

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
LOSS FOR THE QUARTER ENDED MARCH 31, 2006**

Coshocton, Ohio, April 26, 2006 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced a net loss of \$180,000, or \$.12 basic and diluted loss per share, for the quarter ended March 31, 2006.

This loss was primarily due to an \$850,000 provision for loan losses. This provision was based on a change in the methodology for calculating the allowance for loan and lease losses. This change was made to increase loan loss reserves to account for unforeseen loan losses brought about by current general economic conditions in HLFN's market area.

Total assets at March 31, 2006 were \$161.2 million compared to June 30, 2005 assets of \$162.1 million, a decrease of \$825,000, or 0.5%. Total deposits at March 31, 2006 were \$103.0 million compared to June 30, 2005 deposits of \$92.7 million, an increase of \$10.3 million, or 11.1%. Total equity at March 31, 2006 was \$18.7 million compared to \$23.0 million at June 30, 2005, a decrease of \$4.3 million. The decrease in equity was attributable to the purchase of treasury stock associated with the reverse and forward stock split transactions that were completed on August 26, 2005.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 401 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>March 31, 2006</u>	<u>June 30, 2005</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,443,675	\$ 5,242,892
Interest-bearing time deposits	513,349	500,761
Securities available for sale	7,156,438	7,256,203
Mortgage-backed securities available for sale	7,185,836	8,691,644
Federal Home Loan Bank stock	2,450,300	2,352,700
Loans, net	130,949,650	131,013,785
Premises and equipment	2,531,074	2,228,933
Accrued interest receivable	912,089	815,055
Bank owned life insurance	3,244,428	3,147,036
Other assets	840,717	803,827
Total assets	<u>\$161,227,556</u>	<u>\$162,052,836</u>
 <b>LIABILITIES</b>		
Deposits	\$ 103,036,157	\$ 92,732,451
Federal Home Loan Bank advances	38,048,421	45,144,836
Accrued interest payable	748,055	564,501
Accrued expenses and other liabilities	676,743	651,862
Total liabilities	142,509,376	139,093,650
 <b>SHAREHOLDERS' EQUITY</b>		
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	14,859,292	14,745,661
Retained earnings	13,886,986	14,463,377
Unearned employee stock ownership plan shares	(302,051)	(492,319)
Unearned recognition and retention plan shares	(149,400)	(165,809)
Treasury stock, at cost –733,935 shares at March, 2006 and 548,337 shares at June 30, 2005	(9,474,669)	(5,668,771)
Accumulated other comprehensive income	(101,978)	77,047
Total shareholders' equity	<u>18,718,180</u>	<u>22,959,186</u>
Total liabilities and shareholders' equity	<u>\$161,227,556</u>	<u>\$162,052,836</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2006	2005	2006	2005
Total interest income	\$2,516,081	\$2,343,391	\$7,520,367	\$7,159,160
Total interest expense	<u>1,125,877</u>	<u>926,173</u>	<u>3,296,169</u>	<u>2,760,814</u>
Net interest income	1,390,204	1,417,218	4,224,198	4,398,346
Provision for loan losses	<u>850,000</u>	<u>90,000</u>	<u>1,245,000</u>	<u>301,000</u>
Net interest income after provision for loan losses	540,204	1,327,218	2,979,198	4,097,346
Total noninterest income	193,752	183,267	644,389	615,234
Total noninterest expense	<u>999,654</u>	<u>1,093,942</u>	<u>3,077,462</u>	<u>3,027,697</u>
Income before income tax expense	(265,698)	416,543	546,125	1,684,883
Income tax expense	<u>( 86,160)</u>	<u>145,900</u>	<u>201,540</u>	<u>588,000</u>
Net income	<u>\$ (179,538)</u>	<u>\$ 270,643</u>	<u>\$ 344,585</u>	<u>\$ 1,096,883</u>
Basic earnings per share	<u>\$ (.12)</u>	<u>\$ .17</u>	<u>\$ .23</u>	<u>\$ .68</u>
Diluted earnings per share	<u>\$ (.12)</u>	<u>\$ .17</u>	<u>\$ .23</u>	<u>\$ .67</u>

## KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2006	2005	2006	2005
Net interest margin	3.69%	3.78%	3.71%	3.89%
Return on average assets	(0.45)%	0.67%	0.28%	0.91%
Return on average equity	(3.69)%	4.70%	2.22%	6.40%
Total equity to total assets	11.61%	14.21%	11.61%	14.21%
Common shares outstanding	1,514,315	1,688,907	1,514,315	1,688,907
Book value per share	\$12.36	\$13.49	\$12.36	\$13.49
Nonperforming assets to total assets	0.99%	1.35%	0.99%	1.35%