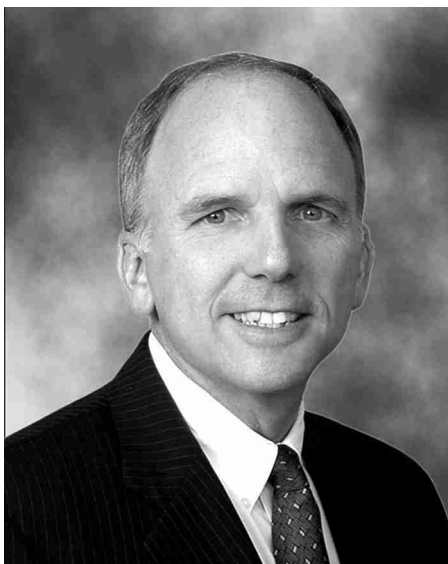


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**Harleysville Savings Financial Corporation Is Not The Kind Of Bank  
That Had To Return To The Basics – Because They Never Left Them**



**Financial  
Regional - Northeast Banks  
(HARL-NASDAQ)**



**Ronald B. Geib  
President and CEO**

**BIO:**  
On January 21, 2007, Ron Geib was appointed President and Chief Executive Officer of Harleysville Savings Bank and Harleysville Savings Financial Corporation.

He graduated from Bloomsburg University with a B.S. in Accounting in 1976. His education also includes attendance at the Ohio State University Academy for Financial Executives.

Geib began his career in banking directly after graduating from college. He spent four years as a Branch Manager for Harleysville Savings Bank. In 1980, he earned the position of Chief Financial Officer, a position he held until becoming the Chief Operating Officer in 1999. In 2003, Geib was appointed the President and CEO of both the Bank and Harleysville Savings Financial Corporation.

Over the past 30 plus years, Ron has served both the financial industry and his community in various positions. He is a Past President of the Insured Financial Institutions of the Delaware Valley; and Past President of the Philadelphia Chapter of the Financial Managers Society. He currently serves the financial industry as a Board Member of the Pennsylvania Association of Community Bankers.

Ron also serves as the Treasurer of the Board of the North Penn United Way and was the 2007 Campaign Chairman. He is also serving other local non-profit organizations in various capacities.

**Company Profile:**  
Harleysville Savings Financial Corporation is the holding company for Harleysville Savings Bank. Harleysville Savings Bank was established in 1915 and is headquartered in Harleysville, PA with 6 full-service branches in Montgomery County, PA.

**Interview conducted by:  
Lynn Fosse, Senior Editor  
CEOCFOinterviews.com**

**CEOCFO:** Mr. Geib, you have been CEO for a little over two years, during some very interesting times; how has Harleysville Savings changed under your leadership?

**Mr. Geib:** “I don’t view what’s happened since I have become CEO as change as much as a continuation of the enduring culture and values that were put in place by Ed Molnar, our Chairman and former CEO. Ed came to the bank in 1967 and retired as CEO in 2007. During his forty years at the helm, he did a remarkable job of building trust as a great community banker.

My leadership style is more of a team concept and I put a team around me to expand this vision. I am intentional with leadership development of the management team so that each person has the skills to provide leadership and work together as a cohesive team. Together, we are focusing on our expansion into business banking to be able to continue to grow the institution, to diversify it and broaden its base with business deposits and new and different loan relationships.”

**CEOCFO:** Given the current economic scenario, how have you had to change or adapt your vision?

**Mr. Geib:** “We look at this on a continual basis. Because of our credit quality and our business model, we really haven’t had to adjust a lot. If anything, what has been happening is positive for our model because previously there were unsound practices in the marketplace.

The banking industry had a lot of capital coming to the market that needed to be leveraged and banks were pricing their loan and deposit products irrationally, undisciplined, just to grow. However, we didn’t buy into that, so these times are actually positive for our model. With our pricing, we have a yield curve, and we are now able to price that yield curve into our balance sheet.

We don't have a material amount of investments that we have to take losses on and we don't have credit problems that are surfacing as of now. Our earnings have been up over the past year so we are somewhat contrary from our industry. Obviously, we don't know and won't predict the future but we are happy with the position we are currently in and are thankfully located in a part of the country and state that are not experiencing severe unemployment.

I give a lot of credit to our directors who did not force us to do things that were not within our strength zone or to do things that we didn't understand or because everybody else did. We are trying to stay the course and not think that we know something that no one else knows, but stay within our realm. We are organically grown. We often say that a phrase we never want to use is "we are going to return to the basics." We never left them or want to leave them. That is how we are structured and that is what makes us who we are."

**CEOFCO:** How much of your business is on the commercial side, and how do you increase business?

**Mr. Geib:** "We operate as a basic community banking model, one that returns values to the community, our customers as well as our stockholders. So it is just Relationship 101 and it is getting the right individuals for our team who understand that culture. I find it so interesting that there are 7,800 banks in the country, and we all buy and sell money. No two are alike as each one reflects the personalities of the individuals managing them.

Our community understands that we offer a more limited range of products and services than larger banks do, but for those that want to be able to call me or call their lender and have one-on-one relationships, we are the right alternative. In addition, in the way our capital is managed today, we are not in the position where we have to force growth. We can do it organically, soundly, and we can do it so that we can be enduring - we think in decades, not the next quarter. It is a very measured business model that has served us well."

**CEOFCO:** Do you find that there is a return to people wanting more relationship banking, and how do you assure people with concerns about banks in general?

**Mr. Geib:** "There are people thinking and looking for different things that are important to them and in the communities we serve, relationship banking is important. We are positioned to provide products and services for those that want a personal banking relationship. When we were more of a thrift model, we posted rates and people came to us, but now that we are more into business banking, our team is out more - cold-calling, knocking on doors, being involved with the Chambers of Commerce and being more proactive. We call it 'feet on the street'. Business individuals do not come to us; we have to go to them. It is a little different

**"This economic crisis has rejuvenated community banking. In the past, it was all about glitzier and exciting forms of banking, but Harleysville Savings is a bank with a disciplined banking model and has 'stayed the course' by maintaining prudent underwriting standards and banking practices." - Ronald B. Geib**

culture shift that we had to embrace and our team understood that. We took our branch team to more of a service culture to interact with customers, engaging them in conversations about the products and services they need versus just taking the orders. We are not always going to have the best price, best product, or be the most convenient bank, but we want to provide the best solution, to give customers alternatives and provide consistent, exceptional customer service. People recognize that value and are willing to pay for it as long as we are fair with the other three differentiating strategies."

**CEOFCO:** You are breaking ground for a new branch; tell us more!

**Mr. Geib:** "For years we were looking for an opportunity to get into the Souderton community, and a former used car lot at an active intersection became available. Despite the fact that we are in a recession, we don't see any reason not to grow and we're hearing people saying 'Good for you, that you can expand with this branch even in the bad economic times'. We are purposeful in using local

contractors, keeping resources in the community to build the branch. To keep things in context, this is only our seventh branch and we are a ninety-four year old institution, so we are not just about growing branches. Our branching plan is to add a new one every four or five years. We don't believe that the future of banking has to be all about branches. You need some physical locations to give you presence in the community, but then you can wrap that with electronic delivery channels to do transactions. People still have the option of coming to a local branch and sitting down to discuss their financial needs, ask questions and find solutions. So, we need that presence but we are not going to be on every street corner. We want to be in different communities. All of our branches are about eight miles apart, and we don't have any two branches in the same community. The Souderton location nicely completes a footprint around Harleysville and then with our next branch, we will begin to build an outer layer, which will be a key to long term planning."

**CEOFCO:** What types of community involvement is your focus?

**Mr. Geib:** "Our primary focus is the United Way. Internally, the bank matches team member contributions to the United Way by 100%. We look at peer groups, and we come up to the standard of contributions per team member. This is the kind of culture that our Chairman, Ed Molnar, personally brought to the bank and he is still heavily involved in the community today, especially in community baseball. We encourage our team to give their resources as well as their time. We support local non-profits and we are very concerned about the personal development of our team. If they grow we grow - we grow as a result of our team growing individually, developing their skills.

We have a mascot named Trusty - a big 'hound dog' that goes to the schools and teaches kindergarten and first graders to save some, share some, spend some. We have Customer Appreciation Day at our branch in Harleysville, and Trusty will be there so that kids can get their pictures

taken with him - kids love him. There is a Trusty's Club newsletter called 'Paw Prints' that goes out on a quarterly basis.

One of the things that I think makes Harleysville Savings Bank different is that community involvement comes from the top - we have great community bank directors. They don't just take from the success of the bank for themselves; they allow it to be shared with the team members and the community. We are not here to just take from the community. For us it is giving back, supporting organizations, being involved in capital campaigns of the hospital, schools, fire companies, as well as putting a score board on a Little League field at the community center here in Harleysville."

**CEO CFO:** Are there services you would like to add to the bank?

**Mr. Geib:** "Remote deposit capture and a footprint to make us more convenient. Technology is a great tool that is affordable for a bank our size to get equal footing with large banks. We recently added 'new accounts online' and we also want to be able to allow consumers to open loans online.

We want to make ourselves more appropriate for that twenty to forty year-old who is looking for a local banking relationship. We are currently not on Facebook or Twitter. I think that we probably have to be more relevant electronically at some point in time. We need to speak their language and go where they are, versus expecting them to come to us. This will be a cultural shift that I believe will be strategically necessary in the future.

There is also accumulation of wealth from retirees, so we will want to look for ways to step up our involvement with non-deposit products for an IRA investment or 401k rollover as well as provid-

ing financial planning. We have these services today, but as boomers start retiring, we want to be more strategically placed in the market to help customers make good decisions about investing those funds."

**CEO CFO:** Would you tell us about your iSave student program?

**Mr. Geib:** "This is a program to provide the next natural step from our Trusty's Club savings program. We find that once children get to the point of being teenagers, such as 12 or 13 year olds, they are no longer interested in Trusty. The iSave accounts give them something a little more grown up such as access to a checking account and a debit card. We also have a program for tuition rewards that allows our customers to accumulate credits towards college, and if the college or university is on the list of institutions that we partner with, they can use it towards their tuition. It is another kind of added value to our depositors that doesn't cost customers anything."

**CEO CFO:** You pay a dividend, is that correct?

**Mr. Geib:** "Yes, it is part of our capital management strategy to provide our stockholders with a tangible return so it encourages long-term investment in the bank. It allows our stockholders to get a higher return and to diversify the risk in their investment."

**CEO CFO:** In closing, why should Harleysville stand out for potential investors?

**Mr. Geib:** "This economic crisis has rejuvenated community banking. In the past, it was all about glitzy and exciting forms of banking, but Harleysville Savings is a bank with a disciplined banking model and has 'stayed the course' by maintaining prudent underwriting standards and banking practices.

We have a 22-year history operating as a public company and providing consistent returns. We know that building value for our stakeholders on a long-term basis requires remaining true to our fundamentals, executing our business plan and avoiding the distraction of uncontrollable conditions.

As we buy and sell money, we live off the yield curve and we don't have a lot of non-interest income in our banking model. Currently, we have a positive yield curve that looks favorable for a foreseeable length of time. Because of this, community banks like ours should continue to grow and increase income as long as they don't have a lot of holes in their credit quality or investment portfolio. Maintaining and investing in high quality assets continues to be one of the major components of our business model and our non-performing assets are among the lowest for any bank in the country.

Harleysville Savings is fortunate to be located in a geographic area where real estate values and employment have remained relatively stable. The work ethic is strong and people in our communities have a history of repaying debt.

Additionally, the bank is led by competent Directors and a management team who understand the business and are aware of the issues and concerns of local people and are available to discuss these matters to find creative solutions. Our emphasis continues to focus on the conservative banking strategies of investing in quality assets, remaining strong, safe, secure and well-capitalized, controlling operating expenses, offering sound products, and building solid relationships."



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