

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2002**

Coshocton, Ohio, January 15, 2003 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$484,385, or \$.33 basic earnings per share and \$.32 diluted earnings per share, for the quarter ended December 31, 2002 compared to net income of \$384,542, or \$.26 basic and \$.25 diluted earnings per share, for the quarter ended December 31, 2001, an increase of \$99,843 or 26.0%.

The increase in earnings for the quarter ended December 31, 2002 compared with December 31, 2001, was primarily attributable to increases in net interest income of \$135,705 and noninterest income of \$75,930, partially offset by an increase in noninterest expense of \$51,992. The increase in net interest income was primarily due to an increase in average earning assets. The net interest margin for the three months ended December 31, 2002 was 4.37% compared to 4.40% for the three months ended December 31, 2001. The increase in noninterest income was primarily due to the Corporation's earnings from its ownership in Coshocton County Title Agency ("CCTA"). CCTA was formed in June 2002 by the Corporation and two other investors to provide title insurance on properties. The increase in noninterest expense was primarily due to increases in salaries and benefits due to additional staff and an increase in ESOP expense due to the elevated price of the Company's stock.

Return on average equity and return on average assets for the six months ended December 31, 2002 were 8.85% and 1.32%, respectively. The book value of HLFC's common stock was \$12.76 per share as of December 31, 2002 compared to \$11.89 per share as of December 31, 2001, an increase of \$0.87, or 7.32%.

Total assets at December 31, 2002 were \$140.0 million compared to June 30, 2002 assets of \$132.3 million, an increase of \$7.7 million, or 5.8%. The increase in total assets was primarily in loans, which increased \$7.2 million. Total deposits at December 31, 2002 were \$80.7 million compared to June 30, 2002 deposits of \$79.8 million, an increase of \$0.9 million, or 1.2%. Total borrowings at December 31, 2002 were \$37.4 million compared to \$28.8 million at June 30, 2002, an increase of \$8.6 million, or 29.9%. The additional borrowings were used to fund a \$5.0 million leveraging strategy and to fund loan demand. Total equity at December 31, 2002 was \$20.7 million compared to \$20.1 million at June 30, 2002.

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, 2002</u>	<u>June 30, 2002</u>
ASSETS		
Cash and cash equivalents	\$ 2,532,314	\$ 2,931,785
Securities available for sale	7,287,489	4,413,516
Mortgage-backed securities available for sale	7,593,497	9,738,990
Federal Home Loan Bank stock	2,120,700	1,927,100
Loans, net	118,218,165	111,017,080
Premises and equipment	1,209,404	1,278,592
Accrued interest receivable	682,769	651,707
Other assets	<u>359,998</u>	<u>322,366</u>
Total assets	<u>\$140,004,337</u>	<u>\$132,281,136</u>
LIABILITIES		
Deposits	\$ 80,699,491	\$ 79,773,087
Federal Home Loan Bank advances	37,409,874	28,802,335
Due to broker on security purchase	--	2,392,006
Accrued interest payable	632,685	590,581
Accrued expenses and other liabilities	<u>604,618</u>	<u>578,626</u>
Total liabilities	119,346,668	112,136,635
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	14,133,466	14,100,870
Retained earnings	14,277,780	13,831,012
Unearned employee stock ownership plan shares	(1,219,229)	(1,354,006)
Unearned recognition and retention plan shares	(345,452)	(434,692)
Treasury stock, at cost – 629,805 shares at December 31, 2002 and 599,188 shares at June 30, 2002	(6,575,526)	(6,186,296)
Accumulated other comprehensive income	<u>386,630</u>	<u>187,613</u>
Total shareholders' equity	<u>20,657,669</u>	<u>20,144,501</u>
Total liabilities and shareholders' equity	<u>\$140,004,337</u>	<u>\$132,281,136</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Total interest income	\$2,486,025	\$2,420,460	\$4,922,725	\$4,847,744
Total interest expense	<u>1,009,727</u>	<u>1,079,867</u>	<u>2,047,113</u>	<u>2,266,559</u>
Net interest income	1,476,298	1,340,593	2,875,612	2,581,185
Provision for loan losses	<u>65,000</u>	<u>50,000</u>	<u>95,000</u>	<u>65,000</u>
Net interest income after provision for loan losses	1,411,298	1,290,593	2,780,612	2,516,185
Total noninterest income	199,650	123,720	332,229	239,476
Total noninterest expense	<u>881,263</u>	<u>829,271</u>	<u>1,740,435</u>	<u>1,613,609</u>
Income before income tax expense	729,685	585,042	1,372,406	1,142,052
Income tax expense	<u>245,300</u>	<u>200,500</u>	<u>462,200</u>	<u>392,400</u>
Net income	<u>\$ 484,385</u>	<u>\$ 384,542</u>	<u>\$ 910,206</u>	<u>\$ 749,652</u>
Basic earnings per share	<u>\$.33</u>	<u>\$.26</u>	<u>\$.62</u>	<u>\$.51</u>
Diluted earnings per share	<u>\$.32</u>	<u>\$.25</u>	<u>\$.59</u>	<u>\$.49</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2002	2001	2002	2001
Net interest margin	4.37%	4.40%	4.31%	4.26%
Return on average assets	1.38%	1.22%	1.32%	1.20%
Return on average equity	9.32%	7.79%	8.85%	7.63%
Total equity to total assets	14.76%	15.42%	14.76%	15.42%
Common shares outstanding	1,618,445	1,654,663	1,618,445	1,654,663
Book value per share	\$12.76	\$11.89	\$12.76	\$11.89
Nonperforming assets to total assets	0.28%	0.87%	0.28%	0.87%