

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED MARCH 31, 2005**

Coshocton, Ohio, April 20, 2005 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$271,000 or \$.17 basic and diluted earnings per share, for the quarter ended March 31, 2005 compared to net income of \$431,000, or \$.27 basic and diluted earnings per share, for the quarter ended March 31, 2004, a decrease of \$160,000, or 37.1%.

The decrease in earnings for the quarter ended March 31, 2005 compared with March 31, 2004, was primarily attributable to a decrease in net interest income of \$96,000, an increase in provision for loan losses of \$50,000 and an increase in noninterest expense of \$140,000, partially offset by an increase in noninterest income of \$42,000 and a decrease in income tax expense of \$85,000. The increase in the provision for loan losses compared to March 31, 2004 was primarily due to the increase in nonperforming loans at March 31, 2005. The decrease in net interest income was primarily due to a decrease in net interest margin partially offset by an increase in average earning assets. The net interest margin for the three months ended March 31, 2005 was 3.78% compared to 4.03% for the three months ended March 31, 2004. The increase in noninterest expense was primarily due to increases in salaries and benefits and other costs associated with the Mount Vernon branch, which opened in January 2005.

Return on average equity and return on average assets for the three months ended March 31, 2005 were 4.70% and 0.67%, respectively. The book value of HLFC's common stock was \$13.49 per share as of March 31, 2005 compared to \$13.46 per share as of March 31, 2004.

Total assets at March 31, 2005 were \$160.3 million compared to June 30, 2004 assets of \$160.0 million, an increase of \$300,000, or 0.20%. The increase in total assets was primarily in premises and equipment, which increased \$773,000, loans net, which increased \$444,000 and other assets, which increased \$321,000 partially offset by a decrease in investments of \$1,102,000 and a decrease in cash and cash equivalents of \$324,000. Total deposits at March 31, 2005 were \$90.2 million compared to June 30, 2004 deposits of \$87.9 million, an increase of \$2.3 million, or 2.67%. Total equity at March 31, 2005 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>March 31, 2005</u>	<u>June 30, 2004</u>
ASSETS		
Cash and cash equivalents	\$ 2,951,194	\$ 3,275,185
Securities available for sale	7,202,346	7,105,703
Mortgage-backed securities available for sale	9,122,682	10,321,735
Federal Home Loan Bank stock	2,324,500	2,250,700
Loans, net	131,994,080	131,549,778
Premises and equipment, net	2,154,418	1,380,927
Accrued interest receivable	746,965	719,141
Bank owned life insurance	3,114,970	3,016,864
Other assets	<u>731,342</u>	<u>410,239</u>
Total assets	<u>\$160,342,497</u>	<u>\$160,030,272</u>
LIABILITIES		
Deposits	\$ 90,202,444	\$ 87,853,639
Federal Home Loan Bank advances	46,210,451	48,756,389
Accrued interest payable	567,885	503,994
Accrued expenses and other liabilities	<u>576,074</u>	<u>606,824</u>
Total liabilities	137,556,854	137,720,846
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	14,704,892	14,508,999
Retained earnings	14,632,708	14,722,513
Unearned employee stock ownership plan shares	(554,375)	(773,982)
Unearned recognition and retention plan shares	(171,279)	(189,779)
Treasury stock, at cost – 559,343 shares at March 31, 2005 and 566,543 shares at June 30, 2004	(5,799,467)	(5,818,102)
Accumulated other comprehensive income	<u>(26,836)</u>	<u>(140,223)</u>
Total shareholders' equity	<u>22,785,643</u>	<u>22,309,426</u>
Total liabilities and shareholders' equity	<u>\$160,342,497</u>	<u>\$160,030,272</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2005	2004	2005	2004
Total interest income	\$2,343,391	\$2,422,810	\$7,159,160	\$7,214,475
Total interest expense	<u>926,173</u>	<u>909,422</u>	<u>2,760,814</u>	<u>2,760,682</u>
Net interest income	1,417,218	1,513,388	4,398,346	4,453,793
Provision for loan losses	<u>90,000</u>	<u>40,000</u>	<u>301,000</u>	<u>85,000</u>
Net interest income after provision for loan losses	1,327,218	1,473,388	4,097,346	4,368,793
Total noninterest income	183,267	141,670	615,234	548,073
Total noninterest expense	<u>1,093,942</u>	<u>953,467</u>	<u>3,027,697</u>	<u>2,856,745</u>
Income before income tax expense	416,543	661,591	1,684,883	2,060,121
Income tax expense	<u>145,900</u>	<u>231,000</u>	<u>588,000</u>	<u>705,900</u>
Net income	<u>\$ 270,643</u>	<u>\$ 430,591</u>	<u>\$1,096,883</u>	<u>\$1,354,221</u>
Basic earnings per share	<u>\$.17</u>	<u>\$.27</u>	<u>\$.68</u>	<u>\$.87</u>
Diluted earnings per share	<u>\$.17</u>	<u>\$.27</u>	<u>\$.67</u>	<u>\$.85</u>

KEY OPERATING RATIOS

	As of or For The		As of or For The	
	Three Months Ended		Nine Months Ended	
	March 31,		March 31,	
	2005	2004	2005	2004
Net interest margin	3.78%	4.03%	3.89%	4.06%
Return on average assets	0.67%	1.11%	0.91%	1.19%
Return on average equity	4.70%	7.59%	6.40%	8.11%
Total equity to total assets	14.21%	14.45%	14.21%	14.45%
Common shares outstanding	1,688,907	1,691,270	1,688,907	1,691,270
Book value per share	\$13.49	\$13.46	\$13.49	\$13.46
Nonperforming assets to total assets	1.35%	1.16%	1.35%	1.16%