

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2001**

Coshocton, Ohio, October 17, 2001 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$365,000, or \$.25 basic and \$.24 diluted earnings per share, for the quarter ended September 30, 2001 compared to net income of \$336,000, or \$.20 basic and diluted earnings per share, for the quarter ended September 30, 2000.

The \$29,000, or 8.6%, increase in earnings for the quarter ended September 30, 2001 compared with September 30, 2000 was primarily attributable to an increase in net interest income of \$86,000 and an increase in noninterest income of \$47,000, partially offset by an increase in noninterest expense of \$106,000.

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 September 30, 2001 was 4.13% compared to 4.12% for the three months ended September 30, 2000.

Return on average equity and return on average assets for the three months ended September 30, 2001 were 7.49% and 1.18%, respectively. The book value of HLFC's common stock was \$11.77 per share as of September 30, 2001 compared to \$10.56 per share as of September 30, 2000, an increase of \$1.21, or 11.5%.

Total assets at September 30, 2001 were \$126.1 million compared to June 30, 2001 assets of \$122.4 million, an increase of \$3.7 million, or 3.0%. The increase in total assets was primarily in loans, which increased \$3.1 million. Total deposits at September 30, 2001 were \$73.8 million compared to June 30, 2001 deposits of \$71.2 million, an increase of \$2.6 million, or 3.7%. Total equity at September 30, 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>September 30, 2001</u>	<u>June 30, 2001</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,405,516	\$2,598,068
Securities available for sale	2,542,000	2,534,650
Mortgage-backed securities available for sale	11,945,467	12,191,628
Federal Home Loan Bank stock	1,858,000	1,825,800
Loans, net	104,442,537	101,307,215
Premises and equipment	1,082,186	1,083,434
Accrued interest receivable	607,537	613,994
Other assets	176,288	242,861
Total assets	<u>\$126,059,531</u>	<u>\$122,397,650</u>
<b>LIABILITIES</b>		
Deposits	\$73,804,577	\$71,172,481
Federal Home Loan Bank advances	31,475,000	30,925,000
Accrued interest payable	608,725	613,223
Accrued expenses and other liabilities	426,501	354,631
Total liabilities	106,314,803	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	14,083,151	14,083,151
Retained earnings-substantially restricted	13,501,599	13,314,599
Unearned employee stock ownership plan shares	(1,553,256)	(1,619,532)
Unearned recognition and retention plan shares	(569,028)	(616,545)
Treasury stock, at cost – 571,157 shares at September 30, 2001 and 559,257 shares at June 30, 2001	(5,967,348)	(5,841,263)
Accumulated other comprehensive income	249,610	11,905
Total shareholders' equity	<u>19,744,728</u>	<u>19,332,315</u>
Total liabilities and shareholders' equity	<u>\$126,059,531</u>	<u>\$122,397,650</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	<u>2001</u>	<u>2000</u>
Total interest income	\$2,427,285	\$2,313,231
Total interest expense	<u>1,186,692</u>	<u>1,158,986</u>
Net interest income	1,240,593	1,154,245
Provision for loan losses	<u>15,000</u>	<u>15,000</u>
Net interest income after provision for loan losses	1,225,593	1,139,245
Total noninterest income	115,756	68,895
Total noninterest expense	<u>784,339</u>	<u>677,846</u>
Income before income tax expense	557,010	530,294
Income tax expense	<u>191,900</u>	<u>194,300</u>
Net income	<u>\$ 365,110</u>	<u>\$ 335,994</u>
Basic earnings per share	<u>\$ .25</u>	<u>\$ .20</u>
Diluted earnings per share	<u>\$ .24</u>	<u>.20</u>

### KEY OPERATING RATIOS

	At or For The Three Months Ended September 30,	
	<u>2001</u>	<u>2000</u>
Net interest margin	4.13%	4.12%
Return on average assets	1.18%	1.17%
Return on average equity	7.49%	6.86%
Total equity to total assets	15.69%	17.00%
Common shares outstanding	1,677,093	1,882,093
Book value per share	\$11.77	\$10.56
Nonperforming assets to total assets	0.33%	0.43%



