

FIRST NILES FINANCIAL, INC. ANNOUNCES SECOND QUARTER 2026 EARNINGS

Niles, Ohio, July 31, 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 six-month periods ended June 30, 2026.

The Company recorded net income of \$245,000 for the three months ended June 30, 2026, compared to net income of \$100,000 for the same period in 2025, an increase of \$145,000, or 145.0%. For the six months ended June 30, 2026, the Company recorded net income of \$487,000, compared to net income of \$187,000 for the same period in 2025, an increase of \$300,000, or 160.4%.

Primary earnings per share for the three and six months ended June 30, 2026, were \$0.16 and \$0.31, respectively, as compared to \$0.07 and \$0.13 for the three month and six-month comparative periods in 2025.

Net interest income after the provision for loan losses for the second quarter of 2026 was \$874,000, compared to \$876,000 for the second quarter of 2025. For the six months ended June 30, 2026, net interest income after the provision for loan losses totaled \$1.7 million, or \$5,000 greater than the comparative period in 2025.

Non-interest income for the second quarter of 2026 was \$2.3 million, as compared to \$1.3 million for the second quarter of 2025, an increase of \$991,000. For the six months ended June 30, 2026, non-interest income totaled \$4.0 million compared to \$2.4 million for the same six-month period in 2025, an increase of \$1.6 million.

Non-interest expense was \$2.8 million for the second quarter of 2026, an increase of \$786,000 from the same quarter one year ago. Non-interest expense for the current six-month period was \$5.0 million as compared to \$3.9 million, from the same period one year ago, an increase of \$1.1 million. The increase in non-interest income and non-interest expense in both comparative periods was primarily related to increased mortgage origination volume at the Union Capital Mortgage division.

Non-performing loans, consisting of non-accruing loans and accruing loans delinquent more than 90 days totaled \$850,000 at June 30, 2026, or 0.9% of net loans receivable. The allowance for loan losses totaled \$826,000 at June 30, 2026, representing 97.2% of non-performing loans and 0.8% of net loans receivable. At December 31, 2025, the allowance for loan losses totaled \$879,000, representing 101.5% of non-performing loans and 0.9% of net loans receivable. At June 30, 2026, we had no real estate owned, which was unchanged from December 31, 2025.

At June 30, 2026, total assets were \$159.2 million compared to \$156.6 million at December 31, 2025, an increase of \$2.5 million, or 1.6%. Net loans held for investment totaled \$99.1 million at June 30, 2026, as compared to \$100.2 million at December 31, 2025, a decrease of \$1.2 million, or 1.2%. Deposits were \$85.9 million at June 30, 2026, as compared to \$88.1 million at December 31, 2025, a decrease of \$2.2 million, or 2.5%.

Total equity at June 30, 2026, was \$17.5 million, \$171,000 higher than at December 31, 2025. This increase was primarily due to a \$299,000 increase in retained earnings partially offset by a \$128,000 decrease in net unrealized losses on available for sale securities. At June 30, 2026, 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:

July 31 2026

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Selected Financial Condition Data
(In thousands, except per share data)

	June 30 2026	December 31, 2025
<u>Selected Financial Condition Data:</u>		
Total assets	\$ 159,169	\$ 156,642
Loans held for investment	99,073	100,235
Loans held for sale	22,539	18,917
Securities (AFS) at market	14,686	15,176
Securities (HTM) at cost	500	750
Deposits	85,904	88,105
Total borrowings	53,000	49,027
Retained earnings	14,916	14,616
Common Stock and paid in capital	6,275	6,275
Total equity	17,540	17,369
Book value per share	\$ 11.24	\$ 11.13

Selected Financial Condition Data
(In thousands, except per share data)

	Three Months Ended		Six Months Ended	
	2026	2025	2026	2025
<u>Selected Operations Data:</u>				
Interest Income	\$ 1,983	\$ 2,018	\$ 3,898	\$ 4,018
Interest Expense	1,116	1,192	2,194	2,355
Provision for loan losses	(8)	(50)	(43)	(79)
Net interest income after provision	874	876	1,747	1,742
Total noninterest income	2,279	1,288	3,960	2,406
Total noninterest expense	2,795	2,009	5,001	3,877
Income before taxes	359	155	705	271
Income tax provision	113	55	218	84
Net income	\$ 245	\$ 100	\$ 487	\$ 187
Earnings per share – basic	\$ 0.16	\$ 0.07	\$ 0.31	\$ 0.13
Earnings per share – diluted	\$ 0.16	\$ 0.07	\$ 0.31	\$ 0.13