

FFW CORP PRESS RELEASE

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FOR IMMEDIATE RELEASE Date: January 25, 2023

FFW CORPORATION ANNOUNCES EARNINGS FOR THE QUARTER AND YEAR TO DATE ENDED DECEMBER 31, 2022

WABASH, INDIANA - - FFW Corporation (the "Corporation") (OTC PINK: [FFWC](#)) (1/24/2023 Close: **\$44.50**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the quarter and year to date ended December 31, 2022.

For the three months ended December 31, 2022, the Corporation reported net income of \$1,516,000 or \$1.34 per common share compared to \$1,358,000 or \$1.19 per common share for the three months ended December 31, 2021. Net interest income for the three months ended December 31, 2022 was \$4,248,000 compared to \$3,780,000 for the three months ended December 31, 2021. The provision for loan losses was \$100,000 for the three months ended December 31, 2022 and \$80,000 for the three months ended December 31, 2021. Total noninterest income was \$1,070,000 for the three months ended December 31, 2022 compared to \$1,032,000 for the three months ended December 31, 2021. Noninterest expense was \$3,415,000 for the three months ended December 31, 2022 and \$3,219,000 for the three months ended December 31, 2021.

For the six months ended December 31, 2022, the Corporation reported net income of \$3,139,000 or \$2.76 per common share compared to \$2,828,000 or \$2.47 per common share for the six months ended December 31, 2021. Net interest income for the six months ended December 31, 2022 was \$8,624,000 compared to \$7,593,000 for the six months ended December 31, 2021. The Company recognized a provision for loan losses of \$400,000 for the six months ended December 31, 2022 and \$130,000 for the six months ended December 31, 2021. Total noninterest income was \$2,096,000 for the six months ended December 31, 2022 compared to \$2,245,000 for the six months ended December 31, 2021. Noninterest expense was \$6,606,000 for the six months ended December 31, 2022 and \$6,427,000 for the six months ended December 31, 2021.

The three and six months ended December 31, 2022 represented a return on average common equity of 13.71% and 13.66%, respectively, compared to 9.92% and 10.32% for the three and six month periods ended December 31, 2021. The three and six months ended December 31, 2022 represented a return on average assets of 1.14% and 1.17%, respectively, compared to 1.03% and 1.10%, for the three and six month periods ended December 31, 2021.

The allowance for loan losses as a percentage of gross loans receivable was 1.25% at December 31, 2022 compared to 1.28% at June 30, 2022. Nonperforming assets were \$2,083,000 at December 31, 2022 compared to \$2,344,000 at June 30, 2022.

As of December 31, 2022, FFWC's equity-to-assets ratio was 8.47% compared to 8.72% at June 30, 2022. Total assets at December 31, 2022 were \$538,328,000 compared to \$534,918,000 at June 30, 2022. Shareholders' equity was \$45,610,000 at December 31, 2022 compared to \$46,648,000 at June 30, 2022. 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 twelve 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

	December 31	June 30
	2022	2022
	Unaudited	
Assets		
Cash and due from financial institutions	\$ 14,971,688	\$ 7,122,187
Interest-bearing deposits in other financial institutions	2,223,198	48,456,109
Cash and cash equivalents	17,194,886	55,578,296
Securities available for sale	117,703,726	115,717,308
Loans held for sale	-	248,000
Loans receivable, net of allowance for loan losses of \$4,722,103 at December 31, 2022 and \$4,342,121 at June 30, 2022	374,270,599	335,672,317
Federal Home Loan Bank stock, at cost	1,289,700	1,289,700
Accrued interest receivable	2,532,043	2,105,470
Premises and equipment, net	8,372,618	8,481,385
Mortgage servicing rights	1,162,121	1,138,165
Cash surrender value of life insurance	9,926,218	9,767,792
Goodwill	1,213,898	1,213,898
Repossessed Assets	9,325	75,025
Other assets	4,652,723	3,630,737
Total assets	\$ 538,327,857	\$ 534,918,093
Liabilities and shareholders' equity		
Deposits		
Noninterest-bearing	\$ 64,065,472	\$ 55,960,708
Interest-bearing	422,170,715	428,550,708
Total deposits	486,236,187	484,511,416
Borrowings	3,100,000	-
Accrued expenses and other liabilities	3,381,934	3,758,195
Total liabilities	492,718,121	488,269,611
Shareholders' equity		
Common stock, \$.01 par; 2,000,000 shares authorized;		
Issued: 1,836,328; outstanding: 1,130,963 - December 31, 2022 and		
1,140,305 - June 30, 2022		
	18,363	18,363
Additional paid-in capital	10,030,575	9,940,774
Retained earnings	58,887,026	56,384,625
Accumulated other comprehensive income (loss)	(10,898,564)	(7,726,089)
Treasury stock, at cost: 705,365 shares at December 31, 2022 and		
696,023 shares at June 30, 2022	(12,427,664)	(11,969,191)
Total shareholders' equity	45,609,736	46,648,482
Total liabilities and shareholders' equity	\$ 538,327,857	\$ 534,918,093

FFW Corporation
Selected Financial Information

Consolidated Statement of Income

	Three Months Ended December 31		Six Months Ended December 31	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Interest and dividend income:				
Loans, including fees	\$ 4,242,834	\$ 3,362,773	\$ 8,112,347	\$ 6,755,289
Taxable securities	462,321	331,914	904,146	686,485
Tax exempt securities	468,809	407,372	920,439	821,630
Other	122,509	25,096	284,081	43,849
Total interest and dividend income	5,296,473	4,127,155	10,221,013	8,307,253
Interest expense:				
Deposits	1,047,197	347,651	1,595,550	714,322
Borrowings	1,372	1	1,372	1
Total interest expense	1,048,569	347,652	1,596,922	714,323
Net interest income	4,247,904	3,779,503	8,624,091	7,592,930
Provision for loan losses	100,000	80,000	400,000	130,000
Net interest income after provision for loan losses	4,147,904	3,699,503	8,224,091	7,462,930
Noninterest income:				
Net gains on sales of loans	70,746	72,163	138,892	354,826
Net gains (losses) on fixed assets	-	10,250	-	10,250
Net gains (losses) on sales of REO	-	13,770	11,841	6,754
Commission income	305,588	313,632	624,008	636,236
Service charges and fees	282,653	246,442	562,083	509,672
Earnings on life insurance	80,122	77,282	158,426	153,647
Other	330,622	298,788	600,418	574,096
Total noninterest income	1,069,731	1,032,327	2,095,668	2,245,481
Noninterest expense:				
Salaries and benefits	1,867,630	1,778,904	3,638,297	3,491,114
Occupancy and equipment	304,998	320,454	612,381	646,470
Professional	107,657	106,231	216,908	225,150
Marketing	84,978	105,686	178,952	218,054
Deposit insurance premium	42,943	33,000	80,943	66,000
Regulatory assessment	8,089	9,360	16,179	18,720
Correspondent bank charges	22,007	19,186	44,423	38,710
Data processing	469,446	413,164	800,588	832,436
Printing, postage and supplies	77,515	75,994	155,327	148,278
Expense on life insurance	21,994	21,332	44,093	42,764
Contribution expense	10,375	10,513	19,876	31,527
Expense on REO	1,121	4,961	5,904	1,025
Other	396,732	319,979	792,312	667,017
Total noninterest expense	3,415,485	3,218,764	6,606,183	6,427,265
Income before income taxes	1,802,150	1,513,066	3,713,576	3,281,146
Income tax expense	286,650	155,358	575,037	452,894
Net income	\$ 1,515,500	\$ 1,357,708	\$ 3,138,539	\$ 2,828,252

FFW Corporation
Selected Financial Information

Key Balances and Ratios

	Three Months Ended December 31		Six Months Ended December 31	
	2022	2021	2022	2021
	Unaudited	Unaudited	Unaudited	Unaudited
Per common share data:				
Earnings	\$1.34	\$1.19	\$2.76	\$2.47
Diluted earnings	\$1.34	\$1.19	\$2.76	\$2.47
Dividends paid	\$0.28	\$0.26	\$0.56	\$0.52
Average shares issued and outstanding	1,130,963	1,143,377	1,135,688	1,144,291
Shares outstanding end of period	1,130,963	1,143,377	1,130,963	1,143,377
Supplemental data:				
Net interest margin **	3.25%	3.07%	3.31%	3.15%
Return on average assets ***	1.13%	1.03%	1.17%	1.10%
Return on average common equity ***	13.71%	9.92%	13.66%	10.32%
	December 31		June 30	
	2022	2022		
Nonperforming assets *	\$2,083,441	\$2,344,693		
Repossessed assets	\$9,325	\$75,025		

* 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