

NEWS RELEASE

FOR IMMEDIATE RELEASE

August 3, 2021

Contact: Daniel E. Csontos
President and CEO
First Niles Financial, Inc.
(330) 652-2539

FIRST NILES FINANCIAL, INC. ACQUISITION OF UNION CAPITAL MORTGAGE CORPORATION.

First Niles Financial, Inc. (“First Niles”) (OTCPK: FNFI), parent company of Home Federal Savings and Loan Association of Niles (“Home Federal”), announced today that it has completed its acquisition of Union Capital Mortgage Corporation (“Union Capital”). The acquisition became effective as of the close of 11:59 p.m. August 2, 2021, in a cash and stock transaction valued at approximately \$3.330 million, via stock purchase agreement resulting in the Union Capital becoming a wholly-owned subsidiary of Home Federal.

As a result, Union Capital will continue to operate its mortgage banking business from offices located in Mentor, Westlake and Hudson, all in Northeast Ohio.

“We are thrilled to complete this transaction, which expands our presence in the Cleveland market and helps diversify our business model,” said Daniel E. Csontos, President and Chief Executive Officer of First Niles. “We are appreciative of the hard work and dedication of employees of Union Capital and First Niles in completing this transaction.”

At June 30, 2021, First Niles had approximately \$112.9 million in total assets, \$67.9 million in total loans and \$75.6 million in total deposits.

Safe Harbor Statement:

Statements made in this news release that are not historical facts are “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, Section 21E of the Securities Exchange Act of 1934, as amended, and the Private Securities Litigation Reform Act of 1995. These statements are subject to certain risks and uncertainties including, but not limited to, the successful integration of the transaction contemplated in this release, which includes the retention of the acquired customer relationships, adverse changes in economic conditions, the impact of competitive products and pricing and the other risks set forth in First Niles’ filings with the OTC Markets. As a result, actual results may differ materially from the forward-looking statements in this news release.

First Niles encourages readers of this news release to understand forward-looking statements to be strategic objectives rather than absolute targets of future performance. First Niles undertakes no obligation to update these forward-looking statements to reflect events or circumstances after the date of this news release or to reflect the occurrence of unanticipated events, except as required by applicable legal requirements. Copies of documents filed with the OTC Markets are available free of charge at the OTC Markets website at <http://www.otcmarkets.com>.

END OF RELEASE