

## FFW CORP PRESS RELEASE

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### FFW CORPORATION ANNOUNCES EARNINGS FOR THE FISCAL YEAR ENDED JUNE 30, 2020

**WABASH, INDIANA** - - FFW Corporation (the "Corporation") (OTC PINK: [FFWC](#)) (**8/17/20 Close: \$37.75**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the fiscal year ended June 30, 2020.

For the three months ended June 30, 2020, the Corporation reported net income of \$1,399,000 or \$1.23 per common share compared to \$1,037,000 or \$0.90 per common share for the three months ended June 30, 2019. Net interest income for the three months ended June 30, 2020 was \$3,637,000 compared to \$3,295,000 for the three months ended June 30, 2019. The provision for loan losses was \$105,000 for the three months ended June 30, 2020 and \$50,000 for the three months ended June 30, 2019. Total noninterest income was \$1,367,000 for the three months ended June 30, 2020 compared to \$770,000 for the three months ended June 30, 2019. Noninterest expense was \$3,236,000 for the three months ended June 30, 2020 and \$2,844,000 for the three months ended June 30, 2019.

For the twelve months ended June 30, 2020, the Corporation reported net income of \$5,011,000 or \$4.40 per common share compared to \$4,344,000 or \$3.77 per common share for the twelve months ended June 30, 2019. Net interest income for the twelve months ended June 30, 2020 was \$14,176,000 compared to \$13,190,000 for the twelve months ended June 30, 2019. The Company recognized a provision for loan losses of \$305,000 for the twelve months ended June 30, 2020 and \$231,000 for the twelve months ended June 30, 2019. Total noninterest income was \$4,197,000 for the twelve months ended June 30, 2020 compared to \$3,177,000 for the twelve months ended June 30, 2019. Noninterest expense was \$12,232,000 for the twelve months ended June 30, 2020 and \$11,151,000 for the twelve months ended June 30, 2019.

The three and twelve months ended June 30, 2020 represented a return on average common equity of 11.78% and 10.72%, respectively, compared to 9.49% and 10.39% for the three and twelve month periods ended June 30, 2019. The three and twelve months ended June 30, 2020 represented a return on average assets of 1.24% and 1.17%, respectively, compared to 1.02% and 1.09%, for the three and twelve month periods ended June 30, 2019.

The allowance for loan losses as a percentage of gross loans receivable was 1.29% at June 30, 2020 compared to 1.35% at June 30, 2019. Nonperforming assets were \$3,551,000 at June 30, 2020 compared to \$3,693,000 at June 30, 2019.

President & CEO, Roger Cromer commented, "At June 30, 2020, we had closed approximately \$14.4 million in Paycheck Protection Program (PPP) loans supporting 200 local businesses and approximately 2,000 employees. We believe each loan will be forgiven in accordance with the Small Business Administration's guidelines. Our allowance as a percentage of gross loans was 1.29% at June 30, 2020. Excluding \$14.4 million in PPP loans, this percentage would have been 1.35%. Management is focused on customer needs and a strong assessment of the allowance."

As of June 30, 2020, FFWC's equity-to-assets ratio was 10.66% compared to 10.79% at June 30, 2019. Total assets at June 30, 2020 were \$461,724,000 compared to \$414,517,000 at June 30, 2019. Shareholders' equity was \$49,198,000 at June 30, 2020 compared to \$44,738,000 at June 30, 2019. 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 five Indiana banking centers located in Columbia City, North Manchester, Peru, South Whitley and Syracuse. The Bank provides leasing services at its banking centers and its Fishers, 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 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>June 30</b>	<b>June 30</b>
	<b>2020</b>	<b>2019</b>
	Unaudited	
<b>Assets</b>		
Cash and due from financial institutions	\$ 6,084,611	\$ 4,897,871
Interest-bearing deposits in other financial institutions	30,077,626	21,857,520
Cash and cash equivalents	36,162,237	26,755,391
Securities available for sale	86,147,475	85,275,452
Loans receivable, net of allowance for loan losses of \$4,098,026 at June 30, 2020 and \$3,857,473 at June 30, 2019	303,183,291	279,796,467
Loans held for sale	10,796,333	1,340,765
Federal Home Loan Bank stock, at cost	1,462,500	1,462,500
Accrued interest receivable	2,281,588	2,240,851
Premises and equipment, net	9,338,832	5,442,196
Mortgage servicing rights	731,190	762,392
Cash surrender value of life insurance	9,159,293	8,867,601
Goodwill	1,213,898	1,213,898
Repossessed Assets	145,782	194,730
Other assets	1,101,841	1,165,252
<b>Total assets</b>	<b>\$ 461,724,260</b>	<b>\$ 414,517,495</b>
<b>Liabilities and shareholders' equity</b>		
Deposits		
Noninterest-bearing	\$ 42,014,196	\$ 33,005,454
Interest-bearing	366,527,945	331,115,288
Total deposits	408,542,141	364,120,742
Borrowings	0	2,000,000
Accrued expenses and other liabilities	3,984,019	3,659,180
Total liabilities	412,526,160	369,779,922
Shareholders' equity		
Common stock, \$.01 par; 2,000,000 shares authorized;		
Issued: 1,836,328; outstanding: 1,129,394 - June 30, 2020 and 1,149,783 - June 30, 2019	18,363	18,363
Additional paid-in capital	9,826,124	9,777,849
Retained earnings	47,660,175	43,691,848
Accumulated other comprehensive income	3,634,798	2,238,257
Treasury stock, at cost: 706,934 shares at June 30, 2020 and 686,545 shares at June 30, 2019	(11,941,360)	(10,988,744)
Total shareholders' equity	49,198,100	44,737,573
<b>Total liabilities and shareholders' equity</b>	<b>\$ 461,724,260</b>	<b>\$ 414,517,495</b>

## Selected Financial Information

## Consolidated Statement of Income

	Three Months Ended June 30		Twelve Months Ended June 30	
	2020	2019	2020	2019
	Unaudited		Unaudited	
<b>Interest and dividend income:</b>				
Loans, including fees	\$ 3,631,205	\$ 3,475,982	\$ 14,804,286	\$ 13,447,651
Taxable securities	349,342	406,219	1,391,566	1,452,121
Tax exempt securities	329,816	331,714	1,268,773	1,244,855
Other	5,613	114,914	239,067	475,939
Total interest and dividend income	4,315,976	4,328,829	17,703,692	16,620,566
<b>Interest expense:</b>				
Deposits	679,327	1,024,793	3,497,764	3,395,598
Borrowings	-	8,647	29,434	34,900
Total interest expense	679,327	1,033,440	3,527,198	3,430,498
<b>Net interest income</b>	<b>3,636,649</b>	<b>3,295,389</b>	<b>14,176,494</b>	<b>13,190,068</b>
Provision for loan losses	105,000	50,000	305,000	231,118
<b>Net interest income after provision for loan losses</b>	<b>3,531,649</b>	<b>3,245,389</b>	<b>13,871,494</b>	<b>12,958,950</b>
<b>Noninterest income:</b>				
Net gains on sales of securities	25,503	-	20,958	43,776
Net gains on sales of loans	693,285	65,984	1,298,996	298,129
Net gains (losses) on fixed assets	-	(15,716)	-	(15,716)
Net gains (losses) on sales of REO	(12,986)	3,825	(33,854)	9,318
Commission income	280,750	247,601	1,145,772	962,088
Service charges and fees	84,895	161,570	633,476	816,743
Earnings on life insurance	73,864	70,701	291,693	281,934
Other	221,248	235,596	839,903	780,758
Total noninterest income	1,366,559	769,561	4,196,944	3,177,030
<b>Noninterest expense:</b>				
Salaries and benefits	1,792,027	1,522,509	6,631,880	6,134,248
Occupancy and equipment	288,374	320,367	1,161,072	1,239,158
Professional	52,291	87,294	470,967	408,750
Marketing	111,551	94,446	407,145	388,414
Deposit insurance premium	14,912	21,000	53,851	72,589
Regulatory assessment	8,954	8,099	37,002	33,147
Correspondent bank charges	16,853	22,255	75,931	81,599
Data processing	385,597	263,074	1,416,850	979,574
Printing, postage and supplies	79,924	78,318	294,099	248,362
Expense on life insurance	14,895	18,730	59,579	74,921
Contribution expense	59,558	8,352	94,538	41,652
Expense on REO	15,833	3,037	45,515	18,941
Other	395,547	396,628	1,483,412	1,430,051
Total noninterest expense	3,236,316	2,844,109	12,231,841	11,151,406
<b>Income before income taxes</b>	<b>1,661,892</b>	<b>1,170,841</b>	<b>5,836,597</b>	<b>4,984,574</b>
Income tax expense	262,844	133,385	825,368	640,814
<b>Net income</b>	<b>\$ 1,399,048</b>	<b>\$ 1,037,456</b>	<b>\$ 5,011,229</b>	<b>\$ 4,343,760</b>

**FFW Corporation**

**Selected Financial Information**

**Key Balances and Ratios**

	<b>Three Months Ended June 30</b>		<b>Twelve Months Ended June 30</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	Unaudited		Unaudited	
<b>Per common share data:</b>				
Earnings	\$1.23	\$0.90	\$4.40	\$3.77
Diluted earnings	\$1.23	\$0.90	\$4.40	\$3.77
Dividends paid	\$0.23	\$0.21	\$0.92	\$0.84
Average shares issued and outstanding	1,129,394	1,149,783	1,138,115	1,151,968
Shares outstanding end of period	1,129,394	1,149,783	1,129,394	1,149,783

**Supplemental data:**

Net interest margin **	3.45%	3.43%	3.54%	3.52%
Return on average assets ***	1.24%	1.02%	1.17%	1.09%
Return on average common equity ***	11.78%	9.49%	10.72%	10.39%

	<b>June 30</b>	<b>June 30</b>
	<b>2020</b>	<b>2019</b>
Nonperforming assets *	\$3,550,611	\$3,692,825
Repossessed assets	\$145,782	\$194,730

\* 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