

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER AND YEAR ENDED SEPTEMBER 30, 2008**

Coshocton, Ohio, October 14, 2008 – Home Loan Financial Corporation (OTCBB: HLFN), the parent company of The Home Loan Savings Bank, today announced net income of \$386,000, or \$.26 basic and diluted earnings per share, for the quarter ended September 30, 2008 compared to net income of \$310,000, or \$.21 basic and diluted earnings per share, for the quarter ended September 30, 2007, an increase of \$75,000, or 24.2%.

This increase in earnings for the quarter ended September 30, 2008 compared with September 30, 2007 was primarily attributable to an increase in net interest income of \$222,000, partially offset by increases in the provision for loan loss expense of \$83,000 and noninterest expense of \$39,000. The increase in the provision for loan loss expense was primarily due to general economic conditions in HLFN's market area.

The net interest margin for the three months ended September 30, 2008 was 3.69%. Return on average equity and return on average assets for the three months ended September 30, 2008 were 8.11% and 0.93%, respectively. The book value of HLFN's common stock was \$12.73 per share as of September 30, 2008 compared \$12.46 per share as of September 30, 2007, an increase of \$0.27, or 2.2%.

Total assets at September 30, 2008 were \$167.3 million compared to June 30, 2008 assets of \$167.2 million, an increase of \$102,000, or 0.06%. Total deposits at September 30, 2008 were \$104.6 million compared to June 30, 2008 deposits of \$107.9 million, a decrease of \$3.3 million, or 3.1%. This was due primarily to competitive pricing in the marketplace. Total equity at September 30, 2008 was \$18.9 million compared to \$18.8 million at June 30, 2008, an increase of \$110,000.

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, 2008</u>	<u>June 30, 2008</u>
ASSETS		
Cash and cash equivalents	\$ 4,844,140	\$ 4,138,262
Interest-bearing time deposits	2,645,832	2,619,781
Securities available for sale	7,633,961	7,653,759
Mortgage-backed securities available for sale	7,260,598	7,435,443
Federal Home Loan Bank stock	2,663,300	2,627,900
Loans, net	134,236,836	134,669,371
Premises and equipment	3,162,302	3,139,080
Accrued interest receivable	935,176	907,589
Bank owned life insurance	3,586,414	3,551,191
Other assets	<u>283,409</u>	<u>407,661</u>
Total assets	<u>\$167,251,968</u>	<u>\$167,150,037</u>
 LIABILITIES		
Deposits	\$ 104,569,422	\$ 107,888,805
Federal Home Loan Bank advances	42,511,084	38,939,957
Accrued interest payable	501,423	749,750
Accrued expenses and other liabilities	<u>771,659</u>	<u>783,058</u>
Total liabilities	148,353,588	148,361,570
 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	15,011,576	15,001,713
Retained earnings	13,720,056	13,633,118
Treasury stock, at cost –763,199 shares at September 30, 2008 and 760,899 shares at June 30, 2008	(9,883,349)	(9,854,024)
Accumulated other comprehensive income	<u>50,097</u>	<u>7,660</u>
Total shareholders' equity	<u>18,898,380</u>	<u>18,788,467</u>
Total liabilities and shareholders' equity	<u>\$167,251,968</u>	<u>\$167,150,037</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>
Total interest income	\$2,552,573	\$2,577,174
Total interest expense	<u>1,024,385</u>	<u>1,271,369</u>
Net interest income	1,528,188	1,305,805
Provision for loan losses	<u>155,000</u>	<u>72,000</u>
Net interest income after provision for loan losses	1,373,188	1,233,805
Total noninterest income	273,483	264,404
Total noninterest expense	<u>1,062,170</u>	<u>1,023,056</u>
Income before income tax expense	584,501	475,153
Income tax expense	<u>198,700</u>	<u>164,800</u>
Net income	<u>\$ 385,801</u>	<u>\$ 310,353</u>
Basic earnings per share	<u>\$.26</u>	<u>\$.21</u>
Diluted earnings per share	<u>\$.26</u>	<u>\$.21</u>

KEY OPERATING RATIOS

	At or for The Three Months Ended <u>September 30,</u>	
	<u>2008</u>	<u>2007</u>
Net interest margin	3.69%	3.56%
Return on average assets	0.93%	0.79%
Return on average equity	8.11%	6.64%
Total equity to total assets	11.30%	11.83%
Common shares outstanding	1,485,051	1,496,341
Book value per share	\$12.73	\$12.46
Nonperforming assets to total assets	1.16%	1.98%