

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2000**

Coshocton, Ohio, July 26, 2000 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$280,000, or \$.17 basic and diluted earnings per share, for the quarter ended June 30, 2000 compared to net income of \$273,000, or \$.15 basic and diluted earnings per share, for the quarter ended June 30, 1999, an increase of \$7,000, or 2.6%.

The increase in earnings for the quarter ended June 30, 2000 compared with June 30, 1999 was primarily attributable to an increase in noninterest income of \$17,000 from \$62,000 for the three months ended June 30, 1999 versus \$79,000 for the comparable period in 2000. The increase was primarily due to an increase in insurance commissions and miscellaneous income.

Net income for the year ended June 30, 2000 was \$1,031,000, or \$.61 basic and \$.60 diluted earnings per share, compared to \$1,323,000 for the year ended June 30, 1999, or \$.67 basic and \$.66 diluted earnings per share, a decrease of \$292,000 or 22.1%.

The decrease in earnings for the year ended June 30, 2000 compared with June 30, 1999 was primarily attributable to a decrease in net interest income of \$112,000 and an increase in noninterest expense of \$410,000 partially offset by an increase in noninterest income of \$68,000 and a decrease in income tax expense of \$162,000.

The decrease in net interest income was primarily due to an increase in interest expense related to the special cash distribution of \$4.00 per share paid to shareholders in May 1999. The increase in noninterest expense was primarily due to the opening of a new branch in October 1999.

The net interest margin for the three months ended June 30, 2000 was 3.97%. Return on average equity and return on average assets for the three months ended June 30, 2000 were 5.77% and 0.99%, respectively. The book value of HLFC's common stock was \$10.27 per share as of June 30, 2000 compared to \$9.81 per share as of June 30, 1999, an increase of \$.46, or 4.7%.

Total assets at June 30, 2000 were \$113.7 million compared to June 30, 1999 assets of \$107.9 million, an increase of \$5.8 million, or 5.4%. The increase in total assets was primarily in loans, which increased \$12.8 million and was partially offset by a decrease in cash and cash equivalents of \$6.3 million during this period. Total deposits at June 30, 2000 were \$65.0 million compared to June 30, 1999 deposits of \$56.5 million, an increase of \$8.5 million, or 15.0%. Total equity at June 30, 2000 was \$19.4 million compared to \$19.9 million at June 30, 1999. The decrease in total equity was primarily due to the purchase of treasury stock during the year ended June 30, 2000.

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>June 30, 2000</u>	<u>June 30, 1999</u>
ASSETS		
Cash and cash equivalents	\$ 2,236,265	\$ 8,563,948
Interest-bearing time deposits	--	35,152
Securities available for sale	3,417,675	2,969,723
Mortgage-backed securities available for sale	18,422,861	20,248,220
Federal Home Loan Bank stock	1,564,100	1,430,500
Loans, net	85,852,772	73,068,853
Premises and equipment, net	1,148,897	742,062
Accrued interest receivable	585,128	468,664
Other assets	<u>503,150</u>	<u>328,051</u>
Total assets	<u>\$113,730,848</u>	<u>\$107,855,173</u>
LIABILITIES		
Deposits	\$ 64,951,022	\$ 56,494,543
Federal Home Loan Bank advances	28,625,000	28,200,000
Other borrowings	--	2,350,000
Accrued interest payable	447,463	526,693
Accrued expenses and other liabilities	<u>258,755</u>	<u>384,941</u>
Total liabilities	94,282,240	87,956,177
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	14,060,770
Retained earnings-substantially restricted	12,665,932	12,154,493
Unearned employee stock ownership plan shares	(1,873,155)	(2,109,864)
Unearned recognition and retention plan shares	(832,265)	(1,024,269)
Treasury stock, at cost – 353,657 shares at June 30, 2000 and 219,205 shares at June 30, 1999	(3,989,862)	(2,852,948)
Accumulated other comprehensive income	(605,193)	(329,186)
Total shareholders' equity	<u>19,448,608</u>	<u>19,898,996</u>
Total liabilities and shareholders' equity	<u>\$ 113,730,848</u>	<u>\$ 107,855,173</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Total interest income	\$2,180,177	\$1,933,799	\$8,258,651	\$6,910,244
Total interest expense	<u>1,094,597</u>	<u>859,641</u>	<u>4,083,625</u>	<u>2,623,088</u>
Net interest income	1,085,580	1,074,158	4,175,026	4,287,156
Provision for loan losses	<u>30,000</u>	<u>30,000</u>	<u>120,000</u>	<u>120,000</u>
Net interest income after provision for loan losses	1,055,580	1,044,158	4,055,026	4,167,156
Total noninterest income	79,429	62,153	271,569	204,009
Total noninterest expense	<u>703,128</u>	<u>693,078</u>	<u>2,717,300</u>	<u>2,307,775</u>
Income before income tax expense	431,881	413,233	1,609,295	2,063,390
Income tax expense	<u>152,200</u>	<u>140,066</u>	<u>578,700</u>	<u>740,766</u>
Net income	<u>\$ 279,681</u>	<u>\$ 273,167</u>	<u>\$1,030,595</u>	<u>\$1,322,624</u>
Basic earnings per share	<u>\$.17</u>	<u>\$.15</u>	<u>\$.61</u>	<u>\$.67</u>
Diluted earnings per share	<u>\$.17</u>	<u>\$.15</u>	<u>\$.60</u>	<u>\$.66</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2000	1999	2000	1999
Net interest margin	3.97%	4.18%	3.97%	4.85%
Return on average assets	0.99%	1.04%	0.95%	1.45%
Return on average equity	5.77%	4.28%	5.26%	4.48%
Total equity to total assets	17.10%	18.45%	17.10%	18.45%
Common shares outstanding	1,894,593	2,029,045	1,894,593	2,029,045
Book value per share	\$10.27	\$9.81	\$10.27	\$9.81
Nonperforming assets to total assets	0.09%	0.12%	0.09%	0.12%

