

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2006**

Coshocton, Ohio, October 18, 2006 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$361,000, or \$.25 basic and diluted earnings per share, for the quarter ended September 30, 2006 compared to net income of \$320,000, or \$.20 basic and diluted earnings per share, for the quarter ended September 30, 2005, an increase of \$42,000, or 13.1%.

This increase in earnings for the quarter ended September 30, 2006 compared with September 30, 2005 was primarily attributable to an increase in noninterest income of \$30,000, decreases in noninterest expense of \$91,000 and provision for loan losses of \$25,000, partially offset by a decrease in net interest income of \$85,000 and an increase in income tax expense of \$19,000.

The net interest margin for the three months ended September 30, 2006 was 3.67%. Return on average equity and return on average assets for the three months ended September 30, 2006 were 7.71% and 0.92%, respectively. The book value of HLFN's common stock was \$12.31 per share as of September 30, 2006 compared to \$12.72 per share as of September 30, 2005, a decrease of \$0.41, or 3.2%.

Total assets at September 30, 2006 were \$158.2 million compared to June 30, 2006 assets of \$158.4 million, a decrease of \$186,000, or 0.1%. Total deposits at September 30, 2006 were \$102.0 million compared to June 30, 2006 deposits of \$101.7 million, an increase of \$335,000, or 0.3%. Total equity at September 30, 2006 was \$18.5 million compared to \$18.2 million at June 30, 2006, an increase of \$284,000.

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, 2006</u>	<u>June 30, 2006</u>
ASSETS		
Cash and cash equivalents	\$ 6,866,469	\$ 6,399,627
Interest-bearing time deposits	1,296,066	1,282,598
Securities available for sale	7,169,839	7,090,247
Mortgage-backed securities available for sale	6,604,725	6,767,109
Federal Home Loan Bank stock	2,521,400	2,485,400
Loans, net	126,551,304	126,938,641
Premises and equipment	2,533,233	2,481,247
Accrued interest receivable	899,323	966,083
Bank owned life insurance	3,309,903	3,276,315
Other assets	487,397	738,883
Total assets	<u>\$158,239,659</u>	<u>\$158,426,150</u>
 LIABILITIES		
Deposits	\$ 101,997,390	\$ 101,661,916
Federal Home Loan Bank advances	36,346,543	37,081,902
Accrued interest payable	715,431	778,681
Accrued expenses and other liabilities	678,019	685,489
Total liabilities	139,737,383	140,207,988
 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	14,885,462	14,863,741
Retained earnings	13,664,521	13,606,393
Unearned employee stock ownership plan shares	(176,204)	(234,938)
Unearned recognition and retention plan shares	(140,284)	(145,110)
Treasury stock, at cost –744,947 shares at September 30, 2006 and 746,947 shares at June 30, 2006	(9,645,972)	(9,669,772)
Accumulated other comprehensive income	(85,247)	(202,202)
Total shareholders' equity	<u>18,502,276</u>	<u>18,218,162</u>
Total liabilities and shareholders' equity	<u>\$158,239,659</u>	<u>\$158,426,150</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	<u>2006</u>	<u>2005</u>
Total interest income	\$2,538,725	\$2,464,298
Total interest expense	<u>1,214,961</u>	<u>1,055,439</u>
Net interest income	1,323,764	1,408,859
Provision for loan losses	<u>60,000</u>	<u>85,000</u>
Net interest income after provision for loan losses	1,263,764	1,323,859
Total noninterest income	257,773	227,566
Total noninterest expense	<u>965,423</u>	<u>1,056,185</u>
Income before income tax expense	556,114	495,240
Income tax expense	<u>194,800</u>	<u>175,700</u>
Net income	<u>\$ 361,314</u>	<u>\$ 319,540</u>
Basic earnings per share	<u>\$.25</u>	<u>\$.20</u>
Diluted earnings per share	<u>\$.25</u>	<u>\$.20</u>

KEY OPERATING RATIOS

	At or for The Three Months Ended September 30,	
	<u>2006</u>	<u>2005</u>
Net interest margin	3.67%	3.70%
Return on average assets	.92%	.78%
Return on average equity	7.71%	5.94%
Total equity to total assets	11.69%	11.90%
Common shares outstanding	1,503,303	1,524,515
Book value per share	\$12.31	\$12.72
Nonperforming assets to total assets	2.10%	1.20%