issued: 1,836,328, outstanding: 1,112,260 - June 30, 2009		
issued: 1,836,328, outstanding: 1,100,260 - June 30, 2008		
Additional paid-in capital	9,448,627	9,530,608
Retained earnings	22,351,652	25,965,339
Accumulated other comprehensive income (loss)	(541,380)	(653,825)
Treasury stock at cost, shares: 724,068 - June 30, 2009 and 736,068 - June 30, 2008	(11,114,422)	(11,298,622)
<b>Total shareholders' equity</b>	<b>27,488,240</b>	<b>23,561,863</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$332,631,652</b>	<b>\$315,885,487</b>

## Consolidated Statement of Income

	Three Months Ended June 30		Twelve Months Ended June 30	
	2009	2008	2009	2008
	Unaudited	Unaudited	Unaudited	
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 3,610,537	\$ 3,762,848	\$ 15,126,609	\$ 15,549,609
Taxable securities	591,655	733,397	2,453,482	2,752,774
Nontaxable securities	179,786	156,473	731,171	608,708
Other	5,300	24,988	38,750	109,255
Total interest and dividend income	4,387,278	4,677,706	18,350,012	19,020,346
<b>Interest expense:</b>				
Deposits	1,475,880	1,783,400	6,478,769	7,619,880
Borrowings	459,203	526,918	1,902,819	2,576,098
Total interest expense	1,935,083	2,310,318	8,381,588	10,195,978
<b>Net interest income</b>	<b>2,452,195</b>	<b>2,367,388</b>	<b>9,968,424</b>	<b>8,824,368</b>
Provision for loan losses	451,000	242,000	1,680,000	602,000
<b>Net interest income after provision for loan losses</b>	<b>2,001,195</b>	<b>2,125,388</b>	<b>8,288,424</b>	<b>8,222,368</b>
<b>Noninterest income:</b>				
Net gains on sales of securities	-	11,719	(494,668)	70,944
Net gains on sales of loans	201,401	43,056	539,435	197,464
Net gains (losses) on fixed assets	(3,332)	-	(3,232)	-
Other than temporary impairment on securities				
Total impairment losses	(556,140)	(308,000)	(7,662,623)	(308,000)
Loss recognized in other comprehensive income	-	-	414,483	-
Net impairment loss recognized in earnings	(556,140)	(308,000)	(7,248,140)	(308,000)
Commission income	132,651	135,164	551,205	534,276
Service charges and fees	376,596	396,153	1,021,482	1,164,627
Earnings on life insurance	68,762	68,435	292,313	268,707
Other	25,034	29,091	139,402	204,938
Total noninterest income (loss)	244,972	375,618	(5,202,203)	2,132,956
<b>Noninterest expense:</b>				
Salaries and benefits	869,491	908,478	3,623,268	3,496,775
Occupancy and equipment	225,013	220,832	867,610	838,517
Professional	97,822	42,045	286,979	213,365
Marketing	44,153	46,158	158,035	268,311
Deposit insurance premium	387,880	5,970	541,755	24,338
Regulatory assessment	23,946	22,187	94,053	87,590
Correspondent bank charges	18,793	22,339	76,938	88,136
Data processing	168,846	135,026	557,655	561,664
Printing, postage and supplies	53,421	60,449	235,614	217,729
Expense on life insurance	14,445	24,759	74,635	76,076
Contribution expense	13,760	21,106	53,123	40,886
Other	183,699	238,057	848,278	987,099
Total noninterest expense	2,101,269	1,747,406	7,417,943	6,900,486
<b>Income (loss) before income taxes</b>	<b>144,898</b>	<b>753,600</b>	<b>(4,331,722)</b>	<b>3,454,838</b>
Income tax expense (benefit)	36,355	188,781	(1,945,065)	852,849
<b>Net income (loss)</b>	<b>\$ 108,543</b>	<b>\$ 564,819</b>	<b>\$ (2,386,657)</b>	<b>\$ 2,601,989</b>
Preferred stock dividends	117,503	-	248,245	-
<b>Net income (loss) applicable to common stock</b>	<b>\$ (8,960)</b>	<b>\$ 564,819</b>	<b>\$ (2,634,902)</b>	<b>\$ 2,601,989</b>

	Three Months Ended June 30		Twelve Months Ended June 30	
	2009	2008	2009	2008
	Unaudited	Unaudited	Unaudited	
<b>Per common share data:</b>				
Earnings	\$(0.00)	\$0.51	\$(2.38)	\$2.24
Diluted earnings	\$(0.00)	\$0.51	\$(2.38)	\$2.23
Dividends paid	\$0.22	\$0.21	\$0.88	\$0.84
Average shares issued and outstanding	1,112,260	1,100,459	1,111,433	1,159,847
Shares outstanding end of period	1,112,260	1,100,260	1,112,260	1,100,260
<b>Supplemental data:</b>				
Net interest margin **	3.16%	3.22%	3.28%	3.10%
Return on average assets ***	0.16%	0.71%	-0.74%	0.86%
Return on average common equity ***	-0.18%	9.32%	-12.57%	10.26%
<b>June 30</b>				
	<b>2009</b>	<b>2008</b>		
Nonperforming assets *	\$4,829,152	\$3,262,262		
Repossessed assets	\$1,334,259	\$846,785		
* Includes non-accruing loans, accruing loans delinquent more than 90 days and foreclosed assets				
** Yields reflected have not been computed on a tax equivalent basis				
*** Annualized				