

FFW CORP PRESS RELEASE

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FFW CORPORATION ANNOUNCES EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2007

WABASH, INDIANA - - FFW Corporation (**OTCBB: FFWC**) (**10/23/2007 Close: \$25.65**), parent corporation of First Federal Savings Bank of Wabash, Indiana, announced operating results for the first fiscal quarter of 2008. Net income and diluted net income per share for the three months ended September 30, 2007 were \$634,000 and \$0.53 compared to \$931,000 and \$0.75 at September 30, 2006.

The earnings for fiscal year 2008 were positively impacted by increased net interest income or margin income of \$113,000, a swing on sales of repossessed assets of \$35,000 and an increase in deposit account fees of \$39,000. Results were negatively impacted by a decrease in the gains on sales of investments of \$360,000 and an increase in income tax expense of \$112,000.

Net income was \$297,000 lower for the comparable three-month period in fiscal year 2008 in part due to an increase in the effective tax rate from 10.7% for the three months ended September 30, 2006 to 24.9% for the three months ended September 30, 2007. One factor impacting fiscal year 2007 was a tax advantage resulting from the \$393,000 gain on sale of securities, on which an other than temporary impairment charge was taken in fiscal 2005 and for which no tax benefit was booked. Another factor was the decline in the dividends received deduction from \$106,000 for the three months ended September 30, 2006 to \$4,000 for the three months ended September 30, 2007.

The fiscal 2008 first quarter earnings represent a return on average shareholders' equity of 10.00% compared to 15.09% for the period ended September 30, 2006. Return on average total assets for the three month period ended September 30, 2007 was 0.87% compared to 1.31% for the period ended September 30, 2006.

The allowance for loan losses as a percentage of net loans receivable was 1.37% at September 30, 2007 and 1.28% at June 30, 2007. Nonperforming assets were \$3.4 million at September 30, 2007 compared to \$2.5 million at June 30, 2007.

As of September 30, 2007, FFWC's equity-to-assets ratio was 8.70% compared to 8.60% at June 30, 2007. Shareholders' equity was \$25.4 million compared to \$25.0 million at June 30, 2007. Total assets at September 30, 2007 were \$291.3 million compared to \$290.5 million at June 30, 2007. Loans receivable increased \$1.3 million from June 30, 2007 to September 30, 2007 while securities available for sale increased by \$0.5 million. Total deposits at September 30, 2007 increased by \$4.0 million from June 30, 2007 while total FHLB borrowings decreased by \$3.4 million.

First Federal Savings 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.ffsbwabash.com.

FFW Corporation
Selected Financial Information

Consolidated Balance Sheets

	<u>9/30/2007</u> <u>Unaudited</u>	<u>6/30/2007</u>
<u>ASSETS:</u>		
Cash and due from financial institutions	\$ 5,155,596	\$ 5,250,292
Interest-earning deposits in other financial institutions – short term	<u>1,914,355</u>	<u>2,372,525</u>
Cash and cash equivalents	7,069,951	7,622,817
Securities available for sale	56,173,242	55,673,248
Loans receivable, net of allowance for loan losses of \$2,873,714 at September 30, 2007 and \$2,654,064 at June 30, 2007	209,080,150	207,776,065
Loans held for sale	112,936	178,250
Federal Home Loan Bank stock, at cost	3,627,100	3,627,100
Accrued interest receivable	1,976,179	1,730,689
Premises and equipment, net	4,126,427	4,184,657
Mortgage servicing rights	531,691	572,548
Cash surrender value of life insurance	5,638,146	5,579,962
Goodwill	1,213,898	1,213,898
Other assets	<u>1,798,200</u>	<u>2,386,208</u>
Total Assets	<u>\$ 291,347,920</u>	<u>\$ 290,545,442</u>
<u>LIABILITIES AND SHAREHOLDERS' EQUITY:</u>		
Liabilities:		
Noninterest-bearing deposits	15,175,042	13,706,178
Interest-bearing deposits	<u>199,305,889</u>	<u>196,758,171</u>
Total Deposits	214,480,931	210,464,349
Federal Home Loan Bank advances	48,794,061	52,194,061
Accrued expenses and other liabilities	<u>2,713,608</u>	<u>2,898,526</u>
Total Liabilities	265,988,600	265,556,936
Shareholders' Equity:		
Preferred stock, \$.01 par; 500,000 shares authorized, none issued	---	---
Common stock, \$.01 par; 2,000,000 shares authorized; issued: 1,836,328, outstanding: 1,190,518 - Sept. 30, 2007 issued: 1,836,328, outstanding: 1,201,478 - June 30, 2007	18,363	18,363
Additional paid-in capital	9,499,303	9,481,340
Retained earnings	24,718,528	24,334,484
Accumulated other comprehensive income (loss)	132,131	(164,556)
Treasury stock at cost, shares: 645,810 - September 30, 2007 and 634,850 - June 30, 2007	<u>(9,009,005)</u>	<u>(8,681,125)</u>
Total Shareholders' Equity	<u>25,359,320</u>	<u>24,988,506</u>
Total Liabilities and Shareholders' Equity	<u>\$ 291,347,920</u>	<u>\$ 290,545,442</u>

Consolidated Statements of Income

	Three months ended	
	<u>9/30/2007</u>	<u>9/30/2006</u>
Interest and dividend income:		
Loans, including fees	\$ 3,921,416	\$ 3,457,978
Taxable securities	614,061	693,040
Nontaxable securities	141,808	189,375
Other	30,393	27,572
Total interest and dividend income	<u>4,707,678</u>	<u>4,367,965</u>
Interest expense:		
Deposits	1,940,306	1,692,364
Borrowings	707,696	729,082
Total interest expense	<u>2,648,002</u>	<u>2,421,446</u>
Net interest income	2,059,676	1,946,519
Provision for loan losses	120,000	120,000
Net interest income after provision for loan losses	1,939,676	1,826,519
Noninterest income:		
Net gains on sales of securities	-	360,051
Net gains on sales of loans	22,620	20,592
Net gains (losses) on fixed assets	-	-
Commission income	126,594	120,761
Service charges and fees	305,681	271,630
Earnings on life insurance	66,348	62,960
Other	43,648	(326)
Total noninterest income	<u>564,891</u>	<u>835,668</u>
Noninterest expense:		
Salaries and benefits	865,993	800,926
Occupancy and equipment	202,912	206,318
Professional	52,244	60,652
Marketing	35,358	56,162
Deposit insurance premium	6,125	5,739
Regulatory assessment	21,608	19,958
Correspondent bank charges	24,216	29,158
Data processing	159,865	151,920
Printing, postage and supplies	44,004	51,743
Expense on life insurance	25,729	24,348
Contribution expense	5,174	8,153
Other	201,907	203,030
Total noninterest expense	<u>1,645,135</u>	<u>1,618,107</u>
Income before income taxes	859,432	1,044,080
Income tax expense	225,042	112,649
Net income	<u>\$ 634,390</u>	<u>\$ 931,431</u>

Three months ended
9/30/2007 9/30/2006

Earnings per common share:

Primary	\$0.53	\$0.76
Fully diluted	\$0.53	\$0.75
Dividend paid per share	\$0.21	\$0.19
Average shares outstanding	1,194,876	1,225,122
Shares outstanding end of period	1,190,518	1,225,381

Supplemental data:

Net interest margin **	2.99%	2.92%
Return on average assets ***	0.87%	1.31%
Return on average equity ***	10.00%	15.09%

9/30/2007 6/30/2007

Nonperforming assets *	3,407,273	2,492,634
Repossessed assets	709,607	750,766

* 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