

FFBW, Inc. Announces Financial Results for the Three Months Ended December 31, 2022

Brookfield, WI, March 13, 2023 – FFBW, Inc. (OTCQX: FFBW) (the “Company”), the parent company of First Federal Bank of Wisconsin (the “Bank”), a federally chartered stock savings bank offering full-service commercial banking, consumer banking and residential lending, today announced unaudited financial results for the three months ended December 31, 2022. For the three months ended December 31, 2022, net income was \$626,000, or \$0.13 per diluted share, compared to \$402,000, or \$0.07 per diluted share, for the three months ended December 31, 2021, a 55.7% increase quarter to quarter. For the three months ending December 31, 2022, the dilutive weighted average shares outstanding were 4,983,000 compared to 5,976,000 for the three months ended December 31, 2021.

Share Repurchase Program

On September 1, 2022, the Company announced it had adopted a program to repurchase up to 400,000 shares of its common stock, which was approximately 7% of its remaining outstanding common stock. Through March 10, 2023, 315,000 shares were repurchased under the repurchase program, reducing the total number of shares outstanding at March 10, 2023 to 5,331,000.

Delisting and Deregistration

On January 31, 2023, the Company announced that it notified NASDAQ of its intent to voluntarily delist and withdraw the registration of its common stock with the SEC and subsequently filed a Form 25 (Notification of Removal from Listing) and a Form 15 (Certification and Notice of Termination From Registration) with the SEC. Upon filing of the Form 15, the Company’s obligation to file reports with the SEC, including Forms 10-K, 10-Q and 8-K, will be suspended immediately and will terminate when deregistration becomes effective 90 days after the Form 15 was filed.

Financial Highlights at December 31, 2022

- At December 31, 2022, the Company’s tangible book value per share was \$14.12.
- At December 31, 2022, the allowance for loan loss was 1.07% of total loans.
- At December 31, 2022, the Bank had no other real estate owned (OREO).

Edward H. Schaefer, President and CEO, stated, “2022 was another year of continued growth in profitability since converting from a mutual bank structure to our capital stock community bank model focused primarily on serving small businesses. We have successfully executed our plan to utilize our excess capital and liquidity to grow our relationship-based business banking portfolio and execute our stock repurchase programs. We plan to continue these efforts in 2023, focusing on growing our commercial and industrial business base and expanding our digital banking experience in the face of a potential recession and significant competitive pressure on deposits.”

Income Statement and Balance Sheet Overview

Total interest and dividend income increased \$739,000 or 27.6%, to \$3.4 million for the three months ended December 31, 2022, compared to \$2.7 million for the three months ended December 31, 2021.

Total interest expense increased \$122,000, or 57.5%, to \$334,000 for the three months ended December 31, 2022, compared to \$212,000 for the three months ended December 31, 2021.

The loan loss provision was \$101,000 for the three months ended December 31, 2022, compared to \$0 for the three months ended December 31, 2021. At December 31, 2022, our allowance for loan losses was \$2.6 million, or 1.07%, of total loans.

Noninterest income increased \$16,000, or 5.4% to \$311,000 for the three months ended December 31, 2022, compared to \$295,000 for the three months ended December 31, 2021.

Noninterest expense increased \$335,000 to \$2.5 million for the three months ended December 31, 2022, compared to \$2.1 million for the three months ended December 31, 2021. The increase was primarily due to an increase in salaries and employee benefits expenses of \$138,000.

Total assets decreased \$34 million, or 9.5%, to \$323 million at December 31, 2022 from \$357 million at December 31, 2021 resulting primarily from a decrease in cash and cash equivalents, reflecting a decrease in deposits and share repurchase activity.

Nonaccrual loans were \$0.1 million, or 0.06% of total loans, at December 31, 2022 and \$0.3 million, or 0.13% of total loans, at December 31, 2021.

About the Company

FFBW, Inc. is the holding company for First Federal Bank of Wisconsin, a wholly owned subsidiary. The Company's stock trades on OTCQX under the symbol "FFBW." First Federal Bank of Wisconsin is a full-service stock savings bank based in Waukesha, Wisconsin, servicing customers in Waukesha and Milwaukee Counties in Wisconsin through six branch locations.

Cautionary Statement Regarding Forward-Looking Statements

This release contains forward-looking statements, which can be identified by the use of words such as "estimate," "project," "believe," "intend," "anticipate," "plan," "seek," "expect" and words of similar meaning. These forward-looking statements include but are not limited to: statements of our goals, intentions and expectations; statements regarding our business plans, prospects, growth and operating strategies; statements regarding the quality of our loan and investment portfolios; and estimates of our risks and future costs and benefits. These forward-looking statements are based on current beliefs and expectations of our management and are inherently subject to significant business, economic and competitive uncertainties, and contingencies, many of which are beyond our control. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements: general economic conditions, either nationally or in our market areas, that are worse than expected; changes in the level and direction of loan delinquencies and write-offs and changes in estimates of the adequacy of the allowance for loan losses; our ability to access cost-effective funding; fluctuations in real estate values and both residential and commercial real estate market conditions; demand for loans and deposits in our market area; our ability to implement and change our business strategies; competition among depository and other financial institutions; inflation and changes in the interest rate environment that reduce our margins and yields, our mortgage banking revenues, the fair value of financial instruments or our level of loan originations, or increase the level of defaults, losses and prepayments on loans we have made and make; adverse changes in the securities or secondary mortgage markets; changes in laws or government regulations or policies affecting financial institutions, including changes in regulatory fees and capital requirements; the impact of the Dodd-Frank Act and the implementing regulations; changes in the quality or composition of our loan or investment portfolios; technological changes that may be more difficult or expensive than expected; the inability of third-party providers to perform as expected; our ability to manage market risk, credit risk and operational risk in the current economic environment; our ability to enter new markets successfully and capitalize on growth opportunities; changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board, the Securities and Exchange Commission or the Public Company Accounting Oversight Board; our ability to retain key employees;. Because of these and a wide variety of other uncertainties, our actual future results may be materially different from the results indicated by these forward-looking statements.

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FFBW, Inc.
Balance Sheets
December 31, 2022 (Unaudited) and December 31, 2021
(In thousands)

Assets	December 31, 2022	December 31, 2021
Cash and cash equivalents	\$ 10,887	\$ 67,002
Available for sale securities, stated at fair value	47,330	48,398
Net Loans	242,018	222,604
Premises and equipment, net	6,668	5,506
Foreclosed assets	-	-
Other assets	16,132	13,567
TOTAL ASSETS	\$ 323,035	\$ 357,077
Liabilities and Equity		
Deposits and escrow	\$ 234,658	\$ 255,352
Borrowings	8,000	6,500
Other liabilities	2,279	1,253
Total liabilities	\$ 244,937	\$ 263,105
Total equity	\$ 78,098	\$ 93,972
TOTAL LIABILITIES AND EQUITY	\$ 323,035	\$ 357,077

FFBW, Inc.
Condensed Statements of Income
Three Months Ended December 31, 2022 and 2021 (Unaudited)
(In thousands, except share data)

	2022	2021
Interest and dividend income	\$ 3,420	\$ 2,681
Interest expense	334	212
Net interest income	3,086	2,469
Provision for loan losses	101	-
Net interest income after provision for loan losses	2,985	2,469
Noninterest income	311	295
Noninterest expense	2,456	2,121
Income before income taxes	840	643
Provision for income taxes	214	241
Net income (loss)	\$ 626	\$ 402
Earnings (loss) per share		
Basic	\$ 0.13	\$ 0.07
Diluted	\$ 0.13	\$ 0.07