

FIRST NILES FINANCIAL, INC. ANNOUNCES FOURTH QUARTER AND YEAR END 2025 EARNINGS

Niles, Ohio, February 13, 2026 - 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 one-year periods ended December 31, 2025.

The Company recorded net income of \$359,000, or \$0.25 per common share, for the quarter ended December 31, 2025, as compared to net income of \$177,000, or \$0.13 per common share, in the comparative quarter one year ago.

For the year ended December 31, 2025, the Company recorded net income of \$843,000, or \$0.57 per common share, compared to net income of \$863,000, or \$0.64 per common share for the year ended December 31, 2024.

Return on average assets for the three months and year ended 2025 was 0.89% and 0.53%, respectively. Return on average assets for the three months and year ended 2024, was 0.46% and 0.56%, respectively.

Net interest income after the provision for loan losses for the fourth quarter of 2025 was \$937,000 as compared to \$750,000 for the same quarter in 2024, an increase of \$187,000. Net interest income after the provision for loan losses for the year ended December 31, 2025 was \$3.51 million, as compared to \$3.05 million in 2024, an increase of \$462,000.

Non-interest income for the fourth quarter of 2025 was \$1.93 million compared to \$1.42 million for the same period in 2024. Non-interest income for the year ended December 31, 2025 was \$5.97 million compared to \$5.00 million for 2024. The increase in non-interest income in both comparative periods presented was primarily attributable to an increase in revenue from mortgage banking activities at the Union Capital Mortgage Corporation subsidiary.

Non-interest expense for the fourth quarter of 2025 was \$2.38 million, compared to \$1.92 million for the fourth quarter of 2024, an increase of \$459,000. Non-interest expense for the year ended December 31, 2025 was \$8.36 million compared to \$6.89 million for 2024, an increase of \$1.47 million. These fluctuations are directly related to the volume of loan originations and operations of Union Capital Mortgage Corporation.

Non-performing loans, consisting of non-accruing loans and accruing loans delinquent more than 90 days decreased to \$866,000 at December 31, 2025, or 0.9% of net loans receivable from \$913,000, or 0.9% of net loans receivable at December 31, 2024. The allowance for loan losses totaled \$879,000 at December 31, 2025, which represented 101.5% of non-performing loans and 0.9% of net loans receivable. The allowance for loan losses totaled \$1.03 million at December 31, 2024, which represented 112.7% of non-performing loans and 1.0% of net loans receivable. At year end 2025 the Association had no real estate owned which is unchanged from year-end 2024.

At December 31, 2025 the Company had total assets of \$156.6 million, \$261,000 more than at December 31, 2024. During the year, net loans held for investment decreased by \$3.1 million and total investment securities decreased by \$469,000. Cash and cash equivalents increased by \$1.4 million during 2025. Deposits increased by \$4.5 million, or 5.4%, during 2025.

Total equity at December 31, 2025, was \$17.4 million, or 11.1% of total assets, compared to \$14.2 million, or 9.1% of total assets, at December 31, 2024. At both dates the Association exceeded all regulatory capital requirements.

The Company's annual meeting of shareholders will be held on Wednesday, April 29, 2026, at 2:00 p.m., at the main office of First Niles Financial, Inc., located at 55 North Main Street, Niles, Ohio. At the meeting, common shareholders of record on March 6, 2026, will be asked to consider and vote upon the election of two directors, as well as such other matters as may properly come before the meeting, or any adjournments thereof.

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:

February 13, 2026

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Selected Financial Condition Data

(In thousands, except per share data)

	December 31, 2025	December 31, 2024
<u>Selected Financial Condition Data:</u>		
Total assets	\$ 156,642	\$ 156,381
Loans held for investment	100,236	103,313
Loans held for sale	18,916	16,134
Securities (AFS) at market	15,176	15,145
Securities (HTM) at cost	750	1,250
Deposits	88,105	83,581
Total borrowings	49,026	56,448
Retained earnings	14,617	14,136
Common Stock and paid in capital	6,275	6,668
Total equity	17,369	14,167
Book value per share	\$ 11.13	\$ 10.46

Selected Financial Condition Data

(In thousands, except per share data)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2025	2024	2025	2024
<u>Selected Operations Data:</u>				
Interest Income	\$ 2,057	\$ 1,952	\$ 8,055	\$ 7,500
Interest Expense	1,174	1,193	4,693	4,496
Provision for loan losses	(54)	9	(147)	(43)
Net interest income after provision	937	750	3,509	3,047
Total noninterest income	1,925	1,424	5,974	4,995
Total noninterest expense	2,378	1,919	8,356	6,887
Income before taxes	484	254	1,127	1,155
Income tax provision	125	78	284	292
Net income	\$ 359	\$ 177	\$ 843	\$ 863
Earnings per share – basic	\$ 0.25	\$ 0.13	\$ 0.57	\$ 0.64
Earnings per share – diluted	\$ 0.25	\$ 0.13	\$ 0.57	\$ 0.64