

PRESS RELEASE

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**HOME LOAN FINANCIAL CORPORATION REPORTS
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2000**

Coshocton, Ohio, October 18, 2000 – Home Loan Financial Corporation (Nasdaq:HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$336,000, or \$.20 basic and diluted earnings per share, for the quarter ended September 30, 2000 compared to net income of \$256,000, or \$.15 basic and \$.14 diluted earnings per share, for the quarter ended September 30, 1999, an increase of \$80,000, or 31.3%.

The increase in earnings for the quarter ended September 30, 2000 compared with September 30, 1999 was primarily attributable to an increase in net interest income of \$101,000 and an increase in noninterest income of \$12,000 partially offset by an increase in noninterest expense of \$20,000 and an increase in income tax expense of \$28,000.

The increase in net interest income was primarily due to an increase in average earning assets, partially offset by a small decrease in net interest margin. The net interest margin for the three months ended September 30, 2000 was 4.12% compared to 4.14% for the three months ended September 30, 1999.

Return on average equity and return on average assets for the three months ended September 30, 2000 were 6.86% and 1.17%, respectively. The book value of HLFC's common stock was \$10.56 per share as of September 30, 2000 compared to \$9.90 per share as of September 30, 1999, an increase of \$.66, or 6.7%.

Total assets at September 30, 2000 were \$116.9 million compared to June 30, 2000 assets of \$113.7 million, an increase of \$3.1 million, or 2.8%. The increase in total assets was primarily in loans, which increased \$3.7 million, and was partially offset by a decrease in cash and cash equivalents of \$381,000 during this period. Total deposits at September 30, 2000 were \$65.8 million compared to June 30, 2000 deposits of \$65.0 million, an increase of \$848,000, or 1.3%. Total equity at September 30, 2000 was \$19.9 million compared to \$19.4 million at June 30, 2000.

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, 2000</u>	<u>June 30, 2000</u>
ASSETS		
Cash and cash equivalents	\$ 1,855,663	\$2,236,265
Securities available for sale	3,450,150	3,417,675
Mortgage-backed securities available for sale	18,379,462	18,422,861
Federal Home Loan Bank stock	1,593,500	1,564,100
Loans, net	89,528,225	85,852,772
Premises and equipment	1,131,327	1,148,897
Accrued interest receivable	599,303	585,128
Other assets	<u>342,985</u>	<u>503,150</u>
Total assets	<u>\$116,880,615</u>	<u>\$113,730,848</u>
LIABILITIES		
Deposits	\$65,798,545	\$64,951,022
Federal Home Loan Bank advances	30,400,000	28,625,000
Accrued interest payable	432,560	447,463
Accrued expenses and other liabilities	<u>377,061</u>	<u>258,755</u>
Total liabilities	97,008,166	94,282,240
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	14,083,151	14,083,151
Retained earnings-substantially restricted	12,811,725	12,665,932
Unearned employee stock ownership plan shares	(1,809,740)	(1,873,155)
Unearned recognition and retention plan shares	(782,765)	(832,265)
Treasury stock, at cost – 366,157 shares at September 30, 2000 and 353,657 shares at June 30, 2000	(4,076,112)	(3,989,862)
Accumulated other comprehensive income	<u>(353,810)</u>	<u>(605,193)</u>
Total shareholders' equity	<u>19,872,449</u>	<u>19,448,608</u>
Total liabilities and shareholders' equity	<u>\$116,880,615</u>	<u>\$113,730,848</u>

CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	<u>2000</u>	<u>1999</u>
Total interest income	\$2,313,231	\$2,000,050
Total interest expense	<u>1,158,986</u>	<u>947,099</u>
Net interest income	1,154,245	1,052,951
Provision for loan losses	<u>15,000</u>	<u>30,000</u>
Net interest income after provision for loan losses	1,139,245	1,022,951
Total noninterest income	68,895	57,385
Total noninterest expense	<u>677,846</u>	<u>658,104</u>
Income before income tax expense	530,294	422,232
Income tax expense	<u>194,300</u>	<u>166,300</u>
Net income	<u>\$ 335,994</u>	<u>\$ 255,932</u>
Basic earnings per share	<u>\$.20</u>	<u>\$.15</u>
Diluted earnings per share	<u>\$.20</u>	<u>.14</u>

KEY OPERATING RATIOS

	For The Three Months Ended or at September 30,	
	<u>2000</u>	<u>1999</u>
Net interest margin	4.12%	4.14%
Return on average assets	1.17%	0.98%
Return on average equity	6.86%	5.15%
Total equity to total assets	17.00%	18.87%
Common shares outstanding	1,882,093	1,991,145
Book value per share	\$10.56	\$9.90
Nonperforming assets to total assets	0.43%	0.10%

