

## FFW CORP PRESS RELEASE

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**FOR IMMEDIATE RELEASE** Date: January 27, 2021

### FFW CORPORATION ANNOUNCES EARNINGS FOR THE QUARTER AND YEAR TO DATE ENDED DECEMBER 31, 2020

**WABASH, INDIANA** - - FFW Corporation (the "Corporation") (OTC PINK: [FFWC](#)) (**1/26/2021 Close: \$41.00**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the quarter and year to date ended December 31, 2020.

For the three months ended December 31, 2020, the Corporation reported net income of \$1,774,000 or \$1.55 per common share compared to \$1,267,000 or \$1.11 per common share for the three months ended December 31, 2019. Net interest income for the three months ended December 31, 2020 was \$3,727,000 compared to \$3,410,000 for the three months ended December 31, 2019. The provision for loan losses was \$165,000 for the three months ended December 31, 2020 and \$50,000 for the three months ended December 31, 2019. Total noninterest income was \$1,814,000 for the three months ended December 31, 2020 compared to \$1,045,000 for the three months ended December 31, 2019. Noninterest expense was \$3,260,000 for the three months ended December 31, 2020 and \$2,938,000 for the three months ended December 31, 2019.

For the six months ended December 31, 2020, the Corporation reported net income of \$3,521,000 or \$3.08 per common share compared to \$2,503,000 or \$2.19 per common share for the six months ended December 31, 2019. Net interest income for the six months ended December 31, 2020 was \$7,434,000 compared to \$6,901,000 for the six months ended December 31, 2019. The Company recognized a provision for loan losses of \$330,000 for the six months ended December 31, 2020 and \$125,000 for the six months ended December 31, 2019. Total noninterest income was \$3,795,000 for the six months ended December 31, 2020 compared to \$2,056,000 for the six months ended December 31, 2019. Noninterest expense was \$6,686,000 for the six months ended December 31, 2020 and \$5,928,000 for the six months ended December 31, 2019.

The three and six months ended December 31, 2020 represented a return on average common equity of 13.66% and 13.69%, respectively, compared to 10.89% and 10.83% for the three and six month periods ended December 31, 2019. The three and six months ended December 31, 2020 represented a return on average assets of 1.46% and 1.47%, respectively, compared to 1.20% and 1.19%, for the three and six month periods ended December 31, 2019.

The allowance for loan losses as a percentage of gross loans receivable was 1.36% at December 31, 2020 compared to 1.29% at June 30, 2020. Nonperforming assets were \$3,629,000 at December 31, 2020 compared to \$3,551,000 at June 30, 2020.

As of December 31, 2020, FFWC's equity-to-assets ratio was 11.18% compared to 10.66% at June 30, 2020. Total assets at December 31, 2020 were \$467,714,000 compared to \$461,724,000 at June 30, 2020. Shareholders' equity was \$52,310,000 at December 31, 2020 compared to \$49,198,000 at June 30, 2020. Crossroads Bank exceeds all applicable regulatory requirements to be considered "well capitalized."

#### Forward Looking Statements

This press release may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements include expressions such as "expects," "intends," "believes," and "should," which are necessarily statements of belief as to the expected outcomes of future events. Actual results could materially differ from those presented. The Corporation's ability to predict future results involves a number of risks and uncertainties. The Corporation undertakes no obligation to release revisions to these forward-looking statements or reflect events or circumstances after the date of this release.

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 six Indiana banking centers located in Columbia City, North Manchester, Peru, South Whitley, Syracuse and Warsaw. The Bank also provides leasing services at each of its banking centers. Insurance products are offered through an affiliated company, Insurance 1 Services, Inc. The Corporation's stock is traded on the OTC Markets under the symbol "FFWC." Our website address is [www.crossroadsbanking.com](http://www.crossroadsbanking.com). Crossroads Bank, Member FDIC.

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

**Consolidated Balance Sheet**

	<b>December 31</b>	<b>June 30</b>
	<b>2020</b>	<b>2020</b>
	Unaudited	
<b>Assets</b>		
Cash and due from financial institutions	\$ 8,171,008	\$ 6,084,611
Interest-bearing deposits in other financial institutions	22,153,590	30,077,626
Cash and cash equivalents	30,324,598	36,162,237
Securities available for sale	113,231,548	86,147,475
Loans receivable, net of allowance for loan losses of \$4,125,566 at December 31, 2020 and \$4,098,026 at June 30, 2020	293,684,308	303,102,891
Loans held for sale	4,882,686	10,876,733
Federal Home Loan Bank stock, at cost	1,462,500	1,462,500
Accrued interest receivable	2,338,426	2,281,588
Premises and equipment, net	9,273,792	9,338,832
Mortgage servicing rights	847,773	731,190
Cash surrender value of life insurance	9,309,114	9,159,293
Goodwill	1,213,898	1,213,898
Repossessed Assets	200,997	145,782
Other assets	944,499	1,101,841
<b>Total assets</b>	<b>\$ 467,714,139</b>	<b>\$ 461,724,260</b>
<b>Liabilities and shareholders' equity</b>		
Deposits		
Noninterest-bearing	\$ 47,774,827	\$ 42,014,196
Interest-bearing	363,890,314	366,527,945
Total deposits	411,665,141	408,542,141
Accrued expenses and other liabilities	3,738,643	3,984,019
Total liabilities	415,403,784	412,526,160
Shareholders' equity		
Common stock, \$.01 par; 2,000,000 shares authorized;		
Issued: 1,836,328; outstanding: 1,142,690 - December 31, 2020 and 1,129,394 - June 30, 2020	18,363	18,363
Additional paid-in capital	9,705,654	9,826,124
Retained earnings	50,609,931	47,660,175
Accumulated other comprehensive income	3,693,197	3,634,798
Treasury stock, at cost: 693,638 shares at December 31, 2020 and 706,934 shares at June 30, 2020	(11,716,790)	(11,941,360)
Total shareholders' equity	52,310,355	49,198,100
<b>Total liabilities and shareholders' equity</b>	<b>\$ 467,714,139</b>	<b>\$ 461,724,260</b>

## Selected Financial Information

## Consolidated Statement of Income

	Three Months Ended December 31		Six Months Ended December 31	
	2020	2019	2020	2019
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 3,559,989	\$ 3,685,967	\$ 7,164,305	\$ 7,389,196
Taxable securities	321,319	291,542	654,512	684,358
Tax exempt securities	417,657	312,265	789,928	625,859
Other	9,728	59,806	17,509	166,787
Total interest and dividend income	4,308,693	4,349,580	8,626,254	8,866,200
<b>Interest expense:</b>				
Deposits	581,261	928,987	1,192,646	1,944,647
Borrowings	-	10,438	-	20,278
Total interest expense	581,261	939,425	1,192,646	1,964,925
<b>Net interest income</b>	<b>3,727,432</b>	<b>3,410,155</b>	<b>7,433,608</b>	<b>6,901,275</b>
Provision for loan losses	165,000	50,000	330,000	125,000
<b>Net interest income after provision for loan losses</b>	<b>3,562,432</b>	<b>3,360,155</b>	<b>7,103,608</b>	<b>6,776,275</b>
<b>Noninterest income:</b>				
Net gains on sales of securities	-	(259)	98,467	(259)
Net gains on sales of loans	1,013,356	190,773	2,208,842	357,358
Net gains (losses) on fixed assets	9,204	-	9,204	-
Net gains (losses) on sales of REO	-	4,565	(6,535)	4,565
Commission income	281,325	277,207	571,403	589,813
Service charges and fees	199,419	290,980	294,838	517,670
Earnings on life insurance	75,379	73,346	149,820	144,665
Other	235,103	208,352	469,446	442,539
Total noninterest income	1,813,786	1,044,964	3,795,485	2,056,351
<b>Noninterest expense:</b>				
Salaries and benefits	1,714,403	1,581,507	3,475,467	3,160,630
Occupancy and equipment	321,365	288,883	664,459	584,575
Professional	92,608	148,299	153,194	288,638
Marketing	108,652	91,721	222,593	199,905
Deposit insurance premium	33,000	5,939	66,000	38,939
Regulatory assessment	9,301	8,954	18,602	17,907
Correspondent bank charges	17,146	19,293	34,663	39,623
Data processing	400,688	344,458	821,270	661,396
Printing, postage and supplies	72,084	68,995	167,496	137,514
Expense on life insurance	15,849	14,894	31,698	29,789
Contribution expense	11,887	9,457	27,275	19,003
Expense on REO	3,258	17,148	8,039	20,672
Other	459,435	338,330	994,748	729,756
Total noninterest expense	3,259,676	2,937,878	6,685,504	5,928,347
<b>Income before income taxes</b>	<b>2,116,542</b>	<b>1,467,241</b>	<b>4,213,589</b>	<b>2,904,279</b>
Income tax expense	342,970	199,966	692,487	401,212
<b>Net income</b>	<b>\$ 1,773,572</b>	<b>\$ 1,267,275</b>	<b>\$ 3,521,102</b>	<b>\$ 2,503,067</b>

**FFW Corporation**

**Selected Financial Information**

**Key Balances and Ratios**

	<b>Three Months Ended December 31</b>		<b>Six Months Ended December 31</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Per common share data:</b>				
Earnings	\$1.55	\$1.11	\$3.08	\$2.19
Diluted earnings	\$1.55	\$1.11	\$3.08	\$2.19
Dividends paid	\$0.25	\$0.23	\$0.50	\$0.46
Average shares issued and outstanding	1,142,690	1,137,783	1,142,690	1,141,109
Shares outstanding end of period	1,142,690	1,137,783	1,142,690	1,137,783
<b>Supplemental data:</b>				
Net interest margin **	3.30%	3.46%	3.34%	3.51%
Return on average assets ***	1.46%	1.20%	1.47%	1.19%
Return on average common equity ***	13.66%	10.89%	13.69%	10.83%
	<b>December 31</b>	<b>June 30</b>		
	<b>2020</b>	<b>2020</b>		
Nonperforming assets *	\$3,628,670	\$3,550,611		
Repossessed assets	\$200,997	\$145,782		

\* Includes non-accruing loans, accruing loans delinquent more than 90 days and repossessed assets

\*\* Yields reflected have not been computed on a tax equivalent basis

\*\*\* Annualized