

ANNUAL USE OF CAPITAL SURVEY - 2009



NAME OF INSTITUTION

(Include Holding Company Where Applicable)

FFW Corporation

Person to be contacted regarding this report:	Emily S. Boardman
UST Sequence Number:	8
CPP Funds Received:	7289000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Dec 19, 2008
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	228279
Holding Company Docket Number: (For Thrift Holding Companies)	H2092
FDIC Certificate Number: (For Depository Institutions)	29839
City:	Wabash
State:	Indiana

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input type="checkbox"/> Increase lending or reduce lending less than otherwise would have occurred.	
<input type="checkbox"/> To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	
<input checked="" type="checkbox"/> Increase securities purchased (ABS, MBS, etc.).	At the Bank level, low risk-weighted securities were increased by \$3.5M.

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input checked="" type="checkbox"/>	Reduce borrowings	At the Bank level, borrowings were reduced by \$2.5M.
<input type="checkbox"/>	Increase charge-offs	
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	FFW Corporation (FFW), holding company for Crossroads Bank (the Bank), received \$7.3M and immediately contributed \$6.0M of those funds to the Bank. FFW retained \$1.3M to meet newly issues preferred stock obligations, borrowing obligations and payment of common stock dividends.

What actions were you able to avoid because of the capital infusion of CPP funds?

The Bank's motivation for entering into the CPP was to replace the decline in capital due to an approximate \$7,000,000 write-down of Federal National Mortgage Association ("Fannie Mae") preferred stock. This loss caused the Bank to temporarily fall below "well capitalized" with respect to applicable regulatory guidelines. The replacement of capital was essential to achieving well capitalized status and the CPP achieved this increase quickly. Participation in the CPP was beneficial in that it provided a cost-effective replacement of the capital as opposed to more expensive and cumbersome forms of capital. Without the infusion of CPP funds, the Bank would have taken alternate actions to replace the capital.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

Participation in the CPP provided the necessary replacement of capital at a level sufficient to support operations of the Bank. The Bank has been able to continue serving customers and prudently underwriting new loan relationships to foster growth in our communities. Without the infusion of CPP capital, the Bank would have taken alternate actions to replace the capital that may have been costly or excessively restrictive to the Bank.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

No other actions were taken beyond what has been stated previously.

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.