

FFW CORP PRESS RELEASE

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FOR IMMEDIATE RELEASE Date: September 15, 2008

FFW CORPORATION ANNOUNCES IMPACT OF PREFERRED HOLDINGS

WABASH, INDIANA - - FFW Corporation (the Company), parent corporation of Crossroads Bank, announced today that the U.S. government's actions with respect to the Federal National Mortgage Association (Fannie Mae) and the Federal Home Loan Mortgage Corporation (Freddie Mac) and the related restrictions on their outstanding preferred stock will adversely impact the value of the Company's perpetual preferred stock investments in Fannie Mae. For the year ended June 30, 2008, the Company recognized a \$308,000 non-cash charge to earnings for the other-than-temporary decline in fair value of these securities. The determination that the Fannie Mae preferred stock was other-than-temporarily impaired at June 30, 2008 was largely attributable to events occurring subsequent to the balance sheet date of June 30, 2008 and subsequent to the earnings release dated July 30, 2008. Due to the September 7, 2008 announcement to place Fannie Mae under conservatorship and the simultaneous elimination of the preferred stock dividend, the Company intends to record an additional non-cash charge to earnings for the quarter ending September 30, 2008. The Company estimates the non-cash charge to be between \$6.1 and \$6.7 million. The Company does not hold any common or other equity securities issued by Fannie Mae or Freddie Mac.

Based on management's current projections, even if the shares of Fannie Mae preferred stock are ultimately deemed to have no value, the capital of the Company's subsidiary, Crossroads Bank, will continue to exceed the ratios that must be maintained to be considered "adequately capitalized" under the applicable regulatory capital requirements.

This report contains certain forward-looking statements about the Company's securities activities. The final impact on the Company's quarterly financial results could differ from the quarter-to-date impact disclosed above.

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 banking centers located in Columbia City, North Manchester, South Whitley, and Syracuse, IN. 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.