

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED JUNE 30, 2012**

Coshocton, Ohio, July 25, 2012 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$798,000, or \$.57 basic and diluted earnings per share, for the quarter ended June 30, 2012 compared to net income of \$506,000, or \$.36 basic and diluted earnings per share, for the quarter ended June 30, 2011, an increase of \$292,000, or 57.6%.

Net income for the year ended June 30, 2012 was \$2,439,000, or \$1.73 basic and diluted earnings per share, compared to \$1,856,000 for the year ended June 30, 2011, or \$1.31 basic and diluted earnings per share, an increase of \$583,000, or 31.4%.

This increase in earnings for the year ended June 30, 2012 compared with June 30, 2011 was primarily attributable to an increase in net interest income of \$548,000, a decrease in the provision for loan losses of \$90,000, an increase in total noninterest income of \$113,000, and a decrease in total noninterest expense of \$161,000, partially offset by an increase in income tax expense of \$329,000.

The net interest margin for the year ended June 30, 2012 was 4.84%. Return on average equity and return on average assets for the year ended June 30, 2012 were 12.39% and 1.49%, respectively. The book value of HLFN's common stock was \$14.41 per share as of June 30, 2012 compared to \$13.62 per share as of June 30, 2011.

Total assets at June 30, 2012 were \$166.6 million compared to June 30, 2011 assets of \$162.4 million, an increase of \$4.2 million, or 2.6%. Total deposits at June 30, 2012 were \$131.3 million compared to June 30, 2011 deposits of \$129.5 million, an increase of \$1.8 million. Total equity at June 30, 2012 was \$20.1 million compared to \$19.3 million at June 30, 2011, an increase of \$867,000.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 413 Main Street, Coshocton, Ohio 43812. The Home Loan Savings Bank has two offices located in Coshocton, Ohio, a branch in West Lafayette, Ohio and a branch in Mount Vernon, Ohio.

HOME LOAN FINANCIAL CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<u>June 30, 2012</u>	<u>June 30, 2011</u>
ASSETS		
Cash and cash equivalents	\$ 11,200,899	\$ 8,652,447
Interest-bearing time deposits	2,339,807	588,533
Securities available for sale	6,474,307	10,076,967
Federal Home Loan Bank stock	2,663,300	2,663,300
Loans, net	135,083,853	131,273,124
Premises and equipment	3,068,782	3,177,024
Accrued interest receivable	521,393	731,799
Bank owned life insurance	4,115,901	3,975,401
Other assets	<u>1,094,027</u>	<u>1,217,096</u>
Total assets	<u>\$166,562,269</u>	<u>\$162,355,691</u>
 LIABILITIES		
Deposits	\$ 131,304,879	\$ 129,525,177
Federal Home Loan Bank advances	14,003,032	12,390,714
Accrued interest payable	270,486	350,394
Accrued expenses and other liabilities	<u>854,562</u>	<u>826,865</u>
Total liabilities	146,432,959	143,093,150
 SHAREHOLDERS' EQUITY		
Preferred stock, no par value, 500,000 shares authorized, none outstanding	--	--
Common stock, no par value, 9,500,000 shares authorized, 2,248,250 shares issued	--	--
Additional paid-in capital	15,044,411	15,044,411
Retained earnings	16,088,831	14,922,500
Treasury stock, at cost – 851,744 shares at June 30, 2012 and 834,453 shares at June 30, 2011	(11,025,698)	(10,805,238)
Accumulated other comprehensive income	<u>21,766</u>	<u>100,868</u>
Total shareholders' equity	<u>20,129,310</u>	<u>19,262,541</u>
Total liabilities and shareholders' equity	<u>\$166,562,269</u>	<u>\$162,355,691</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2012	2011	2012	2011
Total interest income	\$2,252,442	\$2,091,248	\$8,734,886	\$8,832,780
Total interest expense	<u>319,592</u>	<u>426,706</u>	<u>1,446,764</u>	<u>2,092,409</u>
Net interest income	1,932,850	1,664,542	7,288,122	6,740,371
Provision for loan losses	<u>200,000</u>	<u>150,000</u>	<u>560,000</u>	<u>650,000</u>
Net interest income after provision for loan losses	1,732,850	1,514,542	6,728,122	6,090,371
Total noninterest income	329,329	219,441	1,125,417	1,012,601
Total noninterest expense	<u>1,027,136</u>	<u>1,157,519</u>	<u>4,332,495</u>	<u>4,493,732</u>
Income before income tax expense	1,035,043	576,464	3,521,044	2,609,240
Income tax expense	<u>237,097</u>	<u>70,293</u>	<u>1,082,297</u>	<u>753,288</u>
Net income	<u>\$ 797,946</u>	<u>\$ 506,171</u>	<u>\$2,438,747</u>	<u>\$1,855,952</u>
 Basic earnings per share	 <u>\$.57</u>	 <u>\$.36</u>	 <u>\$ 1.73</u>	 <u>\$ 1.31</u>
 Diluted earnings per share	 <u>\$.57</u>	 <u>\$.36</u>	 <u>\$ 1.73</u>	 <u>\$ 1.31</u>