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Press Release

FOR IMMEDIATE RELEASE
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HOME FINANCIAL BANCORP ANNOUNCES SECOND QUARTER RESULTS

Spencer, Indiana – (February 9, 2016) Home Financial Bancorp (“Company”) (OTCQB Symbol “HWEN”), an Indiana corporation which is the holding company for Our Community Bank, (“Bank”) based in Spencer, Indiana, announces results for the second quarter and six months ended December 31, 2015. The following comparisons are made to the same time period in the prior fiscal year.

Second Quarter Highlights:

- Net interest income decreased $31,000 or 5%, to $670,000;
- Non-interest income decreased $37,000 or 23%;
- Income tax benefit more than doubled to $44,000;
- Net income rose $2,000 or 5%, to $53,000.

Six Month Highlights:

- Total loans decreased $1.2 million or 3%;
- Net interest income contracted $71,000 or 5%;
- Provisions for loan losses fell $80,000 or 67%;
- Repossessed property expense increased $46,000 or 72%;
- Net income decreased $22,000 or 25%, to $67,000.

For the quarter ended December 31, 2015, the Company reported net income of $53,000, or $.04 basic and diluted earnings per share. Net income was $51,000 or $.04 basic and diluted earnings per share for the quarter ended December 31, 2014. Second quarter 2016 net income was slightly higher due to lower provision for loan losses compared to the same quarter a year earlier caused by lower net loan charge-offs during the quarter.

Net interest income decreased $31,000 or 5%, and totaled $670,000. Total interest income fell $62,000 or 7%, but was partially offset by a $31,000 or 5% decline in interest expense. Net interest margin for the quarter was 4.35%, compared to 4.50% for the same period a year earlier. The continuing low interest rate environment has eroded earning asset yields. At the same time, reductions are being realized in funding costs to a lesser extent compared to yields on assets.

Loan loss provisions were $20,000 for the quarter-ended December 31, 2015 and $60,000 for year-earlier period. A regular assessment of loan loss allowance adequacy indicated that these provisions were necessary to maintain an appropriate allowance level. Changes in volume, composition and quality of the loan portfolio, as well as actual loan loss experience, influences the need for future loan loss provisions. Net loan charge-offs during second quarter 2016 totaled $4,000, compared to $62,000 for second quarter 2015.

Non-interest income decreased $24,000 or 17%, to $125,000 for the quarter. This change resulted from lower service fee income and lower rental income during second quarter 2016. Total non-interest expense for second quarter 2016 decreased $5,000 or 5%, compared to the same period a year ago. Legal and professional fees increased $32,000 or 81%. Substantially offsetting that change, loss on low-income housing investment decreased $16,000 and rental expense decreased $15,000.

Income tax benefit increase from $17,000 to $44,000 for the three month period ended December 31, 2015 compared to the same period last year. The increase was partially due to lower taxable income and partially due to the adoption of Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-01, "Accounting for Investments in Qualified Affordable Housing Projects" in the quarter ended June 30, 2015. This accounting principal changed the classification of tax benefits associated with low income housing credits.

For the six-month period ended December 31, 2015, the Company reported net income of $67,000, or $.06 basic and diluted earnings per share. Net income was $89,000, or $.07 basic and diluted earnings per share for the six months ended December 31, 2014. Lower interest income from loans was a major reason net income decreased compared to the same period a year earlier.

Net interest income decreased $71,000, or 5%, to $1.3 million for the six-month period ending December 31, 2015. Interest income on loans decreased $178,000 or 11%, while interest income from investments improved $52,000 or 83%. Total interest expense declined $57,000 or 20%.

Loan loss provisions were $40,000 for six-months ended December 31, 2015 and $120,000 for the same period ending December 31, 2014. Loan loss provisions reflect management's assessment of various risk factors including, but not limited to, the level and trend of loan delinquencies and losses. Net loan charge-offs for the six months ended December 31, 2015 decreased to $34,000; from $132,000 for the same period a year earlier.

Non-interest income was $266,000 for the first half of fiscal 2016, compared to $303,000 for the year-earlier period. Non-interest expense increased $13,000 or 7%. Repossessed property expense increased $46,000 or 72%, to $108,000. Professional fees and rental expense also increased compared to the same period a year earlier. Partially offsetting these increased expenses, salaries and employee benefits declined $59,000 or 9%.

At December 31, 2015, total assets decreased 2%, to $63.5 million, compared to $64.9 million at June 30, 2015. Cash and cash equivalents decreased $1.8 million or 43%, to $2.4 million. Investments available for sale grew 25% to $10.9 million. Total loans decreased $1.2 million or 3%, to $44.5 million.

Loans delinquent 90 days or more were $1.1 million or 2.4% of total loans at December 31, 2015, compared to $862,000 or 1.9% of total loans at June 30, 2015. At December 31, 2015, non-performing assets were $1.2 million or 1.9% of total assets, compared to $1.2 million or 1.8% of total assets at June 30, 2015. Non-performing assets included $140,000 in Other Real Estate Owned ("OREO") and other repossessed properties at December 31, 2015, compared to $293,000 six months earlier.

Loan loss allowances were $532,000 or 1.19% of total loans at December 31, 2015, compared to $526,000 or 1.15% of total loans at June 30, 2015. Management considered the level of loan loss allowances at December 31, 2015 to be adequate to cover estimated losses inherent in the loan portfolio at that date.

Deposits decreased $328,000 or 1%, to $44.3 million as of December 31, 2015. Total borrowings were reduced to $10.0 million, from $10.5 million at June 30, 2015.

Shareholders' equity was $8.7 million or 13.7% of total assets at December 31, 2015. Factors impacting shareholder equity during the first half of fiscal 2016 included net income, two quarterly cash dividends totaling $.07 per share, $23,000 net decrease in unrealized loss on securities available for sale, and an $17,000 decrease in costs associated with a stock-based employee benefit plan. At December 31, 2015, the Company's book value per share was $7.32 based on 1,191,583 shares outstanding.

Home Financial Bancorp and Our Community Bank, an FDIC-insured, Indiana stock commercial bank, operate from headquarters in Spencer, Indiana, and a branch office in Cloverdale, Indiana. Additional information concerning Home Financial Bancorp and its subsidiaries is available at www.hfbancorp.com or www.ocbconnect.com.

HOME FINANCIAL BANCORP
Consolidated Financial Highlights
(Unaudited)
(Dollars in thousands, except per share and book value amounts)

FOR THREE MONTHS ENDED DECEMBER 31:	2015	2014
Net Interest Income	$670	$701
Provision for Loan Losses	20	60
Non-interest Income	125	162
Non-interest Expense	766	769
Income Tax	(44)	(17)
Net Income	53	51
Basic Earnings Per Share:	$ .04	$ .04
Diluted Earnings Per Share:	$ .04	$ .04
Average Shares Outstanding - Basic	1,191,050	1,186,571
Average Shares Outstanding - Diluted	1,191,672	1,188,231

FOR SIX MONTHS ENDED DECEMBER 31:	2015	2014
Net Interest Income	$1,346	$1,417
Provision for Loan Losses	40	120
Non-interest Income	266	303
Non-interest Expense	1,584	1,554
Income Tax	(79)	(43)
Net Income	67	89
Basic Earnings Per Share:	$ .06	$ .07
Diluted Earnings Per Share:	$ .06	$ .07
Average Shares Outstanding - Basic	1,190,071	1,187,780
Average Shares Outstanding - Diluted	1,190,695	1,189,507

	December 31, 2015	June 30, 2015
Total Assets	$63,513	$64,910
Total Loans	44,523	45,716
Allowance for Loan Losses	532	526
Total Deposits	44,278	44,606
Borrowings	10,000	10,500
Shareholders' Equity	8,727	8,704
Non-Performing Assets	1,212	1,155
Non-Performing Loans	1,072	862
Non-Performing Assets to Total Assets	1.91%	1.79%
Non-Performing Loans to Total Loans	2.41	1.89
Book Value Per Share*	$7.32	$7.30

*Based on 1,191,583 shares at December 31, 2015 and June 30, 2015.