

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2008**

Coshocton, Ohio, January 21, 2009 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$330,000, or \$.22 basic and diluted earnings per share, for the quarter ended December 31, 2008 compared to net income of \$275,000, or \$.18 basic and diluted earnings per share, for the quarter ended December 31, 2007, an increase of \$55,000, or 20.1%.

This increase in earnings for the quarter ended December 31, 2008 compared with December 31, 2007 was primarily attributable to an increase in net interest income of \$148,000 and a decrease in noninterest expense of \$53,000, partially offset by an increase in the provision for loan losses of \$100,000 and an increase in income tax expense of \$30,000.

The net interest margin for the three months ended December 31, 2008 was 3.90%. Return on average equity and return on average assets for the three months ended December 31, 2008 were 6.91% and 0.81%, respectively. The book value of HLFN's common stock was \$12.82 per share as of December 31, 2008 compared to \$12.49 per share as of December 31, 2007.

Total assets at December 31, 2008 were \$162.7 million compared to June 30, 2008 assets of \$167.2 million, a decrease of \$4.5 million, or 2.7%. Total deposits at December 31, 2008 were \$100.9 million compared to June 30, 2008 deposits of \$107.9 million, a decrease of \$7.0 million, or 6.4%. Total equity at December 31, 2008 was \$18.9 million compared to \$18.8 million at June 30, 2008, an increase of \$102,000.

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, 2008</u>	<u>June 30, 2008</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,438,366	\$ 4,138,262
Interest-bearing time deposits	2,672,798	2,619,781
Securities available for sale	7,714,972	7,653,759
Mortgage-backed securities available for sale	6,951,879	7,435,443
Federal Home Loan Bank stock	2,663,300	2,627,900
Loans, net	132,392,459	134,669,371
Premises and equipment	3,115,325	3,139,080
Accrued interest receivable	932,191	907,589
Bank owned life insurance	3,621,258	3,551,191
Other assets	<u>177,773</u>	<u>407,661</u>
Total assets	<u>\$162,680,321</u>	<u>\$167,150,037</u>
 <b>LIABILITIES</b>		
Deposits	\$ 100,931,869	\$ 107,888,805
Federal Home Loan Bank advances	41,514,967	38,939,957
Accrued interest payable	590,349	749,750
Accrued expenses and other liabilities	<u>753,098</u>	<u>783,058</u>
Total liabilities	143,790,283	148,361,570
 <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	15,026,147	15,001,713
Retained earnings	13,736,142	13,633,118
Treasury stock, at cost –774,813 shares at December 31, 2008 and 760,899 shares at June 30, 2008	(10,037,452)	(9,854,024)
Accumulated other comprehensive income	<u>165,201</u>	<u>7,660</u>
Total shareholders' equity	<u>18,890,038</u>	<u>18,788,467</u>
Total liabilities and shareholders' equity	<u>\$162,680,321</u>	<u>\$167,150,037</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Total interest income	\$2,430,065	\$2,609,010	\$4,982,638	\$5,186,184
Total interest expense	<u>965,767</u>	<u>1,293,028</u>	<u>1,990,152</u>	<u>2,564,397</u>
Net interest income	1,464,298	1,315,982	2,992,486	2,621,787
Provision for loan losses	<u>190,000</u>	<u>90,000</u>	<u>345,000</u>	<u>162,000</u>
Net interest income after provision for loan losses	1,274,298	1,225,982	2,647,486	2,459,787
Total noninterest income	246,912	263,997	520,395	528,401
Total noninterest expense	<u>1,022,094</u>	<u>1,075,508</u>	<u>2,084,264</u>	<u>2,098,564</u>
Income before income tax expense	499,116	414,471	1,083,617	889,624
Income tax expense	<u>169,400</u>	<u>139,900</u>	<u>368,100</u>	<u>304,700</u>
Net income	<u>\$ 329,716</u>	<u>\$ 274,571</u>	<u>\$ 715,517</u>	<u>\$ 584,924</u>
Basic earnings per share	<u>\$ .22</u>	<u>\$ .18</u>	<u>\$ .48</u>	<u>\$ .39</u>
Diluted earnings per share	<u>\$ .22</u>	<u>\$ .18</u>	<u>\$ .48</u>	<u>\$ .39</u>

## KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2008	2007	2008	2007
Net interest margin	3.90%	3.66%	3.96%	3.66%
Return on average assets	0.81%	0.69%	0.87%	0.74%
Return on average equity	6.91%	5.84%	7.51%	6.24%
Total equity to total assets	11.61%	11.66%	11.61%	11.66%
Common shares outstanding	1,473,437	1,496,341	1,473,437	1,496,341
Book value per share	\$12.82	\$12.49	\$12.82	\$12.49
Nonperforming assets to total assets	1.37%	1.59%	1.37%	1.59%