

PRESS RELEASE

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

**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2005**

Coshocton, Ohio, October 19, 2005 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$320,000, or \$.20 basic and diluted earnings per share, for the quarter ended September 30, 2005 compared to net income of \$411,000, or \$.26 basic and \$.25 diluted earnings per share, for the quarter ended September 30, 2004.

The \$91,000, or 22.2%, decrease in earnings for the quarter ended September 30, 2005 compared with September 30, 2004 was attributable to a decrease in net interest income of \$81,000 and an increase in noninterest expense of \$87,000, partially offset by decreases in the provision for loan losses of \$36,000 and income tax expense of \$42,000.

The decrease in net interest income was primarily due to a decrease in net interest margin. 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 September 30, 2005 were 5.94% and 0.78%, respectively. The book value of HLFN's common stock was \$12.72 per share as of September 30, 2005 compared to \$13.40 per share as of September 30, 2004, a decrease of \$0.68, or 5.1%.

Total assets at September 30, 2005 were \$163.0 million compared to June 30, 2005 assets of \$162.1 million, an increase of \$900,000, or 0.6%. Total deposits at September 30, 2005 were \$97.1 million compared to June 30, 2005 deposits of \$92.7 million, an increase of \$4.4 million, or 4.8%. Total equity at September 30, 2005 was \$19.4 million compared to \$23.0 million at June 30, 2005, a decrease of \$3.6 million. The decrease in equity was attributable to the purchase of treasury stock associated with the reverse and forward stock splits transaction approved by the shareholders effective 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>September 30, 2005</u>	<u>June 30, 2005</u>
ASSETS		
Cash and cash equivalents	\$ 6,995,905	\$ 5,242,892
Interest-bearing time deposits	504,901	500,761
Securities available for sale	7,249,140	7,256,203
Mortgage-backed securities available for sale	8,071,248	8,691,644
Federal Home Loan Bank stock	2,381,600	2,352,700
Loans, net	131,292,257	131,013,785
Premises and equipment	2,196,828	2,228,933
Accrued interest receivable	823,632	815,055
Bank owned life insurance	3,179,403	3,147,036
Other assets	258,275	803,827
Total assets	<u>\$162,953,189</u>	<u>\$162,052,836</u>
LIABILITIES		
Deposits	\$ 97,139,000	\$ 92,732,451
Federal Home Loan Bank advances	44,201,251	45,144,836
Accrued interest payable	568,428	564,501
Accrued expenses and other liabilities	1,659,183	651,862
Total liabilities	<u>143,567,862</u>	<u>139,093,650</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	14,786,937	14,745,661
Retained earnings	14,457,438	14,463,377
Unearned employee stock ownership plan shares	(428,896)	(492,319)
Unearned recognition and retention plan shares	(160,339)	(165,809)
Treasury stock, at cost –723,735 shares at September 30, 2005 and 548,337 shares at June 30, 2005	(9,312,717)	(5,668,771)
Accumulated other comprehensive income	42,904	77,047
Total shareholders' equity	<u>19,385,327</u>	<u>22,959,186</u>
Total liabilities and shareholders' equity	<u>\$162,953,189</u>	<u>\$162,052,836</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	<u>September 30,</u>	
	<u>2005</u>	<u>2004</u>
Total interest income	\$2,464,298	\$2,403,878
Total interest expense	<u>1,055,439</u>	<u>914,069</u>
Net interest income	1,408,859	1,489,809
Provision for loan losses	<u>85,000</u>	<u>121,000</u>
Net interest income after provision for loan losses	1,323,859	1,368,809
Total noninterest income	227,566	228,713
Total noninterest expense	<u>1,056,184</u>	<u>969,267</u>
Income before income tax expense		
Income tax expense	<u>175,700</u>	<u>217,700</u>
Net income	<u>\$ 319,540</u>	<u>\$ 410,555</u>
Basic earnings per share	<u>\$.20</u>	<u>\$.26</u>
Diluted earnings per share	<u>\$.20</u>	<u>\$.25</u>

KEY OPERATING RATIOS

	At or for	
	The Three Months Ended	
	<u>September 30,</u>	
	<u>2005</u>	<u>2004</u>
Net interest margin	3.70%	3.94%
Return on average assets	.78%	1.02%
Return on average equity	5.94%	7.24%
Total equity to total assets	11.90%	14.11%
Common shares outstanding	1,524,515	1,688,907
Book value per share	\$12.72	\$13.40
Nonperforming assets to total assets	1.20%	2.04%