

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2010**

Coshocton, Ohio, October 20, 2010 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$447,000, or \$0.32 basic and diluted earnings per share, for the quarter ended September 30, 2010 compared to net income of \$425,000, or \$0.30 basic and diluted earnings per share, for the quarter ended September 30, 2009, an increase of \$22,000, or 5.1%.

This increase in earnings for the year ended September 30, 2010 compared with September 30, 2009 was primarily attributable to an increase in net interest income of \$94,000 and a decrease in the provision for loan losses of \$10,000, partially offset by an increase in noninterest expense of \$76,000.

The net interest margin for the year ended September 30, 2010 was 4.38% compared to 4.02% for the year ended September 30, 2009, an increase of 36 basis points, or 9.0%. Return on average equity and return on average assets for the year ended September 30, 2010 were 9.52% and 1.09%, respectively. The book value of HLFN's common stock was \$13.28 per share as of September 30, 2010 compared to \$13.18 per share as of September 30, 2009, an increase of \$0.10, or 0.76%.

Total assets at September 30, 2010 were \$165.4 million compared to June 30, 2010 assets of \$163.5 million, an increase of \$1.9 million. Total deposits at September 30, 2010 were \$129.8 million compared to June 30, 2010 deposits of \$126.6 million, an increase of \$3.2 million, or 2.5%. Total equity at September 30, 2010 was \$18.8 million compared to \$18.7 million at June 30, 2010, an increase of \$56,000.

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>September 30, 2010</u>	<u>June 30, 2010</u>
ASSETS		
Cash and cash equivalents	\$ 8,825,713	\$ 7,725,509
Interest-bearing time deposits	1,883,472	1,959,754
Securities available for sale	9,289,249	9,295,644
Mortgage-backed securities available for sale	--	--
Federal Home Loan Bank stock	2,663,300	2,663,300
Loans, net	133,553,804	132,791,641
Premises and equipment	3,000,548	3,013,717
Accrued interest receivable	859,479	847,808
Bank owned life insurance	3,869,501	3,832,501
Other assets	<u>1,488,063</u>	<u>1,361,307</u>
Total assets	<u>\$165,433,129</u>	<u>\$163,491,181</u>
 LIABILITIES		
Deposits	\$ 129,820,791	\$ 126,633,241
Federal Home Loan Bank advances	15,482,037	16,830,430
Accrued interest payable	445,545	574,504
Accrued expenses and other liabilities	<u>907,808</u>	<u>731,815</u>
Total liabilities	146,656,181	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	14,361,464	14,303,620
Treasury stock, at cost – 834,453 shares at September 30, 2010 and June 30, 2010	(10,805,238)	(10,805,238)
Accumulated other comprehensive income	<u>176,311</u>	<u>178,398</u>
Total shareholders' equity	<u>18,776,948</u>	<u>18,721,191</u>
Total liabilities and shareholders' equity	<u>\$165,433,129</u>	<u>\$163,491,181</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	<u>September 30,</u>	
	<u>2010</u>	<u>2009</u>
Total interest income	\$2,315,587	\$2,357,517
Total interest expense	<u>642,349</u>	<u>777,872</u>
Net interest income	1,673,238	1,579,645
Provision for loan losses	<u>150,000</u>	<u>160,000</u>
Net interest income after provision for loan losses	1,523,238	1,419,645
Total noninterest income	288,585	283,266
Total noninterest expense	<u>1,134,935</u>	<u>1,059,165</u>
Income before income tax expense	676,888	643,746
Income tax expense	<u>230,250</u>	<u>218,865</u>
Net income	<u>\$ 446,638</u>	<u>\$ 424,881</u>
Basic earnings per share	<u>\$ 0.32</u>	<u>\$ 0.30</u>
Diluted earnings per share	<u>\$ 0.32</u>	<u>\$ 0.30</u>

KEY OPERATING RATIOS

	At or for	
	The Three Months Ended	
	<u>September 30,</u>	
	<u>2010</u>	<u>2009</u>
Net interest margin	4.38%	4.02%
Return on average assets	1.09%	1.06%
Return on average equity	9.52%	8.89%
Total equity to total assets	11.35%	11.81%
Common shares outstanding	1,413,797	1,434,852
Book value per share	\$13.28	\$13.18
Nonperforming assets to total assets	2.60%	2.54%