****PRESS RELEASE****

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HOMETOWN BANCORP, INC. ANNOUNCES FIRST QUARTER 2011 EARNINGS

Hometown Bancorp, Inc., (the "Company") (OTCBB: HTWC) the mid-tier holding company for Walden Federal Savings and Loan Association (the "Bank"), announced earnings of $127,000, for the three months ended March 31, 2011 as compared to $231,000 for the same period in 2010. The decrease in the first quarter net income was primarily due to higher non-interest expenses and a decrease in net-interest income partially offset by an increase in non-interest income and a decrease in the provision for loan losses for the quarter ended March 31, 2011.

Net interest income decreased by $41,000 or 2.4%, to $1.6 million for the three months ended March 31, 2011 compared to the prior year period. The primary reason for the decrease in net interest income during the quarter ended March 31, 2011, was the decrease in the average yield of interest-earning assets of 44 basis points to 5.24% when compared to the three months ended March 31, 2010, partially offset by a decrease in the average cost of interest-bearing liabilities of 35 basis points to 0.73% for the three months ended March 31, 2011. The interest rate spread decreased by 6 basis points to 4.51% for the three months ended March 31, 2011 from 4.57% for the three months ended March 31, 2010. The net interest margin decreased by 11 basis points to 4.66% for the three month period ended March 31, 2011 as compared to the three month period ended March 31, 2010.

The provision for loan losses for the quarter ended March 31, 2011 was $24,000, a decrease of $26,000 as compared to the quarter ended March 31, 2010. A decrease in nonperforming loans and delinquencies during the first quarter of 2011 compared to the fourth quarter of 2010 contributed to the decrease in the current quarter provision for loan losses. There were net charge-offs of approximately $146,000 during the first quarter of 2011 (of which $128,000 was recorded in provisions for loan losses during 2010) compared to net recoveries of $2,000 during the prior year period. The allowance for loan losses totaled $2.2 million at March 31, 2011, or 1.58% of total loans, as compared to $2.0 million, or 1.42% of total loans as of March 31, 2010.

Non-interest income was $452,000 for the quarter ended March 31, 2011 compared to $412,000 for the quarter ended March 31, 2010. The primary reason for the increase in non-interest income for the quarter ended March 31, 2011, was mortgage banking income, net, which increased by $71,000. This was a result of an increased volume of loans sold and unfunded loans committed to be sold during the first quarter of 2011. The increase was partially offset by decreases in banking fees and service charges of $14,000 as a result of customer preference for service charge free accounts and the competitive banking environment for core deposits. In addition, we had a loss on sale of other real estate owned of $21,000.

Non-interest expense increased by $196,000 and was $1.9 million for the quarter ended March 31, 2011, compared to $1.7 million for the quarter ended March 31, 2010. Non-interest expense increased primarily due to increases in other operating expense of $103,000, which was a result of expenses on delinquent loans of approximately $90,000, increases in salaries and employee benefits of $74,000, increased occupancy and equipment expense of $11,000 and other real estate owned expenses of $12,000. These increases were partially offset by decreases of $5,000 in both FDIC premiums and telephone and postage expenses.

Total assets declined $628,000, or 0.4%, to $154.8 million at March 31, 2011 from $155.4 million at December 31, 2010. The decrease was due primarily to decreases in loans held for sale of $1.7 million and other real estate owned of $129,000, partially offset by an increase of $824,000 in loans, net and increases of $288,000 in accrued interest and other assets. Loans net, increased $824,000, from $138.7 million at December 31, 2010 to $139.5 million at March 31, 2011. The primary reasons for the growth in loans during the first quarter of 2011 were increases of $1.3 million in commercial real estate loans and $318,000 in commercial business loans, offset by decreases of $395,000 in home equity loans and decreases of $296,000 in both construction mortgages and land loans.

Nonperforming loans totaled $6.8 million, or 4.8%, of total loans at March 31, 2011 compared to $7.2 million, or 5.1%, of total loans at December 31, 2010. The $6.8 million in nonperforming loans at March 31, 2011 were comprised of $3.7 million in one-to four-family residential loans, $1.7 million of land loans extended to two residential subdivisions, two loans to builders for construction of unsold homes totaling $621,000, one commercial building totaling $227,000 and four home equity loans totaling $538,000.

Other real estate owned totaled $1.8 million at March 31, 2011 compared to $1.9 million at December 31, 2010. Other real estate owned at March 31, 2011 consisted of four residential properties, six residential building lots and two commercial buildings. During the quarter ended March 31, 2011, we foreclosed on two residential properties totaling $243,000 and two residential building lots totaling $149,000 and during the quarter we sold one residential property for $205,000 net and two residential building lots for $270,000, which resulted in a loss of approximately $21,000.

Total deposits were $125.9 million at March 31, 2011 compared to $129.1 million at December 31, 2010, a decrease of $3.2 million or 2.5%. The decrease in deposits consisted primarily of declines in non-interest checking which decreased by $2.6 million and certificates of deposit which decreased by $1.7 million. This decrease was offset in part by an increase in savings accounts of $558,000, and an increase in money market and interest checking accounts of approximately $568,000.

Total borrowings were $7.5 million at March 31, 2011 compared to $4.9 million at December 31, 2010. Total borrowings increased to partially offset the decrease in deposits.

Total stockholders' equity increased $114,000 from $19.8 million at December 31, 2010 to $19.9 million at March 31, 2011. Equity increased primarily due to net income of $127,000 for the quarter ended March 31, 2011, partially offset by dividends declared of $20,000 during the first quarter of 2011.

Established in 1919, the Bank is a community-oriented financial institution headquartered in Walden, New York. Through its six offices, the Bank offers a full-range of financial services to individuals and businesses within its market area. For more information on Hometown Bancorp, Inc. and Walden Federal Savings and Loan Association go to our website www.waldenfederal.com.

This press release contains certain forward-looking statements that are based on assumptions and may describe future plans, strategies and expectations of the Company. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts. They often include words like "believe," "expect," "anticipate," "estimate" and "intend" or future or conditional verbs such as "will," "would," "should," "could" or "may." Certain factors that could cause actual results to differ materially from expected results include changes in the interest rate environment, changes in general economic conditions, legislative and regulatory changes that adversely affect the business of the Company and the Bank, and changes in the securities markets. Except as required by law, the Company does not undertake any obligation to update any forward-looking statements to reflect changes in belief, expectations or events.

(Dollars in thousands)	March 31, 2011		December 31, 2010	
Financial Condition Data:				
Total assets	**$154,778**		$155,406	
Investment securities	**331**		359	
Loans held for sale	**250**		1,961	
Loans receivable, net	**139,502**		138,678	
Deposits	**125,894**		129,103	
Borrowings	**7,525**		4,900	
Total stockholders' equity	**19,928**		19,814	
Capital Ratios:				
Average equity to average assets	**13.01**	%	12.68	%
Equity to total assets at the end of the period	**12.88**		12.75	
Asset Quality Ratios:				
Allowance for loan losses as a percent of total loans	**1.58**	%	1.67	%
Allowance for loan losses as a percent of nonperforming loans	**32.81**		32.70	
Net charge-offs to average outstanding loans during the period (annualized)	**0.41**		0.30	
Nonperforming loans as a percent of total loans	**4.81**		5.12	
Nonperforming assets as a percent of total assets	**5.55**		5.86	

(Dollars in thousands, except earnings per share data)	Three Months Ended March 31, 2011		2010	
Operating Data:				
Interest income	**$ 1,847**		$ 2,002	
Interest expense	**206**		320	
Net interest income	**1,641**		1,682	
Provision for loan losses	**24**		50	
Net interest income after provision for loan losses	**1,617**		1,632	
Non-interest income	**452**		412	
Non-interest expenses	**1,864**		1,668	
Income before taxes	**205**		376	
Income tax expense	**78**		145	
Net income	**$ 127**		$ 231	
Earnings Per Common Share:				
Basic and diluted	**$ 0.06**		$ 0.10	
Weighted average shares outstanding	**2,252**		2,248	
Performance Ratios (1):				
Return on average assets	**0.33**	%	0.59	%
Return on average equity	**2.54**		4.73	
Interest rate spread (2)	**4.51**		4.57	
Net interest margin (3)	**4.66**		4.77	
Non-interest income to average assets	**1.17**		1.05	
Non-interest expense to average assets	**4.84**		4.26	
Efficiency ratio (4)	**89.06**		79.66	
Average interest-earning assets to average interest-bearing liabilities	**123.95**		122.28	
Dividends declared per share	**$ 0.02**		$ 0.02	
Book value per share	**$ 8.56**		$ 8.38	

(1) Quarterly performance ratios are annualized.

(2) Represents the difference between the weighted average yield on average interest-earning assets and the weighted average cost of interest-bearing liabilities.

(3) Represents net interest income as a percent of average interest-earning assets.

(4) Represents noninterest expense divided by the sum of net interest income and noninterest income.