

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER AND YEAR ENDED JUNE 30, 2003**

Coshocton, Ohio, July 23, 2003 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$541,000, or \$.35 basic and diluted earnings per share for the quarter ended June 30, 2003 compared to net income of \$348,000, or \$.23 basic and diluted earnings per share for the quarter ended June 30, 2002, an increase of \$193,000, or 55.3%.

The increase in earnings for the quarter ended June 30, 2003 compared with June 30, 2002, was primarily attributable to increases in net interest income of \$174,000 and noninterest income of \$209,000, partially offset by increases in noninterest expense of \$78,000 and income taxes of \$97,000. The increase in net interest income was primarily due to an increase in average earning assets. The increase in noninterest income was primarily due to HLFC's earnings from its ownership in Coshocton County Title Agency ("CCTA"). 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 HLFC's stock.

Net income for the year ended June 30, 2003 was \$1,874,000, or \$1.25 basic and \$1.21 diluted earnings per share, compared to \$1,475,000 for the year ended June 30, 2002, or \$.99 basic and \$.96 diluted earnings per share, an increase of \$399,000, or 27.0%.

The increase in earnings for the year ended June 30, 2003 compared with June 30, 2002 was primarily attributable to increases in net interest income of \$514,000 and noninterest income of \$399,000 partially offset by increases in noninterest expense of \$269,000 and income taxes of \$176,000.

The increase in net interest income was primarily due to an increase in average earning assets, partially offset by a slight decrease in the net interest margin. The increase in noninterest income was primarily attributable to the earnings from CCTA and the gains from the sale of loans. The increase in noninterest expense was primarily due to increases in salaries and benefits due to additional staff and an increase in ESOP expense.

The net interest margin for the three months ended June 30, 2003 was 4.24%. Return on average equity and return on average assets for the three months ended June 30, 2003 were 10.08% and 1.47%, respectively. The book value of HLFC's common stock was \$13.14 per share as of June 30, 2003 compared to \$12.22 per share as of June 30, 2002, an increase of \$.92, or 7.5%.

Total assets at June 30, 2003 were \$147.8 million compared to June 30, 2002 assets of \$132.3 million, an increase of \$15.5 million, or 11.7%. The increase in total assets was primarily in loans, which increased \$10.7 million. Total deposits at June 30, 2003 were \$86.0 million compared to June 30, 2002 deposits of \$79.8 million, an increase of \$6.2 million, or 7.7%. Total equity at June 30, 2003 was \$21.7 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>June 30, 2003</u>	<u>June 30, 2002</u>
ASSETS		
Cash and cash equivalents	\$ 4,012,397	\$ 2,931,785
Securities available for sale	7,536,746	4,413,516
Mortgage-backed securities available for sale	9,850,287	9,738,990
Federal Home Loan Bank stock	2,162,900	1,927,100
Loans, net	121,759,596	111,017,080
Premises and equipment, net	1,218,370	1,278,592
Accrued interest receivable	738,357	651,707
Other assets	<u>504,077</u>	<u>322,366</u>
Total assets	<u>\$147,782,730</u>	<u>\$132,281,136</u>
LIABILITIES		
Deposits	\$ 85,953,036	\$ 79,773,087
Federal Home Loan Bank advances	38,720,382	28,802,335
Due to broker on security purchase	--	2,392,006
Accrued interest payable	580,142	590,581
Accrued expenses and other liabilities	<u>818,719</u>	<u>578,626</u>
Total liabilities	126,072,279	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	14,166,911	14,100,870
Retained earnings	14,514,056	13,831,012
Unearned employee stock ownership plan shares	(1,067,434)	(1,354,006)
Unearned recognition and retention plan shares	(256,212)	(434,692)
Treasury stock, at cost – 596,305 shares at June 30, 2003 and 599,188 shares at June 30, 2002	(6,090,975)	(6,186,296)
Accumulated other comprehensive income	<u>444,105</u>	<u>187,613</u>
Total shareholders' equity	<u>21,710,451</u>	<u>20,144,501</u>
Total liabilities and shareholders' equity	<u>\$ 147,782,730</u>	<u>\$ 132,281,136</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2003	2002	2003	2002
Total interest income	\$2,451,250	\$2,300,283	\$9,728,805	\$9,497,338
Total interest expense	<u>967,126</u>	<u>989,945</u>	<u>3,973,340</u>	<u>4,256,206</u>
Net interest income	1,484,124	1,310,338	5,755,465	5,241,132
Provision for loan losses	<u>40,000</u>	<u>25,000</u>	<u>190,000</u>	<u>120,000</u>
Net interest income after provision for loan losses	1,444,124	1,285,338	5,565,465	5,121,132
Total noninterest income	304,303	95,193	831,193	431,921
Total noninterest expense	<u>921,224</u>	<u>843,386</u>	<u>3,559,401</u>	<u>3,290,039</u>
Income before income tax expense	827,203	537,145	2,837,257	2,263,014
Income tax expense	<u>286,300</u>	<u>188,900</u>	<u>963,600</u>	<u>787,600</u>
Net income	<u>\$ 540,903</u>	<u>\$ 348,245</u>	<u>\$1,873,657</u>	<u>\$1,475,414</u>
Basic earnings per share	<u>\$.35</u>	<u>\$.23</u>	<u>\$ 1.25</u>	<u>\$.99</u>
Diluted earnings per share	<u>\$.35</u>	<u>\$.23</u>	<u>\$ 1.21</u>	<u>\$.96</u>

KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Year Ended	
	June 30,		June 30,	
	2003	2002	2003	2002
Net interest margin*	4.24%	4.28%	4.28%	4.29%
Return on average assets	1.47%	1.09%	1.33%	1.17%
Return on average equity	10.08%	6.93%	8.94%	7.43%
Total equity to total assets	14.69%	15.23%	14.69%	15.23%
Common shares outstanding	1,651,945	1,649,062	1,651,945	1,649,062
Book value per share	\$13.14	\$12.22	\$13.14	\$12.22
Nonperforming assets to total assets	0.49%	1.08%	0.49%	1.08%

*Net interest margin has been calculated on a fully tax equivalent basis.