

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED DECEMBER 31, 2003**

Coshocton, Ohio, January 21, 2004 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$428,706, or \$.27 basic and diluted earnings per share, for the quarter ended December 31, 2003 compared to net income of \$484,385, or \$.33 basic and \$.32 diluted earnings per share, for the quarter ended December 31, 2002, a decrease of \$55,679 or 11.5%.

The decrease in earnings for the quarter ended December 31, 2003, compared with December 31, 2002, was primarily attributable to a decrease in net interest income of \$28,347 and an increase in noninterest expense of \$68,806, partially offset by a decrease in provision for loan loss expense of \$35,000 and a decrease in income tax expense of \$23,400. The decrease in net interest income was primarily due to a decrease in the net interest margin. The net interest margin for the three months ended December 31, 2003 was 3.99% compared to 4.37% for the three months ended December 31, 2002. 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 the Company's stock.

Return on average equity and return on average assets for the six months ended December 31, 2003 were 8.38% and 1.24%, respectively. The book value of HLFC's common stock was \$13.27 per share as of December 31, 2003 compared to \$12.76 per share as of December 31, 2002, an increase of \$0.51, or 4.0%.

Total assets at December 31, 2003 were \$149.6 million compared to June 30, 2003 assets of \$147.8 million, an increase of \$1.8 million, or 1.3%. The increase in total assets was primarily in loans, which increased \$6.9 million. Total deposits at December 31, 2003 were \$84.3 million compared to June 30, 2003 deposits of \$86.0 million, a decrease of \$1.7 million, or 1.9%. Total equity at December 31, 2003 was \$22.2 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>December 31, 2003</u>	<u>June 30, 2003</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 2,288,852	\$ 4,012,397
Securities available for sale	7,341,435	7,536,746
Mortgage-backed securities available for sale	7,004,980	9,850,287
Federal Home Loan Bank stock	2,206,700	2,162,900
Loans, net	128,648,063	121,759,596
Premises and equipment	1,169,179	1,218,370
Accrued interest receivable	673,382	738,357
Other assets	<u>303,327</u>	<u>504,077</u>
Total assets	<u>\$149,635,918</u>	<u>\$147,782,730</u>
<b>LIABILITIES</b>		
Deposits	\$ 84,323,160	\$ 85,953,036
Federal Home Loan Bank advances	41,839,663	38,720,382
Accrued interest payable	569,705	580,142
Accrued expenses and other liabilities	<u>697,905</u>	<u>818,719</u>
Total liabilities	127,430,433	126,072,279
<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	14,345,711	14,166,911
Retained earnings	14,547,625	14,514,056
Unearned employee stock ownership plan shares	(926,317)	(1067,434)
Unearned recognition and retention plan shares	(202,006)	(256,212)
Treasury stock, at cost – 574,680 shares at December 31, 2003 and 596,305 shares at June 30, 2003	(5,808,589)	(6,090,975)
Accumulated other comprehensive income	<u>249,061</u>	<u>444,105</u>
Total shareholders' equity	<u>22,205,485</u>	<u>21,710,451</u>
Total liabilities and shareholders' equity	<u>\$149,635,918</u>	<u>\$147,782,730</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Total interest income	\$2,360,640	\$2,486,025	\$4,791,665	\$4,922,725
Total interest expense	<u>912,689</u>	<u>1,009,727</u>	<u>1,851,260</u>	<u>2,047,113</u>
Net interest income	1,447,951	1,476,298	2,940,405	2,875,612
Provision for loan losses	<u>30,000</u>	<u>65,000</u>	<u>45,000</u>	<u>95,000</u>
Net interest income after provision for loan losses	1,417,951	1,411,298	2,895,405	2,780,612
Total noninterest income	182,724	199,650	406,403	332,229
Total noninterest expense	<u>950,069</u>	<u>881,263</u>	<u>1,903,278</u>	<u>1,740,435</u>
Income before income tax expense	650,606	729,685	1,398,530	1,372,406
Income tax expense	<u>221,900</u>	<u>245,300</u>	<u>474,900</u>	<u>462,200</u>
Net income	<u>\$ 428,706</u>	<u>\$ 484,385</u>	<u>\$ 923,630</u>	<u>\$ 910,206</u>
Basic earnings per share	<u>\$ .27</u>	<u>\$ .33</u>	<u>\$ .59</u>	<u>\$ .62</u>
Diluted earnings per share	<u>\$ .27</u>	<u>\$ .32</u>	<u>\$ .58</u>	<u>\$ .59</u>

## KEY OPERATING RATIOS

	At or For The		At or For The	
	Three Months Ended		Six Months Ended	
	December 31,		December 31,	
	2003	2002	2003	2002
Net interest margin	3.99%	4.37%	4.08%	4.31%
Return on average assets	1.15%	1.38%	1.24%	1.32%
Return on average equity	7.76%	9.32%	8.38%	8.85%
Total equity to total assets	14.84%	14.76%	14.84%	14.76%
Common shares outstanding	1,673,570	1,618,445	1,673,570	1,618,445
Book value per share	\$13.27	\$12.76	\$13.27	\$12.76
Nonperforming assets to total assets	1.01%	0.28%	1.01%	0.28%