

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2007**

Coshocton, Ohio, July 25, 2007 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced a net income of \$35,000, or \$.02 basic and diluted earnings per share, for the quarter ended June 30, 2007 compared to net income of \$10,000, or \$.01 basic and diluted earnings per share for the quarter ended June 30, 2006, an increase of \$25,000.

Net income for the year ended June 30, 2007 was \$1,018,000, or \$.69 basic and diluted earnings per share, compared to \$355,000 for the year ended June 30, 2006, or \$.24 basic and diluted earnings per share, an increase of \$663,000, or 186.7%.

The increase in earnings for the year ended June 30, 2007 compared with June 30, 2006 was primarily attributable to a decrease in the provision for loan losses of \$1,234,000 and an increase of \$119,000 in noninterest income, partially offset by a decrease in net interest income of \$381,000 and an increase in income tax expense of \$310,000. The provision was funded heavily in fiscal year 2006 to allow for general economic conditions in HLFN's market area. The provision was also funded in fiscal year 2007, to a lesser extent, in order to maintain an adequate provision for loan losses.

The net interest margin for the year ended June 30, 2007 was 3.58%. Return on average equity for the year ended June 30, 2007 was 5.41% compared to 1.76% for the year ended June 30, 2006, an increase of 365 basis points, or 207.4%. Return on average assets for the year ended June 30, 2007 was 0.64% compared to 0.22% for the year ended June 30, 2006, an increase of 42 basis points, or 190.9%. The book value of HLFN's common stock was \$12.32 per share as of June 30, 2007 compared to \$12.13 per share as of June 30, 2006, an increase of \$0.19, or 1.6%.

Total assets at June 30, 2007 were \$159.0 million compared to June 30, 2006 assets of \$158.4 million, an increase of \$536,000, or 0.3%. Total deposits at June 30, 2007 were \$110.4 million compared to June 30, 2006 deposits of \$101.7 million, an increase of \$8.7 million, or 8.6%. Total equity at June 30, 2007 was \$18.5 million compared to \$18.2 million at June 30, 2006, an increase of \$302,000.

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>June 30, 2007</u>	<u>June 30, 2006</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 6,405,334	\$ 6,399,627
Interest-bearing time deposits	636,150	1,282,598
Securities available for sale	7,573,864	7,090,247
Mortgage-backed securities available for sale	5,861,198	6,767,109
Federal Home Loan Bank stock	2,559,500	2,485,400
Loans, net	127,423,992	126,938,641
Premises and equipment	3,249,276	2,481,247
Accrued interest receivable	939,630	966,083
Bank owned life insurance	3,410,108	3,276,315
Other assets	<u>903,165</u>	<u>738,883</u>
Total assets	<u>\$158,962,217</u>	<u>\$158,426,150</u>
 <b>LIABILITIES</b>		
Deposits	\$ 110,390,189	\$ 101,661,916
Federal Home Loan Bank advances	28,508,349	37,081,902
Accrued interest payable	844,403	778,681
Accrued expenses and other liabilities	<u>698,736</u>	<u>685,489</u>
Total liabilities	140,441,677	140,207,988
 <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	14,863,715	14,863,741
Retained earnings	13,432,379	13,606,393
Unearned employee stock ownership plan shares	--	(234,938)
Unearned recognition and retention plan shares	--	(145,110)
Treasury stock, at cost –744,947 shares at June 30, 2007 and 746,947 shares at June 30, 2006	(9,645,972)	(9,669,722)
Accumulated other comprehensive income	<u>(129,582)</u>	<u>(202,202)</u>
Total shareholders' equity	<u>18,520,540</u>	<u>18,218,162</u>
Total liabilities and shareholders' equity	<u>\$158,962,217</u>	<u>\$158,426,150</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Total interest income	\$2,615,747	\$2,575,194	\$10,361,914	\$10,076,693
Total interest expense	<u>1,312,248</u>	<u>1,160,728</u>	<u>5,123,196</u>	<u>4,456,898</u>
Net interest income	1,303,499	1,414,466	5,238,718	5,619,795
Provision for loan losses	<u>535,000</u>	<u>749,000</u>	<u>760,000</u>	<u>1,994,000</u>
Net interest income after provision for loan losses	768,499	665,466	4,478,718	3,625,795
Total noninterest income	291,068	268,394	1,050,986	931,651
Total noninterest expense	<u>1,118,052</u>	<u>1,003,204</u>	<u>4,079,801</u>	<u>4,080,665</u>
Income before income tax expense	(58,485)	(69,344)	1,449,903	476,781
Income tax expense	<u>(93,756)</u>	<u>(79,800)</u>	<u>432,084</u>	<u>121,740</u>
Net income	<u>\$ 35,271</u>	<u>\$ 10,456</u>	<u>\$ 1,017,819</u>	<u>\$ 355,041</u>
Basic earnings per share	<u>\$ .02</u>	<u>\$ .01</u>	<u>\$ .69</u>	<u>\$ .24</u>
Diluted earnings per share	<u>\$ .02</u>	<u>\$ .01</u>	<u>\$ .69</u>	<u>\$ .24</u>

## KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2007	2006	2007	2006
Net interest margin	3.55%	3.83%	3.58%	3.74%
Return on average assets	0.09%	0.03%	0.64%	0.22%
Return on average equity	0.75%	0.22%	5.41%	1.76%
Total equity to total assets	11.65%	11.50%	11.65%	11.50%
Common shares outstanding	1,503,303	1,501,303	1,503,303	1,501,303
Book value per share	\$12.32	\$12.13	\$12.32	\$12.13
Nonperforming assets to total assets	1.89%	0.91%	1.89%	0.91%