

PRESS RELEASE

FOR IMMEDIATE RELEASE

Contact: Preston Bair, Chief Financial Officer
Telephone: (740) 622-0444

**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2004**

Coshocton, Ohio, January 19, 2005 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$416,000 or \$0.26 basic and diluted earnings per share, for the quarter ended December 31, 2004 compared to net income of \$429,000, or \$.27 basic and diluted earnings per share, for the quarter ended December 31, 2004, a decrease of \$13,000, or 3.04%.

The decrease in earnings for the quarter ended December 31, 2004, compared with December 31, 2003, was primarily attributable to an increase in the provision for loan losses of \$60,000, partially offset by an increase in net interest income of \$43,000. The increase in net interest income was primarily due to an increase in average earning assets partially offset by a decrease in the net interest margin. The net interest margin for the three months ended December 31, 2004 was 3.94% compared to 3.99% for the three months ended December 31, 2003.

Return on average equity and return on average assets for the six months ended December 31, 2004 were 7.25% and 1.03%, respectively. The book value of HLFC's common stock was \$13.51 per share as of December 31, 2004 compared to \$13.27 per share as of December 31, 2003, an increase of \$0.24, or 1.81%.

Total assets at December 31, 2004 were \$160.3 million compared to June 30, 2004 assets of \$160.0 million, an increase of \$300,000 or 0.16%. The increase in total assets was primarily in premises and equipment, which increased \$756,000 and loans, which increased \$403,000, partially offset by a decrease of \$714,000 in cash and cash equivalents. The increase in premises and equipment was due to the building of the Mount Vernon branch, which opened in January 2005. Total deposits at December 31, 2004 were \$86.5 million compared to June 30, 2004 deposits of \$87.9 million, a decrease of \$1.4 million, or 1.6%. Total equity at December 31, 2004 was \$22.8 million compared to \$22.3 million at June 30, 2004.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 401 Main Street, Coshocton, Ohio 43812. The Bank has two offices 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, 2004</u>	<u>June 30, 2004</u>
ASSETS		
Cash and cash equivalents	\$ 2,561,100	3,275,185
Securities available for sale	7,266,280	7,105,703
Mortgage-backed securities available for sale	9,673,990	10,321,735
Federal Home Loan Bank stock	2,299,000	2,250,700
Loans, net	131,952,499	131,549,778
Premises and equipment	2,136,441	1,380,927
Accrued interest receivable	743,954	719,141
Bank owned life insurance	3,082,396	3,016,864
Other assets	571,827	410,239
Total assets	<u>\$160,287,487</u>	<u>\$160,030,272</u>
LIABILITIES		
Deposits	\$ 86,487,823	\$ 87,853,639
Federal Home Loan Bank advances	49,734,350	48,756,389
Accrued interest payable	537,334	503,994
Accrued expenses and other liabilities	710,674	606,824
Total liabilities	<u>137,470,181</u>	<u>137,720,846</u>
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	14,639,594	14,508,999
Retained earnings	14,678,422	14,722,513
Unearned employee stock ownership plan shares	(627,577)	(773,982)
Unearned recognition and retention plan shares	(176,910)	(189,779)
Treasury stock, at cost – 559,343 shares at December 31, 2004 and 566,543 shares at June 30, 2004	(5,799,467)	(5,818,102)
Accumulated other comprehensive income	103,244	(140,223)
Total shareholders' equity	<u>22,817,306</u>	<u>22,309,426</u>
Total liabilities and shareholders' equity	<u>\$160,287,487</u>	<u>\$160,030,272</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2004	2003	2004	2003
Total interest income	\$2,411,891	\$2,360,640	\$4,815,769	\$4,791,665
Total interest expense	<u>920,572</u>	<u>912,689</u>	<u>1,834,641</u>	<u>1,851,260</u>
Net interest income	1,491,319	1,447,951	2,981,128	2,940,405
Provision for loan losses	<u>90,000</u>	<u>30,000</u>	<u>211,000</u>	<u>45,000</u>
Net interest income after provision for loan losses	1,401,319	1,417,951	2,770,128	2,895,405
Total noninterest income	203,254	182,724	431,967	406,403
Total noninterest expense	<u>964,488</u>	<u>950,069</u>	<u>1,933,755</u>	<u>1,903,278</u>
Income before income tax expense	640,085	650,606	1,268,340	1,398,530
Income tax expense	<u>224,400</u>	<u>221,900</u>	<u>442,100</u>	<u>474,900</u>
Net income	<u>\$ 415,685</u>	<u>\$ 428,706</u>	<u>\$ 826,240</u>	<u>\$ 923,630</u>
Basic earnings per share	<u>\$.26</u>	<u>\$.27</u>	<u>\$.51</u>	<u>\$.59</u>
Diluted earnings per share	<u>\$.26</u>	<u>\$.27</u>	<u>\$.51</u>	<u>\$.58</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2004	2003	2004	2003
Net interest margin	3.94%	3.99%	3.93%	4.08%
Return on average assets	1.03%	1.15%	1.03%	1.24%
Return on average equity	7.26%	7.76%	7.25%	8.38%
Total equity to total assets	14.24%	14.84%	14.24%	14.84%
Common shares outstanding	1,688,907	1,673,570	1,688,907	1,673,570
Book value per share	\$13.51	\$13.27	\$13.51	\$13.27
Nonperforming assets to total assets	.90%	1.01%	.90%	1.01%