

Harleysville

SINCE 1915 **BANK**

FOR IMMEDIATE RELEASE
October 18, 2017

FOR FURTHER INFORMATION
Brendan J. McGill
President /COO
(215-256-8828)

Harleysville Financial Corporation Announces Record Earnings for the Fiscal Year Ended September 30, 2017 and the Declaration of Regular Cash Dividend.

Harleysville, PA., October 18, 2017 – Harleysville Financial Corporation (OTCQX:HARL) reported today that the Company’s Board of Directors declared a regular quarterly cash dividend of \$.22 per share on the Company’s common stock. The cash dividend will be payable on November 15, 2017 to stockholders of record on November 1, 2017.

Net income for the twelve months ended September 30, 2017 amounted to \$5,650,000 or \$1.48 per diluted share compared to \$5,481,000 or \$1.45 per diluted share for the twelve months ended September 30, 2016.

Net income for the fourth quarter of fiscal year 2017 amounted to \$1,504,000 or \$.39 per diluted share compared to \$1,482,000 or \$.39 per diluted share for the fourth quarter of fiscal year 2016.

Commenting on the year-end operating results, Chief Executive Officer Ron Geib said, “We are pleased with the solid financial results of the past year and how the balance

sheet has been strengthened to allow us to deliver consistent ongoing returns for our shareholders. The financial results include record year of earnings, loan growth while maintaining the level of high credit quality loans, increase in transaction accounts, increase in capital levels and improvement in the interest rate spread.

Between the improved strength of the balance sheet and the work ethic of our highly engaged team members, we are looking forward to continuing to create value for our stakeholders this coming year."

The Company's assets totaled \$762.9 million compared to \$747.2 million a year ago. Stockholders' book value increased 2.92% to \$18.33 per share from \$17.81 a year ago.

Harleysville Financial Corporation is traded on the OTCQX market under the symbol HARL (<http://www.otcmarkets.com>) and is the holding company for Harleysville Bank. Established in 1915, Harleysville Bank is a Pennsylvania chartered and federally insured bank, headquartered in Harleysville, PA. The Bank operates from six full-service offices located in Montgomery County and one full-service office located in Bucks County, Pennsylvania.

This presentation may contain forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995). Actual results may differ materially from the results discussed in these forward-looking statements. Factors that might cause such a difference include, but are not limited to, general economic conditions, changes in interest rates, deposit flows, loan demand, real estate values and competition; changes in accounting principles, policies, or guidelines; changes in legislation or regulation; and other economic; competitive, governmental, regulatory, and technological factors affecting the Company's operations, pricing, products and services.