

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2002**

Coshocton, Ohio, July 24, 2002 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$348,000, or \$.23 basic and diluted earnings per share for the quarter ended June 30, 2002 compared to net income of \$379,000, or \$.25 basic and \$.24 diluted earnings per share for the quarter ended June 30, 2001, a decrease of \$31,000 or 8.2%.

The decrease in earnings for the quarter ended June 30, 2002 compared with June 30, 2001 was primarily attributable to an increase in data processing costs due to a recent data processing conversion.

Net income for the year ended June 30, 2002 was \$1,475,000, or \$.99 basic and \$.96 diluted earnings per share, compared to \$1,402,000 for the year ended June 30, 2001, or \$.87 basic and diluted earnings per share, an increase of \$73,000, or 5.2%.

The increase in earnings for the year ended June 30, 2002 compared with June 30, 2001 was primarily attributable to an increase in the net interest income of \$476,000 and an increase in noninterest income of \$77,000 partially offset by an increase in noninterest expense of \$420,000 and an increase in tax expense of \$49,000.

The increase in net interest income was primarily due to an increase in average earning assets and an increase in the net interest margin. The increase in noninterest expense was primarily due to an increase in personnel expense due to increases in the number of employees and annual merit salary adjustments along with the additional data processing costs due to the data processing conversion.

The net interest margin for the three months ended June 30, 2002 was 4.25%. Return on average equity and return on average assets for the three months ended June 30, 2002 were 6.93% and 1.09%, respectively. The book value of HLFC's common stock was \$12.22 per share as of June 30, 2002 compared to \$11.45 per share as of June 30, 2001, an increase of \$.77, or 6.7%.

Total assets at June 30, 2002 were \$132.3 million compared to June 30, 2001 assets of \$122.4 million, an increase of \$9.9 million, or 8.1%. The increase in total assets was primarily in loans, which increased \$9.7 million. Total deposits at June 30, 2002 were \$79.8 million compared to June 30, 2001 deposits of \$71.2 million, an increase of \$8.6 million, or 12.1%. Total equity at June 30, 2002 was \$20.1 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>June 30, 2002</u>	<u>June 30, 2001</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,931,785	\$ 2,598,068
Securities available for sale	4,413,516	2,534,650
Mortgage-backed securities available for sale	9,738,990	12,191,628
Federal Home Loan Bank stock	1,927,100	1,825,800
Loans, net	111,017,080	101,307,215
Premises and equipment, net	1,278,592	1,083,434
Accrued interest receivable	651,707	613,994
Other assets	<u>322,366</u>	<u>242,861</u>
Total assets	<u>\$132,281,136</u>	<u>\$122,397,650</u>
<b>LIABILITIES</b>		
Deposits	\$ 79,773,087	\$ 71,172,481
Federal Home Loan Bank advances	28,802,335	30,925,000
Due to broker on security purchase	2,392,006	--
Accrued interest payable	590,581	613,223
Accrued expenses and other liabilities	<u>578,626</u>	<u>354,631</u>
Total liabilities	\$112,136,635	\$103,065,335
<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	14,100,870	14,083,151
Retained earnings-substantially restricted	13,831,012	13,314,599
Unearned employee stock ownership plan shares	(1,354,006)	(1,619,532)
Unearned recognition and retention plan shares	(434,692)	(616,545)
Treasury stock, at cost –599,188 shares at June 30, 2002 and 559,257 shares at June 30, 2001	(6,186,296)	(5,841,263)
Accumulated other comprehensive income	<u>187,613</u>	<u>11,905</u>
Total shareholders' equity	<u>20,144,501</u>	<u>19,332,315</u>
Total liabilities and shareholders' equity	<u>\$ 132,281,136</u>	<u>\$ 122,397,650</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Total interest income	\$2,300,283	\$2,481,939	\$9,497,338	\$9,587,985
Total interest expense	<u>989,945</u>	<u>1,221,786</u>	<u>4,256,206</u>	<u>4,822,412</u>
Net interest income	1,310,338	1,260,153	5,241,132	4,765,573
Provision for loan losses	<u>25,000</u>	<u>65,000</u>	<u>120,000</u>	<u>110,000</u>
Net interest income after provision for loan losses	1,285,338	1,195,153	5,121,132	4,655,573
Total noninterest income	95,193	121,138	431,921	354,484
Total noninterest expense	<u>843,386</u>	<u>773,483</u>	<u>3,290,039</u>	<u>2,869,871</u>
Income before income tax expense	537,145	542,808	2,263,014	2,140,186
Income tax expense	<u>188,900</u>	<u>163,393</u>	<u>787,600</u>	<u>738,393</u>
Net income	<u>\$ 348,245</u>	<u>\$ 379,415</u>	<u>\$1,475,414</u>	<u>\$1,401,793</u>
Basic earnings per share	<u>\$ .23</u>	<u>\$ .25</u>	<u>\$ .99</u>	<u>\$ .87</u>
Diluted earnings per share	<u>\$ .23</u>	<u>\$ .24</u>	<u>\$ .99</u>	<u>\$ .87</u>

### KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2002	2001	2002	2001
Net interest margin	4.25%	4.22%	4.29%	4.11%
Return on average assets	1.09%	1.23%	1.17%	1.17%
Return on average equity	6.93%	7.67%	7.43%	7.06%
Total equity to total assets	15.23%	15.79%	15.23%	15.79%
Common shares outstanding	1,649,062	1,688,993	1,649,062	1,688,993
Book value per share	\$12.22	\$11.45	\$12.22	\$11.45
Nonperforming assets to total assets	0.99%	0.19%	0.99%	0.19%



