

**FIRST NILES FINANCIAL, INC.
ANNOUNCES AGREEMENT TO ACQUIRE
UNION CAPITAL MORTGAGE CORPORATION**

Niles, Ohio, December 23, 2019 – First Niles Financial, Inc. (OTCPK: FNFI) (the “Company”), the holding company for Home Federal Savings and Loan Association of Niles (“Home Federal”), today announced the signing of a definitive stock purchase agreement whereby the Company will acquire Union Capital Mortgage Corporation (“Union Capital”) in a cash and stock transaction. The agreement has been approved by the Board of Directors of each company. Upon completion of the transaction, Union Capital will become a wholly-owned subsidiary of Home Federal.

Union Capital is a residential mortgage company headquartered in Mentor, Ohio. Founded in 1995, Union Capital originates and funds residential loans in Ohio, Florida and Georgia through its three office locations. Daniel Csontos, President of Home Federal, stated, “we are excited about the opportunities that Union Capital provides us in expanding our customer base and access to markets throughout Northeast Ohio. We expect the acquisition to be accretive to earnings per share immediately.” Ronald M. Szuch, Founder and President of Union Capital, stated “we look forward to growing with Home Federal and expanding our service offering to better serve the needs of our customers. I also believe that the requirements for growth are already in place and that Home Federal’s “common sense” approach to lending fits perfectly with Union Capital’s own lending philosophy.”

Subject to customary regulatory approval and other closing conditions, the transaction is expected to occur in the first quarter of 2020. The Company is being advised by Dinsmore & Shohl LLP.

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:

December 23, 2019

Daniel E. Csontos, President
Mary Ann Coates, Chief Financial Officer
First Niles Financial, Inc.
55 N. Main Street
Niles, Ohio 44446
(330) 652-2539