

FIRST NILES FINANCIAL, INC.
ANNOUNCES FOURTH QUARTER AND YEAR END 2023 EARNINGS

Niles, Ohio, February 2, 2024 - First Niles Financial, Inc. (OTCPK: 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, 2023.

The Company recorded net income of \$342,000, or \$0.26 per common share, for the quarter ended December 31, 2023, as compared to net income of \$164,000, or \$0.12 per common share, in the comparative quarter one year ago.

For the year ended December 31, 2023 the Company recorded net income of \$808,000, or \$0.60 per common share, compared to net income of \$252,000, or \$0.18 per common share for the year ended December 31, 2022.

Return on average assets for the three months and year ended 2023 was 0.92% and 0.54%, respectively. Return on average assets for the three months and year ended 2022, was 0.51% and 0.20%, respectively.

Net interest income after the provision for loan losses for the fourth quarter of 2023 was \$832,000 as compared to \$829,000 for the same quarter in 2022, an increase of \$3,000. Net interest income after the provision for loan losses for the year ended December 31, 2023 was \$3.19 million, as compared to \$2.99 million in 2022, an increase of \$199,000. The increase in net interest income after the provision for loan losses in 2023 was primarily attributable to an increase in the average balance of loans on a comparative period basis.

Non-interest income for the fourth quarter of 2023 was \$1.02 million compared to \$762,000 for the same period in 2022. Non-interest income for the year ended December 31, 2023 was \$3.61 million compared to \$4.08 million for 2022. In both periods presented, the fluctuation in non-interest income was attributable to a fluctuation in net gains on the sale of loans. The sale of loans is directly attributable to the operations of the Association's wholly-owned subsidiary, Union Capital Mortgage Corporation, acquired on August 2, 2021.

Non-interest expense for the fourth quarter of 2023 was \$1.43 million, compared to \$1.40 million for the fourth quarter of 2022, an increase of \$27,000. Non-interest expense for the year ended December 31, 2023 was \$5.80 million compared to \$6.64 million for 2022, a decrease of \$841,000. 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 increased to \$437,000 at December 31, 2023, or 0.4% of net loans receivable from \$150,000, or 0.2% of net loans receivable at December 31, 2022. The allowance for loan losses totaled \$1.063 million at December 31, 2023, which represented 243.4% of non-performing loans and 1.0% of net loans receivable. The allowance for loan losses totaled \$677,000 at December 31, 2022, which represented 451.3% of non-performing loans and 0.7% of net loans receivable. At year end 2023 the Association had no real estate owned which is unchanged from year-end 2022.

At December 31, 2023 the Company had total assets of \$156.9 million, \$23.0 million greater than at December 31, 2022. During the year, net loans held for investment increased by \$12.0 million and total investment securities decreased by \$534,000. Cash and cash equivalents increased by \$7.4 million during 2023. Deposits increased by \$4.6 million, or 5.5%, during 2023.

Total equity at December 31, 2023 was \$13.7 million, or 8.7% of total assets, compared to \$13.1 million, or 9.8% of total assets, at December 31, 2022. At both dates the Association exceeded all regulatory capital requirements.

The Company's annual meeting of shareholders will be held on Wednesday, April 24, 2024, 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 8, 2024, 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 2, 2024

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

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

	Unaudited	
	December 31, 2023	December 31, 2022
Selected Financial Condition Data:		
Total assets	\$ 156,897	\$ 133,890
Loans held for investment	102,985	90,967
Loans held for sale	10,099	6,857
Securities (AFS) at market	16,067	16,601
Securities (HTM) at cost	1,250	1,250
Deposits	88,100	83,492
Total borrowings	53,070	35,092
Retained earnings	13,599	13,350
Common Stock and paid in capital	6,668	6,668
Total equity	13,661	13,144
Book value per share	\$ 10.08	\$ 9.70

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

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	Unaudited 2023	2022	Unaudited 2023	2022
Selected Operations Data:				
Interest Income	\$ 1,881	\$ 1,285	\$ 6,709	\$ 4,269
Interest Expense	1,057	439	3,394	1,258
Provision for loan losses	(8)	17	125	20
Net interest income after provision	832	829	3,190	2,991
Total noninterest income	1,020	762	3,606	4,082
Total noninterest expense	1,425	1,398	5,794	6,635
Income before taxes	427	193	1,002	438
Income tax provision	85	29	194	186
Net income	\$ 342	\$ 164	\$ 808	\$ 252
Earnings per share – basic	\$ 0.26	\$ 0.12	\$ 0.60	\$ 0.18
Earnings per share – diluted	\$ 0.26	\$ 0.12	\$ 0.60	\$ 0.18