

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2001**

Coshocton, Ohio, January 16, 2002 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$385,000, or \$.26 basic earnings per share and \$.25 diluted earnings per share, for the quarter ended December 31, 2001 compared to net income of \$347,000, or \$.21 basic and diluted earnings per share, for the quarter ended December 31, 2000, an increase of \$38,000, or 10.8%.

The increase in earnings for the quarter ended December 31, 2001 compared with December 31, 2000, was primarily attributable to increases in net interest income of \$169,000 and noninterest income of \$37,000, partially offset by increases in noninterest expense of \$130,000 and the provision for loan losses of \$35,000.

The increase in net interest income was primarily due to an increase in average earning assets and an increase in net interest margin. The net interest margin for the three months ended December 31, 2001 was 4.40% compared to 4.08% for the three months ended December 31, 2000. The increase in noninterest expense was primarily due to an increase in salaries and employee benefits of \$57,000 and an increase in other expenses of \$53,000 due primarily to expenses related to the pending change in data processors.

Return on average equity and return on average assets for the six months ended December 31, 2001 were 7.63% and 1.20%, respectively. The book value of HLFC's common stock was \$11.89 per share as of December 31, 2001 compared to \$10.96 per share as of December 31, 2000, an increase of \$0.93, or 8.5%.

Total assets at December 31, 2001 were \$127.6 million compared to June 30, 2001 assets of \$122.4 million, an increase of \$5.2 million, or 4.2%. The increase in total assets was primarily in loans, which increased \$5.6 million. Total deposits at December 31, 2001 were \$75.6 million compared to June 30, 2001 deposits of \$71.1 million, an increase of \$4.5 million, or 6.3%. Total equity at December 31, 2001 was \$19.7 million compared to \$19.3 million at June 30, 2001.

Home Loan Financial Corporation and The Home Loan Savings Bank are headquartered at 401 Main Street, Coshocton, Ohio 43812. The Bank has two offices in Coshocton, Ohio and a branch in West Lafayette, Ohio.

HOME LOAN FINANCIAL CORPORATION
CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

	<u>December 31, 2001</u>	<u>June 30, 2001</u>
ASSETS		
Cash and cash equivalents	\$ 3,347,692	\$ 2,598,068
Securities available for sale	2,523,800	2,534,650
Mortgage-backed securities available for sale	11,003,400	12,191,628
Federal Home Loan Bank stock	1,883,700	1,825,800
Loans, net	106,912,430	101,307,215
Premises and equipment	1,126,232	1,083,434
Accrued interest receivable	573,824	613,994
Other assets	250,818	242,861
Total assets	<u>\$127,621,896</u>	<u>\$122,397,650</u>
LIABILITIES		
Deposits	\$ 75,636,435	\$ 71,172,481
Federal Home Loan Bank advances	31,175,000	30,925,000
Accrued interest payable	624,071	613,223
Accrued expenses and other liabilities	510,535	354,631
Total liabilities	107,946,041	103,065,335
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	14,083,151	14,083,151
Retained earnings	13,678,176	13,314,599
Unearned employee stock ownership plan shares	(1,486,980)	(1,619,532)
Unearned recognition and retention plan shares	(521,511)	(616,545)
Treasury stock, at cost – 593,587 shares at December 31, 2001 and 559,257 shares at June 30, 2001	(6,189,193)	(5,841,263)
Accumulated other comprehensive income	112,212	11,905
Total shareholders' equity	<u>19,675,855</u>	<u>19,332,315</u>
Total liabilities and shareholders' equity	<u>\$127,621,896</u>	<u>\$122,397,650</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Total interest income	\$2,420,460	\$2,391,864	\$4,847,744	\$4,705,095
Total interest expense	<u>1,079,866</u>	<u>1,219,855</u>	<u>2,266,558</u>	<u>2,378,841</u>
Net interest income	1,340,594	1,172,009	2,581,186	2,326,254
Provision for loan losses	<u>50,000</u>	<u>15,000</u>	<u>65,000</u>	<u>30,000</u>
Net interest income after provision for loan losses	1,290,594	1,157,009	2,516,186	2,296,254
Total noninterest income	123,719	86,949	239,475	155,844
Total noninterest expense	<u>829,271</u>	<u>699,555</u>	<u>1,613,609</u>	<u>1,377,401</u>
Income before income tax expense	585,042	544,403	1,142,052	1,074,697
Income tax expense	<u>200,500</u>	<u>197,200</u>	<u>392,400</u>	<u>391,500</u>
Net income	<u>\$ 384,542</u>	<u>\$ 347,203</u>	<u>\$ 749,652</u>	<u>\$ 683,197</u>
Basic earnings per share	<u>\$.26</u>	<u>\$.21</u>	<u>\$.51</u>	<u>\$.42</u>
Diluted earnings per share	<u>\$.25</u>	<u>\$.21</u>	<u>\$.49</u>	<u>\$.42</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2001	2000	2001	2000
Net interest margin	4.40%	4.08%	4.26%	4.10%
Return on average assets	1.22%	1.17%	1.20%	1.17%
Return on average equity	7.79%	6.97%	7.63%	6.92%
Total equity to total assets	15.42%	16.65%	15.42%	16.65%
Common shares outstanding	1,654,663	1,831,213	1,654,663	1,831,213
Book value per share	\$11.89	\$10.96	\$11.89	\$10.96
Nonperforming assets to total assets	0.73%	0.24%	0.73%	0.24%

