

FIRST NILES FINANCIAL, INC. ANNOUNCES SECOND QUARTER 2025 EARNINGS

Niles, Ohio, August 5, 2025 - First Niles Financial, Inc. (OTCID: FNFI), the holding company for Home Federal Savings and Loan Association of Niles today reported results for the three month and six-month periods ended June 30, 2025.

The Company recorded net income of \$100,000 for the three months ended June 30, 2025, compared to net income of \$246,000 for the same period in 2024, a decrease of \$146,000, or 59.4%. For the six months ended June 30, 2025, the Company recorded net income of \$187,000, compared to net income of \$354,000 for the same period in 2024, a decrease of \$167,000, or 47.2%.

Primary earnings per share for the three and six months ended June 30, 2025 were \$0.07 and \$0.13, respectively, as compared to \$0.18 and \$0.26 for the three month and six-month comparative periods in 2024.

Net interest income after the provision for loan losses for the second quarter of 2025 was \$876,000, compared to \$725,000 for the second quarter of 2024. For the six months ended June 30, 2025, net interest income after the provision for loan losses totaled \$1.7 million, or \$196,000 more than the comparative period in 2024.

Non-interest income for the second quarter of 2025 was \$1.3 million, as compared to \$1.3 million for the second quarter of 2024, a decrease of \$28,000. For the six months ended June 30, 2025, non-interest income totaled \$2.4 million compared to \$2.0 million for the same six-month period in 2024, an increase of \$414,000. The change in non-interest income in both comparative periods presented was primarily attributable to fluctuating revenue from mortgage banking activities at the Union Capital Mortgage Corporation subsidiary.

Non-interest expense was \$2.0 million for the second quarter of 2025, an increase of \$294,000 from the same quarter one year ago. Non-interest expense for the current six-month period was \$3.9 million as compared to \$3.1 million, from the same period one year ago, an increase of \$797,000. The increase in non-interest expense in both comparative periods was primarily related to the increased cost of mortgage banking activities at the Union Capital Mortgage Corporation subsidiary.

Non-performing loans, consisting of non-accruing loans and accruing loans delinquent more than 90 days totaled \$877,000 at June 30, 2025, or 0.8% of net loans receivable. The allowance for loan losses totaled \$949,000 at June 30, 2025, representing 108.2% of non-performing loans and 0.9% of net loans receivable. At December 31, 2024, the allowance for loan losses totaled \$1.0 million, representing 112.7% of non-performing loans and 1.0% of net loans receivable. At June 30, 2025 we had no real estate owned, which was unchanged from December 31, 2024.

At June 30, 2025, total assets were \$157.6 million compared to \$156.4 million at December 31, 2024, an increase of \$1.2 million, or 0.8%. Net loans receivable totaled \$103.3 million at June 30, 2025, as compared to \$103.3 million at December 31, 2024, a decrease of \$22,000. Deposits were \$87.7 million at June 30, 2025, as compared to \$83.6 million at December 31, 2024, an increase of \$4.1 million, or 4.9%.

Total equity at June 30, 2025, was \$16.7 million, \$2.5 million higher than at December 31, 2024. This increase was primarily due to a \$2.1 million capital raise, resulting in the issuance of treasury shares, that was completed in the second quarter of 2025. At June 30, 2025, the Association significantly exceeded all regulatory capital requirements.

First Niles Financial, Inc. and its wholly owned subsidiary, Home Federal Savings and Loan Association of Niles, may from time to time make written or oral forward-looking statements within the meaning of federal securities laws. These forward-looking statements may also be included in press releases, such as this one, and other communications by the company, which are made in good faith by us pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995.

These forward-looking statements include statements about our beliefs, plans, objectives, goals, expectations, anticipations, estimates and intentions, that are subject to significant risk and uncertainties, and are subject to change based on various factors (some of which are beyond our control). The words may, could, should, would, believe, anticipate, estimate, expect, intend, plan and similar expressions are intended to identify forward-looking statements. Except as required by law or regulation, the Company disclaims any obligation to update such forward-looking statements.

First Niles Financial, Inc. is headquartered at 55 North Main Street, Niles, Ohio 44446.

FOR IMMEDIATE RELEASE

For Further Information Contact:

August 5, 2025

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Selected Financial Condition Data

(In thousands, except per share data)

	June 30, 2025	December 31, 2024
<u>Selected Financial Condition Data:</u>		
Total assets	\$ 157,579	\$ 156,381
Loans held for investment	103,291	103,313
Loans held for sale	19,266	16,134
Securities (AFS) at market	15,364	15,145
Securities (HTM) at cost	1,250	1,250
Deposits	87,669	83,581
Total borrowings	51,027	56,448
Retained earnings	14,148	14,136
Common Stock and paid in capital	6,275	6,668
Total equity	16,676	14,167
Book value per share	\$ 10.69	\$ 10.46

Selected Financial Condition Data

(In thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2025	2024	2025	2024
<u>Selected Operations Data:</u>				
Interest Income	\$ 2,018	\$ 1,808	\$ 4,018	\$ 3,658
Interest Expense	1,192	1,083	2,355	2,165
Provision for loan losses	(50)	-	(79)	(53)
Net interest income after provision	876	725	1,742	1,546
Total noninterest income	1,288	1,316	2,406	1,993
Total noninterest expense	2,009	1,715	3,877	3,080
Income before taxes	155	326	271	459
Income tax provision	55	80	84	104
Net income	\$ 100	\$ 246	\$ 187	\$ 354
Earnings per share – basic	\$ 0.07	\$ 0.18	\$ 0.13	\$ 0.26
Earnings per share – diluted	\$ 0.07	\$ 0.18	\$ 0.13	\$ 0.26