

FFW CORP PRESS RELEASE

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FFW CORPORATION ANNOUNCES EARNINGS, SHARE REPURCHASE AND SPECIAL DIVIDEND

WABASH, INDIANA - - FFW Corporation (the "Corporation") (OTC PINK: [FFWC](#)) (**4/27/2021 Close: \$43.00**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the quarter and year to date ended March 31, 2021.

For the three months ended March 31, 2021, the Corporation reported net income of \$1,575,000 or \$1.38 per common share compared to \$1,109,000 or \$0.98 per common share for the three months ended March 31, 2020. Net interest income for the three months ended March 31, 2021 was \$3,655,000 compared to \$3,639,000 for the three months ended March 31, 2020. The provision for loan losses was \$165,000 for the three months ended March 31, 2021 and \$75,000 for the three months ended March 31, 2020. Total noninterest income was \$1,917,000 for the three months ended March 31, 2021 compared to \$774,000 for the three months ended March 31, 2020. Noninterest expense was \$3,570,000 for the three months ended March 31, 2021 and \$3,067,000 for the three months ended March 31, 2020.

For the nine months ended March 31, 2021, the Corporation reported net income of \$5,096,000 or \$4.46 per common share compared to \$3,612,000 or \$3.17 per common share for the nine months ended March 31, 2020. Net interest income for the nine months ended March 31, 2021 was \$11,089,000 compared to \$10,540,000 for the nine months ended March 31, 2020. The Company recognized a provision for loan losses of \$495,000 for the nine months ended March 31, 2021 and \$200,000 for the nine months ended March 31, 2020. Total noninterest income was \$5,713,000 for the nine months ended March 31, 2021 compared to \$2,830,000 for the nine months ended March 31, 2020. Noninterest expense was \$10,255,000 for the nine months ended March 31, 2021 and \$8,996,000 for the nine months ended March 31, 2020.

The three and nine months ended March 31, 2021 represented a return on average common equity of 12.00% and 13.12%, respectively, compared to 9.85% and 10.36% for the three and nine month periods ended March 31, 2020. The three and nine months ended March 31, 2021 represented a return on average assets of 1.36% and 1.44%, respectively, compared to 1.05% and 1.14%, for the three and nine month periods ended March 31, 2020.

The allowance for loan losses as a percentage of gross loans receivable was 1.45% at March 31, 2021 compared to 1.29% at June 30, 2020. Nonperforming assets were \$3,187,000 at March 31, 2021 compared to \$3,551,000 at June 30, 2020.

As of March 31, 2021, FFWC's equity-to-assets ratio was 10.85% compared to 10.66% at June 30, 2020. Total assets at March 31, 2021 were \$480,837,000 compared to \$461,724,000 at June 30, 2020. Shareholders' equity was \$52,179,000 at March 31, 2021 compared to \$49,198,000 at June 30, 2020. Crossroads Bank exceeds all applicable regulatory requirements to be considered "well capitalized."

The Board of Directors has declared a special cash dividend of \$1.00 per share of the Company's common stock. The dividend is payable June 1, 2021 to shareholders of record on May 18, 2021.

The Corporation also announced today that its Board of Directors has approved plans to continue the stock repurchase program for its outstanding stock. The Corporation may suspend or discontinue repurchases at any time. Repurchases may begin as early as May 1, 2021.

"With our continued strong financial performance, it is appropriate to reward our shareholders for their support and confidence in the Company," said President and CEO Roger K. Cromer. "Our excess capital still affords us the flexibility to strategically grow our business."

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 nine 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. Crossroads Bank, Member FDIC.

FFW Corporation
Selected Financial Information

Consolidated Balance Sheet

| | March 31 | June 30 |
|--|-----------------------|-----------------------|
| | 2021 | 2020 |
| | Unaudited | |
| Assets | | |
| Cash and due from financial institutions | \$ 5,825,761 | \$ 6,084,611 |
| Interest-bearing deposits in other financial institutions | 41,908,419 | 30,077,626 |
| Cash and cash equivalents | 47,734,180 | 36,162,237 |
| Securities available for sale | 116,138,400 | 86,147,475 |
| Loans receivable, net of allowance for loan losses of \$4,296,448 at March 31, 2021 and \$4,098,026 at June 30, 2020 | 289,424,448 | 303,102,891 |
| Loans held for sale | 2,203,417 | 10,876,733 |
| Federal Home Loan Bank stock, at cost | 1,462,500 | 1,462,500 |
| Accrued interest receivable | 1,971,414 | 2,281,588 |
| Premises and equipment, net | 9,113,259 | 9,338,832 |
| Mortgage servicing rights | 991,968 | 731,190 |
| Cash surrender value of life insurance | 9,383,989 | 9,159,293 |
| Goodwill | 1,213,898 | 1,213,898 |
| Reposessed Assets | 183,103 | 145,782 |
| Other assets | 1,016,833 | 1,101,841 |
| Total assets | \$ 480,837,409 | \$ 461,724,260 |
| Liabilities and shareholders' equity | | |
| Deposits | | |
| Noninterest-bearing | \$ 53,965,966 | \$ 42,014,196 |
| Interest-bearing | 370,437,144 | 366,527,945 |
| Total deposits | 424,403,110 | 408,542,141 |
| Accrued expenses and other liabilities | 4,255,104 | 3,984,019 |
| Total liabilities | 428,658,214 | 412,526,160 |
| Shareholders' equity | | |
| Common stock, \$.01 par; 2,000,000 shares authorized; | | |
| Issued: 1,836,328; outstanding: 1,142,690 - March 31, 2021 and 1,129,394 - June 30, 2020 | 18,363 | 18,363 |
| Additional paid-in capital | 9,757,704 | 9,826,124 |
| Retained earnings | 51,899,495 | 47,660,175 |
| Accumulated other comprehensive income | 2,220,423 | 3,634,798 |
| Treasury stock, at cost: 693,638 shares at March 31, 2021 and 706,934 shares at June 30, 2020 | (11,716,790) | (11,941,360) |
| Total shareholders' equity | 52,179,195 | 49,198,100 |
| Total liabilities and shareholders' equity | \$ 480,837,409 | \$ 461,724,260 |

FFW Corporation
Selected Financial Information

Consolidated Statement of Income

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|--|-----------------------------|---------------------|----------------------------|---------------------|
| | 2021 | 2020 | 2021 | 2020 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Interest and dividend income: | | | | |
| Loans, including fees | \$ 3,347,999 | \$ 3,783,885 | \$ 10,512,304 | \$ 11,173,081 |
| Taxable securities | 340,065 | 357,866 | 994,577 | 1,042,224 |
| Tax exempt securities | 419,231 | 313,098 | 1,209,159 | 938,957 |
| Other | 6,281 | 66,667 | 23,790 | 233,454 |
| Total interest and dividend income | 4,113,576 | 4,521,516 | 12,739,830 | 13,387,716 |
| Interest expense: | | | | |
| Deposits | 458,636 | 873,790 | 1,651,282 | 2,818,437 |
| Borrowings | - | 9,156 | - | 29,434 |
| Total interest expense | 458,636 | 882,946 | 1,651,282 | 2,847,871 |
| Net interest income | 3,654,940 | 3,638,570 | 11,088,548 | 10,539,845 |
| Provision for loan losses | 165,000 | 75,000 | 495,000 | 200,000 |
| Net interest income after provision for loan losses | 3,489,940 | 3,563,570 | 10,593,548 | 10,339,845 |
| Noninterest income: | | | | |
| Net gains on sales of securities | - | (4,286) | 98,467 | (4,545) |
| Net gains on sales of loans | 1,006,539 | 248,353 | 3,215,381 | 605,711 |
| Net gains (losses) on fixed assets | - | - | 9,204 | - |
| Net gains (losses) on sales of REO | (16,963) | (25,433) | (23,498) | (20,868) |
| Commission income | 344,053 | 275,209 | 915,456 | 865,022 |
| Service charges and fees | 238,602 | 30,911 | 533,440 | 548,581 |
| Earnings on life insurance | 74,875 | 73,164 | 224,695 | 217,829 |
| Other | 270,216 | 176,116 | 739,662 | 618,655 |
| Total noninterest income | 1,917,322 | 774,034 | 5,712,807 | 2,830,385 |
| Noninterest expense: | | | | |
| Salaries and benefits | 1,534,134 | 1,679,223 | 5,009,601 | 4,839,853 |
| Occupancy and equipment | 350,158 | 288,123 | 1,014,617 | 872,698 |
| Professional | 553,813 | 130,038 | 707,007 | 418,676 |
| Marketing | 105,096 | 95,689 | 327,689 | 295,594 |
| Deposit insurance premium | 33,000 | - | 99,000 | 38,939 |
| Regulatory assessment | 9,515 | 10,141 | 28,117 | 28,048 |
| Correspondent bank charges | 17,967 | 19,455 | 52,630 | 59,078 |
| Data processing | 400,609 | 369,857 | 1,221,879 | 1,031,253 |
| Printing, postage and supplies | 62,358 | 76,661 | 229,854 | 214,175 |
| Expense on life insurance | 20,611 | 14,895 | 52,309 | 44,684 |
| Contribution expense | 32,340 | 15,977 | 59,615 | 34,980 |
| Expense on REO | 5,018 | 9,010 | 13,057 | 29,682 |
| Other | 445,260 | 358,109 | 1,440,008 | 1,087,865 |
| Total noninterest expense | 3,569,879 | 3,067,178 | 10,255,383 | 8,995,525 |
| Income before income taxes | 1,837,383 | 1,270,426 | 6,050,972 | 4,174,705 |
| Income tax expense | 262,145 | 161,312 | 954,632 | 562,524 |
| Net income | \$ 1,575,238 | \$ 1,109,114 | \$ 5,096,340 | \$ 3,612,181 |

FFW Corporation
Selected Financial Information

Key Balances and Ratios

| | Three Months Ended March 31 | | Nine Months Ended March 31 | |
|---------------------------------------|-----------------------------|-------------|----------------------------|-----------|
| | 2021 | 2020 | 2021 | 2020 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Per common share data: | | | | |
| Earnings | \$1.38 | \$0.98 | \$4.46 | \$3.17 |
| Diluted earnings | \$1.38 | \$0.98 | \$4.46 | \$3.17 |
| Dividends paid | \$0.25 | \$0.23 | \$0.75 | \$0.69 |
| Average shares issued and outstanding | 1,142,690 | 1,137,906 | 1,142,690 | 1,140,049 |
| Shares outstanding end of period | 1,142,690 | 1,129,394 | 1,142,690 | 1,129,394 |
| Supplemental data: | | | | |
| Net interest margin ** | 3.37% | 3.69% | 3.35% | 3.57% |
| Return on average assets *** | 1.36% | 1.05% | 1.44% | 1.14% |
| Return on average common equity *** | 12.00% | 9.85% | 13.12% | 10.36% |
| | March 31 | | June 30 | |
| | 2021 | | 2020 | |
| Nonperforming assets * | \$3,187,345 | \$3,550,611 | | |
| Repossessed assets | \$183,103 | \$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