

FIRST NILES FINANCIAL, INC. ANNOUNCES SECOND QUARTER 2024 EARNINGS

Niles, Ohio, August 26, 2024 - First Niles Financial, Inc. (OTC Pink: 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, 2024.

The Company recorded net income of \$246,000 for the three months ended June 30, 2024, compared to net income of \$199,000 for the same period in 2023, an increase of \$47,000, or 23.6%. For the six months ended June 30, 2024, the Company recorded net income of \$354,000, compared to net income of \$250,000 for the same period in 2023, an increase of 41.6%.

Primary earnings per share for the three and six months ended June 30, 2024 was \$0.18 and \$0.26, respectively, as compared to \$0.15 and \$0.19 for the three month and six-month comparative periods in 2023.

Net interest income after the provision for loan losses for the second quarter of 2024 was \$725,000, compared to \$834,000 for the second quarter of 2023. For the six months ended June 30, 2024, net interest income after the provision for loan losses totaled \$1.5 million, or \$41,000 less than the comparative period in 2023.

Non-interest income for the second quarter of 2024 was \$1.3 million, as compared to \$923,000 for the second quarter of 2023, an increase of \$393,000. For the six months ended June 30, 2024 non-interest income totaled \$2.0 million compared to \$1.6 million for the same six-month period in 2023, an increase of \$374,000. 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 increased \$207,000 for the quarter ended June 30, 2024 as compared to the quarter ended June 30, 2023. Non-interest expense increased \$184,000, in the current six-month period as compared to the same period one year ago. The increase in non-interest expense in both comparative periods was primarily related to an increase in mortgage banking activities at the Union Capital Mortgage Corporation subsidiary.

Non-performing loans, consisting of non-accruing loans and accruing loans delinquent more than 90 days totaled \$1.3 million at June 30, 2024, or 1.3% of net loans receivable. The allowance for loan losses totaled \$1.0 million at June 30, 2024, representing 78.8% of non-performing loans and 1.0% of net loans receivable. At December 31, 2023, the allowance for loan losses totaled \$1.1 million, representing 243.4% of non-performing loans and 1.0% of net loans receivable. At June 30, 2024 we had no real estate owned, which was unchanged from December 31, 2023.

At June 30, 2024 total assets were \$150.1 million compared to \$156.9 million at December 31, 2023, a decrease of \$6.8 million, or 4.3%. Net loans receivable totaled \$99.7 million at June 30, 2024 as compared to \$103.0 million at December 31, 2023, a decrease of \$3.3 million, or 3.2%. Deposits were \$84.4 million at June 30, 2024 as compared to \$88.1 million at December 31, 2023, a decrease of \$3.7 million, or 4.2%.

Total equity at June 30, 2024 was \$13.7 million, \$23,000 higher than at December 31, 2023. At June 30, 2024 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:

August 26, 2024

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

	June 30, 2024	December 31, 2023
<u>Selected Financial Condition Data:</u>		
Total assets	\$ 150,095	\$ 156,897
Loans held for investment	99,671	102,985
Loans held for sale	11,856	10,099
Securities (AFS) at market	15,421	16,067
Securities (HTM) at cost	1,250	1,250
Deposits	84,361	88,100
Total borrowings	50,048	53,070
Retained earnings	13,791	13,599
Common Stock and paid in capital	6,668	6,668
Total equity	13,684	13,661
Book value per share	\$ 10.10	\$ 10.08

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2024	2023	2024	2023
<u>Selected Operations Data:</u>				
Interest Income	\$ 1,808	\$ 1,645	\$ 3,658	\$ 3,091
Interest Expense	1,083	785	2,165	1,405
Provision for loan losses	-	26	(53)	99
Net interest income after provision	725	834	1,546	1,587
Total noninterest income	1,316	923	1,993	1,619
Total noninterest expense	1,715	1,508	3,080	2,896
Income before taxes	326	249	459	310
Income tax provision	81	50	104	59
Net income	\$ 246	\$ 199	\$ 354	\$ 250
Earnings per share – basic	\$ 0.18	\$ 0.15	\$ 0.26	\$ 0.19
Earnings per share – diluted	\$ 0.18	\$ 0.15	\$ 0.26	\$ 0.19