

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2010**

Coshocton, Ohio, July 28, 2010 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$369,000, or \$.26 basic and diluted earnings per share, for the quarter ended June 30, 2010 compared to net income of \$402,000, or \$.28 basic and diluted earnings per share, for the quarter ended June 30, 2009, a decrease of \$33,000, or 8.3%.

Net income for the year ended June 30, 2010 was \$1,542,000, or \$1.08 basic and diluted earnings per share, compared to \$1,457,000 for the year ended June 30, 2009, or \$.99 basic and diluted earnings per share, an increase of \$86,000, or 5.9%.

This increase in earnings for the year ended June 30, 2010 compared with June 30, 2009 was primarily attributable to an increase in net interest income of \$73,000, an increase in noninterest income of \$159,000 and a decrease in noninterest expense of \$130,000, partially offset by an increase in the provision for loan losses of \$235,000 and an increase in income tax expense of \$42,000. The provision for loan losses was funded heavily in fiscal year 2010 to allow for general economic conditions in HLFN's market area.

The net interest margin for the year ended June 30, 2010 was 4.06% compared to 3.93% for the year ended June 30, 2009, an increase of 13 basis points, or 3.3%. Return on average equity and return on average assets for the year ended June 30, 2010 were 8.14% and 0.96%, respectively. The book value of HLFN's common stock was \$13.24 per share as of June 30, 2010 compared to \$13.07 per share as of June 30, 2009, an increase of \$.17, or 1.3%.

Total assets at June 30, 2010 were \$163.5 million compared to June 30, 2009 assets of \$160.4 million, an increase of \$3.1 million, or 1.9%. Total deposits at June 30, 2010 were \$126.6 million compared to June 30, 2009 deposits of \$107.7 million, an increase of \$19.0 million, or 17.6%. Total equity at June 30, 2010 was \$18.7 million compared to \$18.9 million at June 30, 2009, a decrease of \$166,000.

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, 2010</u>	<u>June 30, 2009</u>
ASSETS		
Cash and cash equivalents	\$ 7,725,509	\$ 2,097,532
Interest-bearing time deposits	1,959,754	2,632,930
Securities available for sale	9,295,644	7,797,702
Mortgage-backed securities available for sale	--	5,778,710
Federal Home Loan Bank stock	2,663,300	2,663,300
Loans, net	132,791,641	131,570,705
Premises and equipment	3,013,717	3,056,271
Accrued interest receivable	847,808	966,005
Bank owned life insurance	3,832,501	3,692,886
Other assets	<u>1,361,307</u>	<u>164,629</u>
Total assets	<u>\$163,491,181</u>	<u>\$160,420,670</u>
 LIABILITIES		
Deposits	\$ 126,633,241	\$ 107,653,921
Federal Home Loan Bank advances	16,830,430	32,378,013
Accrued interest payable	574,504	652,158
Accrued expenses and other liabilities	<u>731,815</u>	<u>849,424</u>
Total liabilities	144,769,990	141,533,516
 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	15,039,383
Retained earnings	14,303,620	13,972,452
Treasury stock, at cost – 834,453 shares at June 30, 2010 and 803,718 shares at June 30, 2009	(10,805,238)	(10,394,471)
Accumulated other comprehensive income	<u>178,398</u>	<u>269,790</u>
Total shareholders' equity	<u>18,721,191</u>	<u>18,887,154</u>
Total liabilities and shareholders' equity	<u>\$163,491,181</u>	<u>\$160,420,670</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Total interest income	\$2,151,525	\$2,300,334	\$ 8,980,795	\$ 9,658,523
Total interest expense	<u>654,630</u>	<u>798,484</u>	<u>2,896,163</u>	<u>3,647,025</u>
Net interest income	1,496,895	1,501,850	6,084,632	6,011,498
Provision for loan losses	<u>475,000</u>	<u>310,000</u>	<u>1,075,000</u>	<u>840,000</u>
Net interest income after provision for loan losses	1,021,895	1,191,850	5,009,632	5,171,498
Total noninterest income	283,414	285,867	1,180,837	1,021,380
Total noninterest expense	<u>911,454</u>	<u>1,068,642</u>	<u>4,051,734</u>	<u>4,181,528</u>
Income before income tax expense	393,855	409,075	2,138,735	2,011,350
Income tax expense	<u>25,100</u>	<u>7,110</u>	<u>596,365</u>	<u>554,745</u>
Net income	<u>\$ 368,755</u>	<u>\$ 401,965</u>	<u>\$ 1,542,370</u>	<u>\$ 1,456,605</u>
Basic earnings per share	<u>\$.26</u>	<u>\$.28</u>	<u>\$ 1.08</u>	<u>\$.99</u>
Diluted earnings per share	<u>\$.26</u>	<u>\$.28</u>	<u>\$ 1.08</u>	<u>\$.99</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2010	2009	2010	2009
Net interest margin	3.99%	3.97%	4.06%	3.93%
Return on average assets	0.91%	0.99%	0.96%	0.89%
Return on average equity	7.82%	8.47%	8.14%	7.65%
Total equity to total assets	11.45%	11.77%	11.45%	11.77%
Common shares outstanding	1,413,797	1,444,532	1,413,797	1,444,532
Book value per share	\$13.24	\$13.07	\$13.24	\$13.07
Nonperforming assets to total assets	2.31%	2.69%	2.31%	2.69%