

FFW CORP PRESS RELEASE

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FFW CORPORATION ANNOUNCES EARNINGS FOR THE QUARTER AND YEAR TO DATE ENDED DECEMBER 31, 2023

WABASH, INDIANA - - FFW Corporation (the "Corporation") (OTC PINK: FFWC) (1/23/24 Close: **\$34.55**), parent corporation of Crossroads Bank (the "Bank"), announced earnings for the quarter and year to date ended December 31, 2023.

For the three months ended December 31, 2023, the Corporation reported net income of \$1,074,000 or \$0.95 per common share compared to \$1,516,000 or \$1.34 per common share for the three months ended December 31, 2022. Net interest income for the three months ended December 31, 2023 was \$3,633,000 compared to \$4,248,000 for the three months ended December 31, 2022. The provision for credit losses was \$0 for the three months ended December 31, 2023 and \$100,000 for the three months ended December 31, 2022. Total noninterest income was \$1,010,000 for the three months ended December 31, 2023 compared to \$1,070,000 for the three months ended December 31, 2022. Noninterest expense was \$3,487,000 for the three months ended December 31, 2023 and \$3,415,000 for the three months ended December 31, 2022.

For the six months ended December 31, 2023, the Corporation reported net income of \$2,052,000 or \$1.82 per common share compared to \$3,139,000 or \$2.76 per common share for the six months ended December 31, 2022. Net interest income for the six months ended December 31, 2023 was \$7,277,000 compared to \$8,624,000 for the six months ended December 31, 2022. The Company recognized a provision for credit losses of \$0 for the six months ended December 31, 2023 and \$400,000 for the six months ended December 31, 2022. Total noninterest income was \$1,938,000 for the six months ended December 31, 2023 compared to \$2,096,000 for the six months ended December 31, 2022. Noninterest expense was \$6,974,000 for the six months ended December 31, 2023 and \$6,606,000 for the six months ended December 31, 2022.

The three and six months ended December 31, 2023 represented a return on average common equity of 8.82% and 9.03%, respectively, compared to 13.71% and 13.66% for the three and six month periods ended December 31, 2022. The three and six months ended December 31, 2023 represented a return on average assets of 0.78% and 0.75%, respectively, compared to 1.13% and 1.17%, for the three and six month periods ended December 31, 2022.

The allowance for credit losses as a percentage of gross loans receivable was 1.31% at December 31, 2023 compared to 1.23% at June 30, 2023. Nonperforming assets were \$3,544,000 at December 31, 2023 compared to \$2,065,000 at June 30, 2023.

As of December 31, 2023, FFWC's equity-to-assets ratio was 8.75% compared to 8.54% at June 30, 2023. Total assets at December 31, 2023 were \$554,153,000 compared to \$543,245,000 at June 30, 2023. Shareholders' equity was \$48,475,000 at December 31, 2023 compared to \$46,385,000 at June 30, 2023. 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

	December 31	June 30
	2023	2023
	Unaudited	
Assets		
Cash and due from financial institutions	\$ 5,816,491	\$ 8,686,057
Interest-bearing deposits in other financial institutions	2,714,634	4,668,889
Cash and cash equivalents	8,531,125	13,354,946
Securities available for sale	109,124,615	110,063,452
Loans held for sale	218,200	80,000
Loans receivable, net of allowance for credit losses of \$5,382,830 at December 31, 2023 and \$4,852,745 at June 30, 2023	404,905,627	390,544,236
Federal Home Loan Bank stock, at cost	1,289,700	1,289,700
Accrued interest receivable	2,779,664	2,648,368
Premises and equipment, net	7,918,415	8,121,511
Mortgage servicing rights	1,095,003	1,128,019
Cash surrender value of life insurance	12,511,958	10,086,476
Goodwill	1,213,898	1,213,898
Reposessed Assets	-	109,596
Other assets	4,564,887	4,604,551
Total assets	\$ 554,153,092	\$ 543,244,753
Liabilities and shareholders' equity		
Deposits		
Noninterest-bearing	\$ 51,506,811	\$ 53,267,081
Interest-bearing	446,214,997	437,700,301
Total deposits	497,721,808	490,967,382
Borrowings	3,400,000	2,100,000
Accrued expenses and other liabilities	4,556,577	3,792,808
Total liabilities	505,678,385	496,860,190
Shareholders' equity		
Common stock, \$.01 par; 2,000,000 shares authorized; Issued: 1,836,328; outstanding: 1,125,453 - December 31, 2023 and 1,126,357 - June 30, 2023	18,363	18,363
Additional paid-in capital	10,246,688	10,150,145
Retained earnings	60,310,943	59,406,634
Accumulated other comprehensive income (loss)	(9,473,930)	(10,588,876)
Treasury stock, at cost: 710,875 shares at December 31, 2023 and 709,971 shares at June 30, 2023	(12,627,357)	(12,601,703)
Total shareholders' equity	48,474,707	46,384,563
Total liabilities and shareholders' equity	\$ 554,153,092	\$ 543,244,753

FFW Corporation
Selected Financial Information

Consolidated Statement of Income

	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Interest and dividend income:				
Loans, including fees	\$ 5,283,343	\$ 4,242,834	\$ 10,315,094	\$ 8,112,347
Taxable securities	495,056	462,321	984,176	904,146
Tax exempt securities	419,116	468,809	842,735	920,439
Other	74,910	122,509	132,284	284,081
Total interest and dividend income	6,272,425	5,296,473	12,274,289	10,221,013
Interest expense:				
Deposits	2,601,732	1,047,197	4,933,582	1,595,550
Borrowings	38,140	1,372	63,469	1,372
Total interest expense	2,639,872	1,048,569	4,997,051	1,596,922
Net interest income	3,632,553	4,247,904	7,277,238	8,624,091
Provision for credit losses	-	100,000	-	400,000
Net interest income after provision for credit losses	3,632,553	4,147,904	7,277,238	8,224,091
Noninterest income:				
Net gains on sales of loans	22,292	70,746	43,406	138,892
Net gains (losses) on sales of REO	-	-	(37,006)	11,841
Commission income	334,542	305,588	669,991	624,008
Service charges and fees	256,951	282,653	502,485	562,083
Earnings on life insurance	94,612	80,122	175,481	158,426
Other	301,568	330,622	583,877	600,418
Total noninterest income	1,009,965	1,069,731	1,938,234	2,095,668
Noninterest expense:				
Salaries and benefits	1,869,210	1,867,630	3,783,406	3,638,297
Occupancy and equipment	309,349	304,998	626,590	612,381
Professional	121,300	107,657	242,954	216,908
Marketing	101,328	84,978	182,904	178,952
Deposit insurance premium	71,666	42,943	138,666	80,943
Regulatory assessment	10,345	8,089	20,690	16,179
Correspondent bank charges	20,269	22,007	44,210	44,423
Data processing	458,873	469,446	909,840	800,588
Printing, postage and supplies	87,518	77,515	155,218	155,327
Expense on life insurance	24,740	21,994	47,536	44,093
Contribution expense	10,226	10,375	19,935	19,876
Expense on REO	-	1,121	5,822	5,904
Other	402,221	396,732	796,694	792,312
Total noninterest expense	3,487,045	3,415,485	6,974,465	6,606,183
Income before income taxes	1,155,473	1,802,150	2,241,007	3,713,576
Income tax expense	81,027	286,650	188,901	575,037
Net income	\$ 1,074,446	\$ 1,515,500	\$ 2,052,106	\$ 3,138,539

FFW Corporation
Selected Financial Information

Key Balances and Ratios

	Three Months Ended December 31		Six Months Ended December 31	
	2023	2022	2023	2022
	Unaudited	Unaudited	Unaudited	Unaudited
Per common share data:				
Earnings	\$0.95	\$1.34	\$1.82	\$2.76
Diluted earnings	\$0.95	\$1.34	\$1.82	\$2.76
Dividends paid	\$0.29	\$0.28	\$0.58	\$0.56
Average shares issued and outstanding	1,125,986	1,130,963	1,126,307	1,135,688
Shares outstanding end of period	1,125,453	1,130,963	1,125,453	1,130,963
Supplemental data:				
Net interest margin **	2.69%	3.25%	2.72%	3.31%
Return on average assets ***	0.78%	1.13%	0.75%	1.17%
Return on average common equity ***	8.82%	13.71%	9.03%	13.66%
	December 31	June 30		
	2023	2023		
Nonperforming assets *	\$3,543,958	\$2,065,381		
Reposessed assets	\$0	\$109,596		