

## FFW CORP PRESS RELEASE

**FOR MORE INFORMATION** Contact: Emily Boardman, Treasurer, at 260-563-3185 x290  
**FOR IMMEDIATE RELEASE** Date: July 30, 2008

### FFW CORPORATION ANNOUNCES RECORD EARNINGS FOR THE YEAR ENDED JUNE 30, 2008

**WABASH, INDIANA** - - FFW Corporation (**OTCBB: FFWC**) (**7/29/2008 Close: \$19.00**), parent corporation of Crossroads Bank, announced operating results for the fourth fiscal quarter of 2008 and twelve months ended June 30, 2008. Net income and diluted net income per share for the three months ended June 30, 2008 were \$873,000 and \$0.77 compared to \$628,000 and \$0.52 for the three months ended June 30, 2007. Net income and diluted net income per share for the twelve months ended June 30, 2008 were \$2,910,000 and \$2.49 compared to \$2,872,000 and \$2.33 at June 30, 2007.

Net interest income increased \$281,000 and 13.4% from the prior year's same quarter and \$864,000 and 10.9% from the prior fiscal year to date. Provision for loan losses increased \$122,000 and 25.4% from the prior year to date. Noninterest income increased \$140,000 and 25.7% from the quarter ended June 30, 2007 and decreased \$148,000 and 5.7% from the prior fiscal year to date. The fiscal year 2008 decrease is due to a fiscal year 2007 gain on sales of certain securities that did not recur in fiscal year 2008. Noninterest expense increased \$50,000 and 3.0% from the prior year's same quarter and 286,000 and 4.3% from the prior fiscal year to date. The year to date increase is due to increases in salaries and benefits and expenses associated with the bank's name change. Income tax expense remained relatively consistent in the fourth quarter of 2008 compared to the fourth quarter of 2007 and increased \$269,000 and 46% from the prior fiscal year to date. The effective tax rate increased from 16.9% in fiscal year 2007 to 22.7% in fiscal year 2008.

Roger K. Cromer, President and Chief Executive Officer, stated, "We are extremely pleased to perform at such a high level during a cycle in which the financial industry is experiencing significant asset quality issues. We have had numerous accomplishments this year, notably our name change to 'Crossroads Bank.' At this time, we feel well positioned for continued success in the future."

The fiscal 2008 fourth quarter and year to date earnings represent a return on average shareholders' equity of 14.23% and 11.48% compared to 9.80% and 11.43% for the periods ended June 30, 2007. Return on average total assets for the three and twelve-month periods ended June 30, 2008 were 1.11% and 0.96% compared to 0.89% and 1.01% for the periods ended June 30, 2007.

The allowance for loan losses as a percentage of gross loans receivable was 1.20% at June 30, 2008 and 1.26% at June 30, 2007. Nonperforming assets were \$3.3 million at June 30, 2008 and \$2.5 million at June 30, 2007.

As of June 30, 2008, FFWC's equity-to-assets ratio was 7.46% compared to 8.60% at June 30, 2007. Shareholders' equity was \$23.6 million compared to \$25.0 million at June 30, 2007. The decrease in equity is due to stock repurchases totaling approximately 107,000 shares. Total assets at June 30, 2008 were \$315.9 million compared to \$290.5 million at June 30, 2007. Total deposits increased \$33.7 million, primarily due to the municipal deposit program, and borrowings decreased \$6.9 million.

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](http://www.crossroadsbanking.com).

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

**Consolidated Balance Sheets**

	<u>6/30/2008</u> Unaudited	<u>6/30/2007</u>
<b><u>Assets</u></b>		
Cash and due from financial institutions	\$ 6,095,999	\$ 5,250,292
Interest-earning deposits in other financial institutions – short term	<u>2,347,131</u>	<u>2,372,525</u>
Cash and cash equivalents	8,443,130	7,622,817
Securities available for sale	60,367,678	55,673,248
Loans receivable, net of allowance for loan losses of \$2,768,622 at June 30, 2008 and \$2,654,064 at June 30, 2007	227,839,891	207,776,065
Loans held for sale	77,000	178,250
Federal Home Loan Bank stock, at cost	3,627,100	3,627,100
Accrued interest receivable	1,560,163	1,730,689
Premises and equipment, net	4,040,369	4,184,657
Mortgage servicing rights	488,452	572,548
Cash surrender value of life insurance	5,815,227	5,579,962
Goodwill	1,213,898	1,213,898
Other assets	<u>2,412,579</u>	<u>2,386,208</u>
<b>Total Assets</b>	<b><u>\$ 315,885,487</u></b>	<b><u>\$ 290,545,442</u></b>
<b><u>Liabilities and Shareholders' Equity</u></b>		
<b>Liabilities:</b>		
Noninterest-bearing deposits	\$ 13,737,624	\$ 13,706,178
Interest-bearing deposits	<u>230,446,720</u>	<u>196,758,171</u>
Total Deposits	244,184,344	210,464,349
Federal Home Loan Bank advances	45,283,087	52,194,061
Accrued expenses and other liabilities	<u>2,856,193</u>	<u>2,898,526</u>
Total Liabilities	292,323,624	265,556,936
<b>Shareholders' Equity:</b>		
Preferred stock, \$.01 par; 500,000 shares authorized, none issued	---	---
Common stock, \$.01 par; 2,000,000 shares authorized; issued: 1,836,328, outstanding: 1,100,260 - June 30, 2008		
issued: 1,836,328, outstanding: 1,201,478 - June 30, 2007	18,363	18,363
Additional paid-in capital	9,530,608	9,481,340
Retained earnings	26,273,339	24,334,484
Accumulated other comprehensive income (loss)	(961,825)	(164,556)
Treasury stock at cost, shares: 736,068 - June 30, 2008 and 634,850 - June 30, 2007	<u>(11,298,622)</u>	<u>(8,681,125)</u>
Total Shareholders' Equity	<u>23,561,863</u>	<u>24,988,506</u>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$ 315,885,487</u></b>	<b><u>\$ 290,545,442</u></b>

## Consolidated Statements of Income

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b><u>6/30/2008</u></b>	<b><u>6/30/2007</u></b>	<b><u>6/30/2008</u></b>	<b><u>6/30/2007</u></b>
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 3,762,848	\$3,876,755	\$ 15,549,609	\$ 14,571,409
Taxable securities	733,397	617,343	2,752,774	2,605,289
Nontaxable securities	156,473	143,833	608,708	694,172
Other	<u>24,988</u>	<u>38,403</u>	<u>109,255</u>	<u>137,296</u>
Total interest and dividend income	4,677,706	4,676,334	19,020,346	18,008,166
<b>Interest expense:</b>				
Deposits	1,783,400	1,872,051	7,619,880	7,241,910
Borrowings	<u>526,918</u>	<u>717,457</u>	<u>2,576,098</u>	<u>2,805,680</u>
Total interest expense	2,310,318	2,589,508	10,195,978	10,047,590
<b>Net interest income</b>	<b>2,367,388</b>	<b>2,086,826</b>	<b>8,824,368</b>	<b>7,960,576</b>
Provision for loan losses	242,000	120,000	602,000	480,000
<b>Net interest income after provision for loan losses</b>	<b>2,125,388</b>	<b>1,966,826</b>	<b>8,222,368</b>	<b>7,480,576</b>
<b>Noninterest income:</b>				
Net gains on sales of securities	11,719	(1,500)	70,944	365,206
Net gains on sales of loans	43,056	18,650	197,464	117,919
Commission income	135,164	127,987	534,276	523,654
Service charges and fees	396,153	386,589	1,164,627	1,310,037
Earnings on life insurance	68,435	65,662	268,707	255,842
Other	<u>29,091</u>	<u>(53,462)</u>	<u>204,938</u>	<u>16,598</u>
Total noninterest income	683,618	543,926	2,440,956	2,589,256
<b>Noninterest expense:</b>				
Salaries and benefits	908,478	844,093	3,496,775	3,272,530
Occupancy and equipment	220,832	241,201	838,517	875,914
Professional	42,045	58,176	213,365	223,486
Marketing	46,158	33,433	268,311	172,258
Deposit insurance premium	5,970	6,346	24,338	24,160
Regulatory assessment	22,187	21,165	87,590	82,246
Correspondent bank charges	22,339	26,119	88,136	111,001
Data processing	135,026	160,938	561,664	633,096
Printing, postage and supplies	60,449	41,317	217,729	196,451
Expense on life insurance	24,759	25,626	76,076	100,184
Contribution expense	21,106	44,891	40,886	129,369
Other	<u>238,057</u>	<u>193,987</u>	<u>987,099</u>	<u>793,310</u>
Total noninterest expense	1,747,406	1,697,292	6,900,486	6,614,005
<b>Income before income taxes</b>	<b>1,061,600</b>	<b>813,460</b>	<b>3,762,838</b>	<b>3,455,827</b>
Income tax expense	188,781	185,784	852,849	584,135
<b>Net income</b>	<b><u>\$ 872,819</u></b>	<b><u>\$ 627,676</u></b>	<b><u>\$ 2,909,989</u></b>	<b><u>\$ 2,871,692</u></b>

	<b>Three Months Ended</b>		<b>Twelve Months Ended</b>	
	<b><u>6/30/2008</u></b>	<b><u>6/30/2007</u></b>	<b><u>6/30/2008</u></b>	<b><u>6/30/2007</u></b>
	Unaudited	Unaudited	Unaudited	
<b>Earnings per common share:</b>				
Primary	\$0.78	\$0.52	\$2.51	\$2.36
Fully diluted	\$0.77	\$0.52	\$2.49	\$2.33
Dividend paid per share	\$0.21	\$0.19	\$0.84	\$0.76
Average shares outstanding	1,100,459	1,207,704	1,159,847	1,215,521
Shares outstanding end of period	1,100,260	1,201,478	1,100,260	1,201,478
<b>Supplemental data:</b>				
Net interest margin **	3.22%	3.09%	3.10%	2.97%
Return on average assets ***	1.11%	0.89%	0.96%	1.01%
Return on average equity ***	14.23%	9.80%	11.48%	11.43%
	<b><u>6/30/2008</u></b>	<b><u>6/30/2007</u></b>		
Nonperforming assets *	\$ 3,262,262	\$ 2,492,634		
Repossessed assets	\$ 846,785	\$ 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