

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2010**

Coshocton, Ohio, January 19, 2011 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$479,000, or \$.34 basic and diluted earnings per share, for the quarter ended December 31, 2010 compared to net income of \$401,000, or \$.28 basic and diluted earnings per share, for the quarter ended December 31, 2009, an increase of \$78,000, or 19.6%.

This increase in earnings for the quarter ended December 31, 2010 compared with December 31, 2009 was primarily attributable to an increase in net interest income of \$145,000 and an increase in the total noninterest income of \$45,000, partially offset by an increase in the provision for loan losses of \$50,000 and an increase in income tax expense of \$41,000.

The net interest margin for the three months ended December 31, 2010 was 4.51%. Return on average equity and return on average assets for the three months ended December 31, 2010 were 10.15% and 1.17%, respectively. The book value of HLFN's common stock was \$13.37 per share as of December 31, 2010 compared to \$13.10 per share as of December 31, 2009.

Total assets at December 31, 2010 were \$164.8 million compared to June 30, 2010 assets of \$163.5 million, an increase of \$1.3 million. Total deposits at December 31, 2010 were \$132.2 million compared to June 30, 2010 deposits of \$126.6 million, an increase of \$5.6 million, or 4.4%. Total equity at December 31, 2010 was \$18.9 million compared to \$18.7 million at June 30, 2010, an increase of \$181,000.

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>December 31, 2010</u>	<u>June 30, 2010</u>
ASSETS		
Cash and cash equivalents	\$ 9,465,389	\$ 7,725,509
Interest-bearing time deposits	346,127	1,959,754
Securities available for sale	9,170,928	9,295,644
Federal Home Loan Bank stock	2,663,300	2,663,300
Loans, net	134,172,562	132,791,641
Premises and equipment	2,985,580	3,013,717
Accrued interest receivable	771,449	847,808
Bank owned life insurance	3,904,701	3,832,501
Other assets	<u>1,304,967</u>	<u>1,361,307</u>
Total assets	<u>\$164,785,003</u>	<u>\$163,491,181</u>
LIABILITIES		
Deposits	\$ 132,241,101	\$ 126,633,241
Federal Home Loan Bank advances	12,696,457	16,830,430
Accrued interest payable	387,036	574,504
Accrued expenses and other liabilities	<u>557,834</u>	<u>731,815</u>
Total liabilities	145,882,428	144,769,990
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	14,557,754	14,303,620
Treasury stock, at cost – 834,453 shares at December 31, 2010 and June 30, 2010	(10,805,238)	(10,805,238)
Accumulated other comprehensive income	<u>105,648</u>	<u>178,398</u>
Total shareholders' equity	<u>18,902,575</u>	<u>18,721,191</u>
Total liabilities and shareholders' equity	<u>\$164,785,003</u>	<u>\$163,491,181</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Total interest income	\$2,281,713	\$2,328,297	\$4,597,289	\$4,685,814
Total interest expense	<u>551,465</u>	<u>743,385</u>	<u>1,193,814</u>	<u>1,521,257</u>
Net interest income	1,730,248	1,584,912	3,403,475	3,164,557
Provision for loan losses	<u>200,000</u>	<u>150,000</u>	<u>350,000</u>	<u>310,000</u>
Net interest income after provision for loan losses	1,530,248	1,434,912	3,053,475	2,854,557
Total noninterest income	297,451	252,767	586,036	536,032
Total noninterest expense	<u>1,101,905</u>	<u>1,081,060</u>	<u>2,236,829</u>	<u>2,140,224</u>
Income before income tax expense	725,794	606,619	1,402,682	1,250,365
Income tax expense	<u>246,745</u>	<u>206,000</u>	<u>476,995</u>	<u>424,865</u>
Net income	<u>\$ 479,049</u>	<u>\$ 400,619</u>	<u>\$ 925,687</u>	<u>\$ 825,500</u>
Basic earnings per share	<u>\$.34</u>	<u>\$.28</u>	<u>\$.65</u>	<u>\$.58</u>
Diluted earnings per share	<u>\$.34</u>	<u>\$.28</u>	<u>\$.65</u>	<u>\$.58</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Net interest margin	4.51%	4.24%	4.45%	4.23%
Return on average assets	1.17%	1.00%	1.13%	1.03%
Return on average equity	10.15%	8.45%	9.84%	8.67%
Total equity to total assets	11.47%	11.57%	11.47%	11.57%
Common shares outstanding	1,413,797	1,413,797	1,413,797	1,413,797
Book value per share	\$13.37	\$13.10	\$13.37	\$13.10
Nonperforming assets to total assets	2.00%	2.28%	2.00%	2.28%