

**PRESS RELEASE**

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**HOME LOAN FINANCIAL CORPORATION REPORTS  
EARNINGS FOR THE QUARTER ENDED SEPTEMBER 30, 2002**

Coshocton, Ohio, October 16, 2002 – Home Loan Financial Corporation (Nasdaq: HLFC), the parent company of The Home Loan Savings Bank, today announced net income of \$426,000, or \$.29 basic and \$.28 diluted earnings per share, for the quarter ended September 30, 2002 compared to net income of \$365,000, or \$.25 basic and \$.24 diluted earnings per share, for the quarter ended September 30, 2001.

The \$61,000, or 16.6%, increase in earnings for the quarter ended September 30, 2002 compared with September 30, 2001 was primarily attributable to an increase in net interest income of \$159,000, partially offset by an increase in noninterest expense of \$75,000 and an increase in income tax expense of \$25,000.

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, 2002 was 4.26% compared to 4.13% for the three months ended September 30, 2001.

Return on average equity and return on average assets for the three months ended September 30, 2002 were 8.37% and 1.25%, respectively. The book value of HLFC's common stock was \$12.57 per share as of September 30, 2002 compared to \$11.77 per share as of September 30, 2001, an increase of \$0.80, or 6.8%.

Total assets at September 30, 2002 were \$139.0 million compared to June 30, 2002 assets of \$132.3 million, an increase of \$6.7 million, or 5.1%. The increase in total assets was primarily in loans, which increased \$3.7 million and securities available for sale, which increased \$3.0 million. Total deposits at September 30, 2002 were \$79.6 million compared to June 30, 2002 deposits of \$79.8 million, a decrease of \$0.2 million, or .2%. Total equity at September 30, 2002 was \$20.5 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>September 30, 2002</u>	<u>June 30, 2002</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 3,501,728	\$2,931,785
Securities available for sale	7,390,374	4,413,516
Mortgage-backed securities available for sale	9,088,655	9,738,990
Federal Home Loan Bank stock	1,950,300	1,927,100
Loans, net	114,750,607	111,017,080
Premises and equipment	1,271,792	1,278,592
Accrued interest receivable	725,092	651,707
Other assets	296,011	322,366
Total assets	<u>\$138,974,559</u>	<u>\$132,281,136</u>
<b>LIABILITIES</b>		
Deposits	\$79,633,079	\$79,773,087
Federal Home Loan Bank advances	37,375,832	28,802,335
Due to broker on security purchase		2,392,006
Accrued interest payable	614,423	590,581
Accrued expenses and other liabilities	866,749	578,626
Total liabilities	118,490,083	112,136,635
<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	14,100,870	14,100,870
Retained earnings	14,065,180	13,831,012
Unearned employee stock ownership plan shares	(1,289,260)	(1,354,006)
Unearned recognition and retention plan shares	(390,072)	(434,692)
Treasury stock, at cost –619,188 shares at September 30, 2002 and 599,188 shares at June 30, 2002	(6,447,296)	(6,186,296)
Accumulated other comprehensive income	445,054	187,613
Total shareholders' equity	<u>20,484,476</u>	<u>20,144,501</u>
Total liabilities and shareholders' equity	<u>\$138,974,559</u>	<u>\$132,281,136</u>

## CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	<u>2002</u>	<u>2001</u>
Total interest income	\$2,436,700	\$2,427,284
Total interest expense	<u>1,037,386</u>	<u>1,186,692</u>
Net interest income	1,399,314	1,240,592
Provision for loan losses	<u>30,000</u>	<u>15,000</u>
Net interest income after provision for loan losses	1,369,314	1,225,592
Total noninterest income	132,579	115,756
Total noninterest expense	<u>859,172</u>	<u>784,338</u>
Income before income tax expense	642,721	557,010
Income tax expense	<u>216,900</u>	<u>191,900</u>
Net income	<u>\$ 425,821</u>	<u>\$ 365,110</u>
Basic earnings per share	<u>\$ .29</u>	<u>\$ .25</u>
Diluted earnings per share	<u>\$ .28</u>	<u>\$ .24</u>

### KEY OPERATING RATIOS

	At or for The Three Months Ended September 30,	
	<u>2002</u>	<u>2001</u>
Net interest margin	4.26%	4.13%
Return on average assets	1.25%	1.18%
Return on average equity	8.37%	7.49%
Total equity to total assets	14.74%	15.66%
Common shares outstanding	1,629,062	1,677,093
Book value per share	\$12.57	\$11.77
Nonperforming assets to total assets	0.75%	0.33%