

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2016**

Coshocton, Ohio, January 18, 2017 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$739,000, or \$0.53 basic and diluted earnings per share, for the quarter ended December 31, 2016 compared to net income of \$767,000 or \$0.55 basic and diluted earnings per share, for the quarter ended December 31, 2015, a decrease of \$29,000, or 3.7%.

This decrease in earnings for the quarter ended December 31, 2016 compared with December 31, 2015 was primarily attributable to a decrease in net interest income of \$32,000 and an increase in noninterest expense of \$39,000, partially offset by a decrease in the provision for loan losses of \$24,000, an increase in noninterest income of \$3,000, and a decrease of federal income tax expense of \$15,000.

Total assets at December 31, 2016 were \$205.0 million compared to June 30, 2016 assets of \$200.3 million, an increase of \$4.8 million or 2.4%. Total deposits at December 31, 2016 were \$156.1 million compared to June 30, 2016 deposits of \$150.0 million, an increase of \$6.1 million or 4.1%. Total equity at December 31, 2016 was \$25.6 million compared to \$25.4 million at June 30, 2016, an increase of \$223,000.

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, 2016</u>	<u>June 30, 2016</u>
ASSETS		
Cash and cash equivalents	\$ 12,894,883	\$ 11,651,109
Interest-bearing time deposits	850,000	1,349,293
Securities available for sale	3,495,250	3,510,638
Federal Home Loan Bank stock	2,513,400	2,513,400
Loans held for sale		222,151
Loans, net	176,515,848	172,252,324
Premises and equipment	2,603,200	2,695,294
Accrued interest receivable	565,657	512,500
Bank owned life insurance	4,734,501	4,664,001
Other assets	<u>856,263</u>	<u>889,661</u>
Total assets	<u>\$205,029,002</u>	<u>\$200,260,371</u>
LIABILITIES		
Deposits	\$ 156,104,040	\$ 149,962,748
Federal Home Loan Bank advances	22,175,609	23,555,632
Accrued interest payable	194,371	177,341
Accrued expenses and other liabilities	<u>906,927</u>	<u>1,139,994</u>
Total liabilities	179,380,947	174,835,715
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	15,011,531	14,994,322
Retained earnings	21,613,538	21,388,847
Treasury stock, at cost – 847,745 and 846,995 shares at December 31, 2016 and June 30, 2016	(10,974,218)	(10,964,566)
Accumulated other comprehensive income	<u>(2,796)</u>	<u>6,053</u>
Total shareholders' equity	<u>25,648,055</u>	<u>25,424,656</u>
Total liabilities and shareholders' equity	<u>\$205,029,002</u>	<u>\$200,260,371</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Total interest income	\$2,317,912	\$2,292,035	\$4,626,410	\$4,554,026
Total interest expense	<u>262,760</u>	<u>205,338</u>	<u>520,738</u>	<u>394,719</u>
Net interest income	2,055,152	2,086,697	4,105,672	4,159,307
Provision for loan losses	<u>6,000</u>	<u>30,000</u>	<u>41,000</u>	<u>55,000</u>
Net interest income after provision for loan losses	2,049,152	2,056,697	4,064,672	4,104,307
Total noninterest income	284,763	282,041	611,239	575,261
Total noninterest expense	<u>1,214,701</u>	<u>1,175,703</u>	<u>2,426,340</u>	<u>2,288,393</u>
Income before income tax expense	1,119,214	1,163,035	2,249,571	2,391,175
Income tax expense	<u>380,500</u>	<u>395,600</u>	<u>764,800</u>	<u>813,300</u>
Net income	<u>\$ 738,714</u>	<u>\$ 767,435</u>	<u>\$1,484,771</u>	<u>\$1,577,875</u>
Basic earnings per share	<u>\$.53</u>	<u>\$.55</u>	<u>\$ 1.06</u>	<u>\$ 1.13</u>
Diluted earnings per share	<u>\$.53</u>	<u>\$.55</u>	<u>\$ 1.06</u>	<u>\$ 1.13</u>