

**PRESS RELEASE**

**FOR IMMEDIATE RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2007**

Coshocton, Ohio, October 18, 2007 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$310,000, or \$.21 basic and diluted earnings per share, for the quarter ended September 30, 2007 compared to net income of \$361,000, or \$.25 basic and diluted earnings per share, for the quarter ended September 30, 2006, a decrease of \$51,000, or 14.1%.

This decrease in earnings for the quarter ended September 30, 2007 compared with September 30, 2006 was primarily attributable to a decrease in net interest income of \$18,000, an increase in the provision for loan loss expense of \$12,000 and noninterest expense of \$58,000, partially offset by a decrease income tax expense of \$30,000. The increase in noninterest expense was primarily due to a loss on the sale of other real estate owned.

The net interest margin for the three months ended September 30, 2007 was 3.56%. Return on average equity and return on average assets for the three months ended September 30, 2007 were 6.64% and 0.79%, respectively. The book value of HLFN's common stock was \$12.46 per share as of September 30, 2007 compared \$12.37 per share as of September 30, 2006, an increase of \$0.09, or 0.7%.

Total assets at September 30, 2007 were \$157.5 million compared to June 30, 2007 assets of \$159.0 million, a decrease of \$1.5 million, or 0.9%. Total deposits at September 30, 2007 were \$106.6 million compared to June 30, 2007 deposits of \$110.4 million, a decrease of \$3.8 million, or 3.5%. This was due primarily to competitive pricing in the marketplace. Total equity at September 30, 2007 was \$18.6 million compared to \$18.5 million at June 30, 2007, an increase of \$118,000.

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>September 30, 2007</u>	<u>June 30, 2007</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 5,154,667	\$ 6,405,334
Interest-bearing time deposits	641,059	636,150
Securities available for sale	7,639,363	7,573,864
Mortgage-backed securities available for sale	5,645,375	5,861,198
Federal Home Loan Bank stock	2,559,500	2,559,500
Loans, net	127,673,167	127,423,992
Premises and equipment, net	3,213,225	3,249,277
Accrued interest receivable	981,744	939,630
Bank owned life insurance	3,445,000	3,410,108
Other assets	<u>542,011</u>	<u>903,164</u>
Total assets	<u>\$157,495,111</u>	<u>\$158,962,217</u>
<b>LIABILITIES</b>		
Deposits	\$ 106,568,031	\$ 110,390,189
Federal Home Loan Bank advances	30,938,383	28,508,349
Accrued interest payable	664,336	844,403
Accrued expenses and other liabilities	<u>685,574</u>	<u>698,736</u>
Total liabilities	138,856,324	140,441,677
<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	14,969,880	14,953,288
Retained earnings	13,442,072	13,432,381
Unearned employee stock ownership plan shares	--	--
Unearned recognition and retention plan shares	(120,978)	--
Treasury stock, at cost –751,909 shares at September 30, 2007 and June 30, 2007	(9,735,547)	(9,735,547)
Accumulated other comprehensive income	<u>(37,620)</u>	<u>(129,582)</u>
Total shareholders' equity	<u>18,638,787</u>	<u>18,520,540</u>
Total liabilities and shareholders' equity	<u>\$157,495,111</u>	<u>\$158,962,217</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended	
	<u>September 30,</u>	
	<u>2007</u>	<u>2006</u>
Total interest income	\$2,577,174	\$2,538,725
Total interest expense	<u>1,271,369</u>	<u>1,214,960</u>
Net interest income	1,305,805	1,323,765
Provision for loan losses	<u>72,000</u>	<u>60,000</u>
Net interest income after provision for loan losses	1,233,805	1,263,765
Total noninterest income	264,404	257,772
Total noninterest expense	<u>1,023,056</u>	<u>965,423</u>
Income before income tax expense	475,153	556,114
Income tax expense	<u>164,800</u>	<u>194,800</u>
Net income	<u>\$ 310,353</u>	<u>\$ 361,314</u>
Basic earnings per share	<u>\$ .21</u>	<u>\$ .25</u>
Diluted earnings per share	<u>\$ .21</u>	<u>\$ .25</u>

### KEY OPERATING RATIOS

	At or for	
	The Three Months Ended	
	<u>September 30,</u>	
	<u>2007</u>	<u>2006</u>
Net interest margin	3.56%	3.67%
Return on average assets	0.79%	0.92%
Return on average equity	6.64%	7.71%
Total equity to total assets	11.83%	11.69%
Common shares outstanding	1,496,341	1,496,341
Book value per share	\$12.46	\$12.37
Nonperforming assets to total assets	1.98%	2.10%