

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2003**

Coshocton, Ohio, October 15, 2003 – Home Loan Financial Corporation (Nasdaq: HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$495,000, or \$.32 basic and \$.31 diluted earnings per share, for the quarter ended September 30, 2003 compared to net income of \$426,000, or \$.29 basic and \$.28 diluted earnings per share, for the quarter ended September 30, 2002.

The \$69,000, or 16.2%, increase in earnings for the quarter ended September 30, 2003 compared with September 30, 2002 was attributable to an increase in net interest income of \$93,000 and noninterest income of \$91,000, partially offset by an increase in noninterest expense of \$94,000 and an increase in income tax expense of \$36,000.

The increase in net interest income was primarily due to an increase in average earning assets partially offset by a decline in the net interest margin. The net interest margin for the three months ended September 30, 2003 was 4.16% compared to 4.26% for the three months ended September 30, 2002.

Return on average equity and return on average assets for the three months ended September 30, 2003 were 9.00% and 1.33%, respectively. The book value of HLFC's common stock was \$13.13 per share as of September 30, 2003 compared to \$12.57 per share as of September 30, 2002, an increase of \$0.56, or 4.5%.

Total assets at September 30, 2003 were \$150.6 million compared to June 30, 2003 assets of \$147.8 million, an increase of \$2.8 million, or 1.9%. The increase in total assets was primarily in loans, which increased \$5.9 million, partially offset by a decrease of \$2.3 in securities available for sale. Total deposits at September 30, 2003 were \$86.5 million compared to June 30, 2003 deposits of \$86.0 million, an increase of \$0.5 million, or .7%. Total equity at September 30, 2003 was \$21.8 million compared to \$21.7 million at June 30, 2003.

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, 2003</u>	<u>June 30, 2003</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,556,980	\$ 4,012,397
Securities available for sale	7,289,964	7,536,746
Mortgage-backed securities available for sale	7,794,660	9,850,287
Federal Home Loan Bank stock	2,184,700	2,162,900
Loans, net	127,640,122	121,759,596
Premises and equipment	1,181,454	1,218,370
Accrued interest receivable	646,625	738,357
Other assets	329,424	504,077
Total assets	<u>\$150,623,929</u>	<u>\$147,782,730</u>
<b>LIABILITIES</b>		
Deposits	\$ 86,541,397	\$ 85,953,036
Federal Home Loan Bank advances	40,990,248	38,720,382
Accrued interest payable	525,899	580,142
Accrued expenses and other liabilities	749,880	818,719
Total liabilities	<u>128,807,424</u>	<u>126,072,279</u>
<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	14,236,220	14,166,911
Retained earnings	14,513,314	14,514,056
Unearned employee stock ownership plan shares	(998,725)	(1,067,434)
Unearned recognition and retention plan shares	(211,592)	(256,212)
Treasury stock, at cost –586,488 shares at September 30, 2003 and 596,305 shares at June 30, 2003	(5,949,856)	(6,090,975)
Accumulated other comprehensive income	227,144	444,105
Total shareholders' equity	<u>21,816,505</u>	<u>21,710,451</u>
Total liabilities and shareholders' equity	<u>\$150,623,929</u>	<u>\$147,782,730</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	<u>2003</u>	<u>2002</u>
Total interest income	\$2,431,025	\$2,436,700
Total interest expense	<u>938,594</u>	<u>1,037,386</u>
Net interest income	1,492,431	1,399,314
Provision for loan losses	<u>15,000</u>	<u>30,000</u>
Net interest income after provision for loan losses	1,477,431	1,369,314
Total noninterest income	223,679	132,579
Total noninterest expense	<u>953,186</u>	<u>859,172</u>
Income before income tax expense	747,924	642,721
Income tax expense	<u>253,000</u>	<u>216,900</u>
Net income	<u>\$ 494,924</u>	<u>\$ 425,821</u>
Basic earnings per share	<u>\$ .32</u>	<u>\$ .29</u>
Diluted earnings per share	<u>\$ .31</u>	<u>\$ .28</u>

### KEY OPERATING RATIOS

	At or for The Three Months Ended September 30,	
	<u>2003</u>	<u>2002</u>
Net interest margin	4.16%	4.26%
Return on average assets	1.33%	1.25%
Return on average equity	9.00%	8.37%
Total equity to total assets	14.48%	14.74%
Common shares outstanding	1,661,762	1,629,062
Book value per share	\$13.13	\$12.57
Nonperforming assets to total assets	1.24%	0.75%