
Letter from Management



Mark A. Turner
President & Chief Executive Officer

“We successfully achieved our aggressive three-year Strategic Plan goal for core, sustainable high performance in ROA.”

To our Associates, Customers, Owners, Community Partners and Friends,

WSFS, your Company, had a very good year. Full details are provided in our recently filed public reports. It was a year fueled by growth, innovation and execution. What follows are the things we did well this year—or more accurately, the things we’ve been working on over many years that came to light or more fullness this year.

First and foremost, we successfully achieved our aggressive three-year Strategic Plan goal for core, sustainable high performance in ROA. I encourage you to read the accompanying letter from the Board, which talks about our Strategic Plan goals in more detail.

Prudent, balanced, robust growth was a highlight this year, and is the focus of this letter. Some highlights include growth in loans of 18%, customer deposits of 11%, net interest income of 15% and fee income of 13%. Our growth came across the board. That growth and the driving force behind it are discussed below.

We grew well organically. Organic growth in loans of 9% and customer deposits of 8% were achieved by growing with our Customers, gaining share in our home markets and further expanding the communities we serve. Total fee income was up 13%, primarily from organic gains in Wealth and Cash Connect. Organic growth is the proverbial “proof in the pudding.” Until you prove that what you are selling is worth buying, you should not be growing in other ways.

We grew well through acquisition. The year 2015 marked the first full year of our partnership with First National Bank of Wyoming. We also signed, closed and integrated our partnership with Alliance Bank. And we ended the year by signing—and are in the process of closing and integrating—our partnership with Penn Liberty Bank. These partnerships add nicely to our size and scope, are accretive to EPS and come with good rates of return on our investments. Disciplined, bolt-on acquisitions have become a core competency of WSFS.

We grew well through strategic alliance. We entered into a strategic alliance with Zenbanx to introduce a unique deposit account that allows for the integration of an insured, well-regulated account with digital capabilities, intuitive payment technology, multi-currency functionality and social networking features. Our alliance with Zenbanx allows us to remain more than current, as we learn from some of the best minds dedicated to the future of banking.

We grew well through innovative product development. In addition to the Zenbanx product, we commercially introduced WSFS Mobile Cash, becoming the first bank in the Mid-Atlantic region to allow Customers to withdraw cash from ATMs by using their smartphones. Our Customers were introduced to WSFS Everyday Pay, a feature that enables Customers to send money to family and friends through WSFS Online Banking and Mobile Banking. Cash Connect, our ATM services division, introduced WSFS Smart Safe, a product that allows cash-intensive businesses to reduce costs, effectively safeguard their money and receive immediate credit in their accounts. An innovative culture is necessary to stay relevant in a fast-changing world.

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We grew well by adding to and developing our human capital.

In every Division, our Company welcomed new, key individuals and teams of experienced local professionals. We also introduced our first-ever Senior Manager Rotational Program, allowing Associates to expand their capabilities and horizons, while growing the Company's at the same time. As we enhance our efforts in talent growth, leadership development and succession planning, we drive our growth, make our organization stronger and more resilient, as well as prepare ourselves for the next generation. In 2016, we are pleased to welcome Pat Ward, Brian Zwaan and their team from Penn Liberty Bank. Following the combination of our organizations, Pat will join our Board of Directors and assume the role of Executive Vice President, Pennsylvania Market President. Brian will join our Senior Management team as Senior Vice President, Pennsylvania Commercial Banking.

And we grew efficiently. We reached our Strategic Plan goal of getting to a core efficiency ratio of around 60%. As we invest, spend and grow, we are highly focused on making sure we get outsized revenue growth from those dollars. Efficient growth is a hallmark of disciplined organizations.

In short, we grew well in all of the ways we wanted to; in all of the ways that a balanced, healthy Company should and in all of the ways that will help continue the sustainable high performance of WSFS.

Our challenge for 2016 and the next few years is to execute, execute and execute! While we occasionally reflect and celebrate our team achievements, we do not, and will not, rest. On the momentum of the successes of our 2013–2015 Strategic Plan, we have minted a new 2016–2018 Strategic Plan. Our new Plan has even loftier goals of further increasing our sustainable ROA to 1.30%, growing and further diversifying our fee income to 40% of total revenues, prudently and organically growing the Company at above-peer rates, and adding additional products and services—as well as the occasional disciplined bolt-on acquisition—all while improving our efficiency and bolstering both our risk management and our regulatory good standing.

We have accomplished these things, and we are able to pursue future challenges because of our skilled, experienced, dedicated, engaged Associates, who amaze me, and more importantly, amaze our Customers and Communities every day. To get a sense of who they are, I strongly encourage you to watch a video created by and featuring our very own Associates:

When You Love Where You Work, It Shows!

<https://youtu.be/yHl63ZzwtGE>

It is because of the great experiences and enriched lives that our Associates create for all of our constituencies that we have, to paraphrase the *American Banker*, “a maniacal focus on engagement.” And it is almost entirely because of our Associate engagement that we have been successful in achieving our high-performing ROA, ROE and EPS growth; our peer-beating Total Shareholder Returns (again, see the accompanying Board Letter for more details); the growth mentioned above; and our enviable Customer and Community reputations.

Thank you for your ongoing support and for continuing to challenge us to do more and do better.

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