

FFW CORP PRESS RELEASE

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FFW CORPORATION ANNOUNCES EARNINGS AND SPECIAL DIVIDEND

WABASH, INDIANA - - FFW Corporation (the "Corporation") (OTC PINK: [FFWC](#)) (**4/25/2023 Close: \$42.00**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the quarter and year to date ended March 31, 2023.

For the three months ended March 31, 2023, the Corporation reported net income of \$1,216,000 or \$1.07 per common share compared to \$1,369,000 or \$1.20 per common share for the three months ended March 31, 2022. Net interest income for the three months ended March 31, 2023 was \$3,975,000 compared to \$3,745,000 for the three months ended March 31, 2022. The provision for loan losses was \$75,000 for the three months ended March 31, 2023 and March 31, 2022. Total noninterest income was \$880,000 for the three months ended March 31, 2023 compared to \$1,120,000 for the three months ended March 31, 2022. Noninterest expense was \$3,478,000 for the three months ended March 31, 2023 and \$3,291,000 for the three months ended March 31, 2022.

For the nine months ended March 31, 2023, the Corporation reported net income of \$4,355,000 or \$3.84 per common share compared to \$4,197,000 or \$3.67 per common share for the nine months ended March 31, 2022. Net interest income for the nine months ended March 31, 2023 was \$12,599,000 compared to \$11,338,000 for the nine months ended March 31, 2022. The Company recognized a provision for loan losses of \$475,000 for the nine months ended March 31, 2023 and \$205,000 for the nine months ended March 31, 2022. Total noninterest income was \$2,975,000 for the nine months ended March 31, 2023 compared to \$3,366,000 for the nine months ended March 31, 2022. Noninterest expense was \$10,084,000 for the nine months ended March 31, 2023 and \$9,718,000 for the nine months ended March 31, 2022.

The three and nine months ended March 31, 2023 represented a return on average common equity of 10.47% and 12.59%, respectively, compared to 10.30% and 10.32% for the three and nine month periods ended March 31, 2022. The three and nine months ended March 31, 2023 represented a return on average assets of 0.93% and 1.09%, respectively, compared to 1.04% and 1.08%, for the three and nine month periods ended March 31, 2022.

The allowance for loan losses as a percentage of gross loans receivable was 1.23% at March 31, 2023 compared to 1.28% at June 30, 2022. Nonperforming assets were \$2,183,000 at March 31, 2023 compared to \$2,345,000 at June 30, 2022.

The Board of Directors has declared a special cash dividend of \$1.25 per share of the Company's common stock. The dividend is payable May 31, 2023 to shareholders of record on May 17, 2023.

As of March 31, 2023, FFWC's equity-to-assets ratio was 8.85% compared to 8.72% at June 30, 2022. Total assets at March 31, 2023 were \$542,885,000 compared to \$534,918,000 at June 30, 2022. Shareholders' equity was \$48,060,000 at March 31, 2023 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 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. Crossroads Bank, Member FDIC.

FFW Corporation
Selected Financial Information

Consolidated Balance Sheet

	March 31	June 30
	2023	2022
	Unaudited	
Assets		
Cash and due from financial institutions	\$ 6,090,005	\$ 7,122,187
Interest-bearing deposits in other financial institutions	12,928,912	48,456,109
Cash and cash equivalents	19,018,917	55,578,296
Securities available for sale	112,343,889	115,717,308
Loans held for sale	-	248,000
Loans receivable, net of allowance for loan losses of \$4,776,796 at March 31, 2023 and \$4,342,121 at June 30, 2022	383,066,522	335,672,317
Federal Home Loan Bank stock, at cost	1,289,700	1,289,700
Accrued interest receivable	2,336,991	2,105,470
Premises and equipment, net	8,219,360	8,481,385
Mortgage servicing rights	1,143,885	1,138,165
Cash surrender value of life insurance	10,005,880	9,767,792
Goodwill	1,213,898	1,213,898
Repossessed Assets	-	75,025
Other assets	4,246,342	3,630,737
Total assets	\$ 542,885,384	\$ 534,918,093
Liabilities and shareholders' equity		
Deposits		
Noninterest-bearing	\$ 53,706,317	\$ 55,960,708
Interest-bearing	437,336,866	428,550,708
Total deposits	491,043,183	484,511,416
Accrued expenses and other liabilities	3,781,728	3,758,195
Total liabilities	494,824,911	488,269,611
Shareholders' equity		
Common stock, \$.01 par; 2,000,000 shares authorized;		
Issued: 1,836,328; outstanding: 1,127,357 - March 31, 2023 and 1,140,305 - June 30, 2022	18,363	18,363
Additional paid-in capital	10,100,525	9,940,774
Retained earnings	59,787,611	56,384,625
Accumulated other comprehensive income (loss)	(9,288,073)	(7,726,089)
Treasury stock, at cost: 708,971 shares at March 31, 2023 and 696,023 shares at June 30, 2022	(12,557,953)	(11,969,191)
Total shareholders' equity	48,060,473	46,648,482
Total liabilities and shareholders' equity	\$ 542,885,384	\$ 534,918,093

FFW Corporation
Selected Financial Information

Consolidated Statement of Income

	Three Months Ended March 31		Nine Months Ended March 31	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Interest and dividend income:				
Loans, including fees	\$ 4,494,524	\$ 3,342,482	\$ 12,606,871	\$ 10,097,771
Taxable securities	477,067	289,642	1,381,213	976,127
Tax exempt securities	457,460	407,352	1,377,899	1,228,982
Other	76,502	25,514	360,583	69,363
Total interest and dividend income	5,505,553	4,064,990	15,726,566	12,372,243
Interest expense:				
Deposits	1,526,134	319,839	3,121,684	1,034,161
Borrowings	4,665	-	6,037	1
Total interest expense	1,530,799	319,839	3,127,721	1,034,162
Net interest income	3,974,754	3,745,151	12,598,845	11,338,081
Provision for loan losses	75,000	75,000	475,000	205,000
Net interest income after provision for loan losses	3,899,754	3,670,151	12,123,845	11,133,081
Noninterest income:				
Net gains (losses) on sales of securities	(3,633)	-	(3,633)	-
Net gains on sales of loans	12,710	92,943	151,602	447,769
Net gains (losses) on fixed assets	(20,533)	24,033	(20,533)	34,283
Net gains (losses) on sales of REO	(8,775)	4,532	3,066	11,286
Commission income	299,231	305,301	923,239	941,537
Service charges and fees	242,269	349,991	804,352	859,663
Earnings on life insurance	79,662	76,749	238,088	230,396
Other	278,705	266,661	879,123	840,757
Total noninterest income	879,636	1,120,210	2,975,304	3,365,691
Noninterest expense:				
Salaries and benefits	1,913,505	1,794,574	5,551,802	5,285,688
Occupancy and equipment	320,444	338,682	932,825	985,152
Professional	109,579	111,657	326,487	336,807
Marketing	102,263	85,077	281,215	303,131
Deposit insurance premium	39,025	36,448	119,968	102,448
Regulatory assessment	8,511	9,585	24,690	28,305
Correspondent bank charges	21,650	19,814	66,073	58,524
Data processing	435,771	414,997	1,236,359	1,247,433
Printing, postage and supplies	65,940	71,759	221,267	220,037
Expense on life insurance	21,889	21,232	65,982	63,996
Contribution expense	20,248	22,380	40,124	53,907
Expense on REO	636	1,068	6,540	2,093
Other	418,077	363,451	1,210,389	1,030,468
Total noninterest expense	3,477,538	3,290,724	10,083,721	9,717,989
Income before income taxes	1,301,852	1,499,637	5,015,428	4,780,783
Income tax expense	85,468	130,611	660,505	583,505
Net income	\$ 1,216,384	\$ 1,369,026	\$ 4,354,923	\$ 4,197,278

FFW Corporation
Selected Financial Information

Key Balances and Ratios

	Three Months Ended March 31		Nine Months Ended March 31	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Per common share data:				
Earnings	\$1.07	\$1.20	\$3.84	\$3.67
Diluted earnings	\$1.07	\$1.20	\$3.84	\$3.67
Dividends paid	\$0.28	\$0.26	\$0.84	\$0.78
Average shares issued and outstanding	1,128,995	1,143,348	1,133,501	1,143,981
Shares outstanding end of period	1,127,357	1,143,327	1,127,357	1,143,327
Supplemental data:				
Net interest margin **	3.13%	3.03%	3.25%	3.11%
Return on average assets ***	0.93%	1.04%	1.09%	1.08%
Return on average common equity ***	10.47%	10.30%	12.59%	10.32%
	March 31		June 30	
	2023		2022	
Nonperforming assets *	\$2,182,794	\$2,344,693		
Repossessed assets	\$0	\$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