UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

(X) ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2000

OR

( ) TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from to

Commission file number 0-16668

WSFS FINANCIAL CORPORATION

Delaware	22-2866913
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

838 Market Street, Wilmington, Delaware	19899
(Address of principal executive offices)	(Zip Code)

Registrant's telephone number, including area code (302) 792-6000

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

Common Stock, par value $.01
(Title of Class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding twelve months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. YES _X_ NO___

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ( )

The aggregate market value of the voting stock held by nonaffiliates of the registrant, based on the closing price of the registrant's common stock as quoted on the Nasdaq National Market(sm) as of March 16, 2001 was $97,431,120. For purposes of this calculation only, affiliates are deemed to be directors, executive officers and beneficial owners of greater than 5% of the outstanding shares.

As of March 16, 2001, there were issued and outstanding 10,038,634 shares of the registrant's common stock.

DOCUMENTS INCORPORATED BY REFERENCE Portions of the Registrant's Proxy Statement for the Annual Meeting of Stockholders to be held on April 26, 2001 are incorporated by reference in Part III hereof.

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PART I

Item 1. Business

GENERAL

WSFS Financial Corporation (Company or Corporation) is a thrift holding company headquartered in Wilmington, Delaware. Substantially all of the Corporation's assets are held by its subsidiary, Wilmington Savings Fund Society, FSB (WSFS). Founded in 1832, WSFS is one of the oldest financial institutions in the country. As a federal savings bank which was formerly chartered as a state mutual savings bank, WSFS enjoys broader investment powers than most other financial institutions. These grandfathered powers have allowed WSFS to diversify its revenue sources to a greater extent than most savings banks. WSFS has served the residents of the Delaware Valley for 169 years. WSFS is the largest thrift institution headquartered in Delaware and among the four largest financial institutions in the state on the basis of total deposits traditionally garnered in-market. The Corporation's primary market area is the Mid-Atlantic region of the United States which is characterized by a diversified manufacturing and service economy. The long-term goal of the Corporation is to maintain its high-performing financial services company status by focusing on its core banking business while developing unique profitable niches in complementary businesses which may operate outside WSFS' geographical footprint.

WSFS provides residential and commercial real estate, commercial and consumer lending services, as well as cash management services funding these activities primarily with retail deposits and borrowings. The banking operations of WSFS are conducted from 28 retail banking offices located in northern Delaware and southeastern Pennsylvania. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

Fully owned subsidiaries of WSFS include WSFS Credit Corporation (WCC), which is engaged primarily in indirect motor vehicle leasing; and 838 Investment Group, Inc., which markets various insurance products and securities through WSFS' branch system. An additional subsidiary, Star States Development Company (SSDC), is currently inactive having sold its final parcel of land in 1998.

On December 21, 2000, the Board of Directors of the Corporation approved plans to discontinue the operations of WCC, and as a result, the Company has exited the indirect auto leasing business. WCC, which had 7,300 lease contracts and 2,700 loan contracts at December 31, 2000, no longer accepts new applications but will continue to service its existing loans and leases. Management estimates that substantially all loan and lease contracts will mature by December 2003. As discussed in Note 2 of the Financial Statements, the results of WCC are presented as discontinued operations, retroactively restated for all periods presented.

In August 1999, WSFS Financial Corporation invested $5.5 million in CustomerOne Financial Network, Inc. (C1FN), a St. Louis, Missouri based corporation formed in 1998 for the express purpose of providing direct-to-consumer marketing, servicing, Internet development and technology management for "branchless" financial services. As a result of this investment, C1FN's Internet-only banking structure became part of everbank.com(TM), a division of WSFS. C1FN assists in managing the operations of everbank.com(TM). everbank.com(TM) began marketing Internet-only banking to a national clientele in November of 1999.

WSFS is the single largest shareholder in C1FN, has majority control through a voting trust and as a result, consolidates the results of C1FN in the WSFS Financial Statements. For the year ended December 31, 2000 WSFS shared in 42% of the operating results of C1FN. In addition, WSFS holds warrants for the purchase of 20% additional ownership of C1FN, as well as the option and under certain circumstances the obligation to invest an additional $5.4 million in the year 2000, at current offered ownership prices. This option expired on July 5, 2000 with no additional investment being made by WSFS.

On December 29, 2000, C1FN received a $5.0 million investment from a third party investor with a conditional commitment to invest an additional $12.5 million if and when a separate bank charter is obtained for everbank.com(TM). This investment effectively reduces WSFS' economic ownership of C1FN at December 31, 2000

from 42% to 29%. Since WSFS retains majority control of C1FN through a voting trust, the results of C1FN will continue to be consolidated into the operating results of WSFS until everbank.com(TM) obtains a separate banking charter.

Additionally, in November 1999, the Corporation expanded the local retail home equity lending business of Community Credit Corporation (CCC) which began operations in 1994. CCC was renamed Wilmington National Finance, Inc. (WNF) which expanded its sales to a national level and now aggregates loans through brokers and sells them to investors. WSFS retained a 51% ownership with the remainder held by WNF's executives retained to lead the expansion of WNF. WSFS also has warrants to obtain an additional 15% ownership in WNF. Both C1FN and WNF are consolidated into the Financial Statements of the Corporation. See Note 19 of the Financial Statements, "Investments in Non-Wholly Owned Subsidiaries", for further discussion.

The following discussion focuses on the major components of the Company's operations and presents an overview of the significant changes in the Corporation's results of operations for the past three fiscal years and financial condition during the past two fiscal years. This discussion should be reviewed in conjunction with the Consolidated Financial Statements and Notes thereto presented elsewhere in this Annual Report.

DISTRIBUTION OF ASSETS, LIABILITIES AND STOCKHOLDERS' EQUITY

Condensed average balance sheets for each of the last three years and analyses of net interest income and changes in net interest income due to changes in volume and rate are presented in "Results of Operations" included in Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations (MD&A) are incorporated herein by reference.

INVESTMENT ACTIVITIES

The Company's short-term investment portfolio is intended to provide collateral for borrowings and to meet liquidity requirements. Book values of investment securities and short-term investments by category, stated in dollar amounts and as a percent of total assets, follow:

	December 31,					
	2000		1999		1998	
		Percent of		Percent of		Percent of

	Amount	Assets	Amount	Assets	Amount	Assets
			(Dollars In Thousands)			
Held-to-Maturity:						
Corporate bonds............................	$3,885	0.2%	$ 6,855	0.4%	$ 6,059	0.4%
State and political subdivisions	10,861	0.6	1,757	0.1	1,583	0.1
	14,746	0.8	8,612	0.5	7,642	0.5
Available-for-Sale:						
U.S. Government and agencies................	1,893	0.1	28,436	1.6	30,219	1.9
Corporate bonds............................	13,101	0.8	-	-	-	-
Other investments..........................	-		425	-	-	-
	14,994	0.9	28,861	1.6	30,219	1.9
Short-term investments:						
Federal funds sold and securities purchased under agreements to resell.............	3,500	0.2	-	-	20,900	1.3
Interest-bearing deposits in other banks (1)	7,318	0.4	8,026	0.5	7,518	0.4
	10,818	0.6	8,026	0.5	28,418	1.7
	$40,558	2.3%	$45,499	2.6%	$66,279	4.1%

(1) Interest-bearing deposits in other banks do not include deposits with a maturity greater than one year.

In 2000, WSFS purchased $14 million in corporate bonds and $12 million in U.S. Government securities, all of which were classified as available-for-sale, and $9 million in municipal bonds which were classified as held-to-maturity. There was also a $2 million corporate bond which was reclassified from held-to-maturity to available-for-sale in 2000 with the adoption of SFAS No. 133 (see Note 20 of the Financial Statements for further discussion). In addition, there were sales of U.S. Government securities totaling $25 million and a $750,000 corporate call, from which gains of $18,000 and losses of $67,000 were realized. There was also a sale of $10 million in U.S. Government securities in January 2000, for which a loss of $289,000 was recognized in 1999, and a gain of $40,000 on the sale of common stock received from the demutualization of insurance companies of which WSFS was a policyholder. In 1999, WSFS purchased $32 million in U.S. Government securities, and $2 million in corporate bonds, all classified as available-for-sale, and $2 million in corporate bonds which were initially classified as held-to-maturity but reclassified as available for sale in 2000. In addition, there were sales of $20 million in U.S. Government securities, also classified as available-for-sale. In 1998, WSFS purchased $20 million in U.S. Government securities of which $10 million was classified as available for sale, and there were sales and calls of U.S. Government securities totaling $20 million and $25 million, respectively. Losses of $9,000 and gains of $30,000 were realized on the sales in 1999 and 1998, respectively. Reductions in the other categories, for all years, were due to principal repayments.

The following table sets forth the terms to maturity and related weighted average yields of investment securities and short-term investments at December 31, 2000. Substantially all of the related interest and dividends represent taxable income. Yields on tax-exempt investments are calculated on the basis of actual yields and not on a tax-equivalent basis, since the effect of the equivilization is immaterial.

	At December 31, 2000	
	Amount	Yield
	(Dollars in Thousands)	
Held-to-Maturity:		
Corporate bonds:		
After one but within five years..	$ 875	5.94%
After five but within ten years..	1,883	6.33
After ten years..	1,127	7.30

	3,885	6.53
State and political subdivisions (1):		
After one but within five years	2,449	7.27
After five but within ten years	3,520	7.21
After ten years	4,892	6.03
	10,861	6.69
Total debt securities, held-to-maturity	14,746	6.65
Available-for-Sale:		
U.S. Government and agencies:		
Within one year	1,848	5.86
After five but within ten years	45	7.31
	1,893	5.89
Corporate bonds:		
Within one year	11,101	7.34
After ten years	2,000	9.88
	13,101	7.72
Total debt securities, available-for-sale	14,994	7.49
Short-term investments:		
Federal funds sold and securities purchased under agreement to resell	3,500	6.13
Interest-bearing deposits in other banks	7,318	5.58
Total short-term investments	10,818	5.75
	$40,558	6.72%

(1) Yields on state and political subdivisions are not calculated on a tax-equivalent basis since the effect would be immaterial.

In addition to the foregoing investment securities, the Company has maintained an investment portfolio of mortgage-backed securities, which increased dramatically after 1993 as the Company implemented investment growth strategies during subsequent years. Purchases of mortgage-backed securities, including collateralized mortgage obligations, in 2000 totaled $210 million, all of which were classified as available-for-sale. There were also sales of $195 million of mortgage-backed securities, as part of a deleveraging strategy, which resulted in a net loss of $6,451,000, and a sale of $24 million in mortgage-backed securities in January 2000 for which a loss of $730,000 was recognized in 1999. Reductions in the other categories, for all years, were due to principal repayments.

The following table sets forth the book values of mortgage-backed securities and their related weighted average stated rates at the end of the last three fiscal years.

December 31,					
2000		1999		1998	
(Dollars In Thousands)					
Stated Amount	Rate	Stated Amount	Rate	Stated Amount	Rate

Held-to-Maturity:

Collateralized mortgage obligations (1).....	$56,091	6.75%	$191,839	6.65%	$175,619	6.78%
FNMA.......................................	24,908	6.05	31,065	6.23	40,881	6.26
FHLMC......................................	26,664	6.04	33,036	6.15	42,337	6.16
GNMA	-	-	852	6.48	1,044	6.93
Other......................................	-	-	2,033	5.31	5,977	7.36
	$107,663	6.41%	$258,825	6.53%	$265,858	6.61%

Available-for-Sale:

Collateralized mortgage obligations (2).....	$229,882	7.04%	$173,544	6.43%	$168,997	6.54%
FNMA.......................................	1,141	7.25	-	-	-	-
FHLMC......................................	1,032	7.76	143	6.61	-	-
GNMA.......................................	-	-	15,237	5.40	24,229	6.11
	$232,055	7.04%	$188,924	6.34%	$193,226	6.49%

(1) Includes $31.0 million, at December 31, 2000, in private issues from Residential Funding Mortgage securities, Inc. with a fair market value of $31.0 million

(2) Includes $37.5 million, $11.9 million and $11.3 million in private issues of Residential Funding Mortgage Securities, Inc., Countrywide Funding Corp. and G.E. Capital Mortgage Services, Inc., respectively, all stated at the fair market value.

CREDIT EXTENSION ACTIVITIES

Traditionally, the majority of a typical thrift institution's loan portfolio has consisted of first mortgage loans on residential properties. However, as a result of various legislative and regulatory changes since 1980, the commercial and consumer lending powers of WSFS have increased substantially. Consequently, WSFS initiated a diversification strategy in fiscal year 1984 which included a significant increase in commercial real estate lending. Commercial real estate lending was temporarily discontinued in 1990 and only originations required by previous funding commitments were made. In 1994, WSFS began to originate small business and commercial real estate loans in its primary market area. WSFS' current lending activity is concentrated on lending to consumers and small businesses in the Mid-Atlantic Region of the United States.

The following table sets forth the composition of the Corporation's loan portfolio by type of loan at each of the dates indicated. Other than as disclosed below, the Company had no concentrations of loans exceeding 10% of total loans at December 31, 2000:

	December 31,					
	2000		1999		1998	
	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars In Thousands)					
Residential real estate (1)	$440,136	45.7%	$393,243	45.7%	$291,110	39.4%
Commercial real estate:						
Commercial mortgage	190,707	19.8%	201,559	23.4%	226,063	30.6%
Construction	30,183	3.1%	21,561	2.5%	11,642	1.5%
Total commercial real estate	220,890	22.9%	223,120	25.9%	237,705	32.1%
Commercial	151,887	15.7%	115,931	13.5%	97,524	13.2%
Consumer	175,269	18.2%	154,857	18.0%	141,238	19.1%
Gross loans	988,182	102.5%	887,151	103.1%	767,577	103.8%
Less:						
Unearned income	3,268	0.3%	4,355	0.5%	5,383	0.7%
Allowance for loan losses	21,423	2.2%	22,223	2.6%	22,732	3.1%
Net loans	$963,491	100.0%	$860,573	100.0%	$739,462	100.0%

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	December 31,			
	1997		1996	
	Amount	Percent	Amount	Percent
	(Dollars In Thousands)			
Residential real estate (1)	$287,349	39.1%	$279,060	40.1%
Commercial real estate:				
Commercial mortgage	238,533	32.5%	278,935	40.1%
Construction	12,553	1.7%	27,056	3.9%
Total commercial real estate	251,086	34.2%	305,991	44.0%
Commercial	94,686	12.9%	28,602	4.1%
Consumer	130,069	17.7%	111,615	16.0%
Gross loans	763,190	103.9%	725,268	104.2%
Less:				
Unearned income	4,407	0.6%	5,667	0.8%
Allowance for loan losses	24,057	3.3%	23,527	3.4%
Net loans	$734,726	100.0%	$696,074	100.0%

(1) Includes $23,274, $24,572, $3,103, $2,222, and $773 of residential mortgage loans held-for-sale at December 31, 2000, 1999, 1998, 1997, and 1996, respectively.

The following table sets forth information as of December 31, 2000 regarding the dollar amount of loans maturing in the Company's portfolios, including scheduled repayments of principal, based on contractual terms to maturity. In addition, the table sets forth the dollar amount of loans maturing during the indicated periods, based on whether the loan has a fixed- or adjustable-rate. Loans having no stated maturity or repayment schedule are reported in the one year or less category.

	Less than One Year	One to Five Years	Over Five Years	Total
	(In Thousands)			
Real estate loans (1)....................	$ 34,505	$172,706	$400,359	$607,570
Construction loans.......................	11,683	11,926	6,574	30,183
Commercial loans.........................	41,309	40,514	70,064	151,887
Consumer loans	63,019	60,258	51,991	175,268
	$150,516	$285,404	$528,988	$964,908
Rate sensitivity:				
Fixed..................................	$ 48,549	$192,432	$214,526	$455,507
Adjustable	101,967	92,972	314,462	509,401
	150,516	285,404	528,988	964,908
Gross loans	$150,516	$285,404	$528,988	$964,908

(1) Includes commercial mortgage loans; does not include loans held-for-sale.

The above schedule does not include any prepayment assumptions. Although prepayments tend to be highly dependent upon the current interest rate environment, management believes that the actual repricing and maturity of the loan portfolio is significantly shorter than is reflected in the above table as a result of prepayments.

Residential Real Estate Lending.

WSFS originates residential mortgage loans with loan-to-value ratios up to 97%; however, WSFS generally requires private mortgage insurance for up to 30% of the mortgage amount on mortgage loans whose loan-to-value ratio exceeds 80%. WSFS does not have any significant concentrations of such insurance with any one insurer. On a very limited basis, WSFS originates/purchases loans with loan-to-value ratios exceeding 80% without a private mortgage insurance requirement. At December 31, 2000, the balance of all such loans was approximately $16.4 million. Generally, residential mortgage loans originated or purchased are underwritten and documented in accordance with standard underwriting criteria published by FHLMC to assure maximum eligibility for subsequent sale in the secondary market; however, unless loans are specifically designated for sale, the Company holds newly originated loans in portfolio for long-term investment. Among other things, title insurance is required, insuring the priority of its lien, and fire and extended coverage casualty insurance for the properties securing the residential loans. All properties securing residential loans made by WSFS are appraised by independent appraisers selected by WSFS and subject to review in accordance with WSFS standards.

The majority of residential real estate adjustable-rate loans currently originated have interest rates that adjust yearly, after an initial period, with the change in rate limited to two percentage points at any adjustment date. The adjustments are generally based upon a margin (currently 2.75 percent) over the weekly average yield on U.S. Treasury securities adjusted to a constant maturity, as published by the Federal Reserve Board.

Generally, the maximum rate on these loans is up to six percent above the initial interest rate. WSFS generally underwrites adjustable-rate loans under standards consistent with private mortgage insurance and secondary market criteria. WSFS does not originate adjustable-rate mortgages with payment limitations that could produce negative amortization. Consistent with industry practice in its market area, WSFS has typically originated adjustable-rate mortgage loans with initially discounted interest rates. All such loans are underwritten at the fully-indexed rate.

The retention of adjustable-rate mortgage loans in WSFS' loan portfolio helps mitigate WSFS' risk to changes in interest rates. However, there are unquantifiable credit risks resulting from potential increased costs to the borrower as a result of the repricing of adjustable-rate mortgage loans. It is possible that during periods of rising interest rates, the risk of default on adjustable-rate mortgage loans may increase due to the upward adjustment of interest costs to the borrower. Further, although adjustable-rate mortgage loans allow WSFS to increase the sensitivity of its asset base to changes in interest rates, the extent of this interest sensitivity is limited by the periodic and lifetime interest rate adjustment limitations. Accordingly, there can be no assurance that yields on WSFS' adjustable-rate mortgages will adjust sufficiently to compensate for increases in WSFS' cost of funds during periods of extreme interest rate increases.

The original contractual loan payment period for residential loans originated is normally 10 to 30 years. Because borrowers may refinance or prepay their loans without penalty, such loans normally remain outstanding for a substantially shorter period of time. First mortgage loans customarily include "due-on-sale" clauses on adjustable- and fixed-rate loans, which are provisions giving the institutions the right to declare a loan immediately due and payable in the event the borrower sells or otherwise disposes of the real property subject to the mortgage. Due-on-sale clauses are an important means of adjusting the rate on existing fixed-rate mortgage loans to current market rates. WSFS enforces due-on-sale clauses through foreclosure and other legal proceedings to the extent available under applicable laws.

In addition to loans originated for its own portfolio, WSFS originates nonconforming residential mortgage loans through its non wholly-owned subsidiary, Wilmington National Finance, Inc. ("WNF"), for resale into the secondary market on a servicing release, limited recourse basis. These loans are originated to the underwriting guidelines of the various investors to which WNF sells its loans, and such loans are typically sold to investors within 15 to 45 days of origination.

The mortgage loans that WNF originates are fully amortizing, fixed or adjustable rate, first or second lien mortgage loans on one-to four-family residential properties with loan-to-value ratios up to 100% and contractual terms of 10 to 30 years. With respect to each property securing a mortgage loan, the underwriting guidelines require among other things, title insurance, fire and extended coverage casualty insurance, and a full appraisal by an independent appraisers selected and reviewed by WNF. The majority of adjustable rate mortgage loans are originated by WNF are indexed to the six month London Interbank Offered Rate (LIBOR) and have rates that adjust every 6 months after a initial fixed rate period of 24 to 36 months, with the adjustments limited to two percentage at any adjustment date and six percentage points over the live of the loan.

In general, loans are sold without recourse except for the repurchase arising from standard contract provisions covering violation of representations and warranties or, under certain investor contracts a default by borrower on the first payment due to the investor. The Company also has limited recourse exposure under certain investor contracts in the event a borrower prepays a loan in total within a specified period after sale, typically one year, with such recourse limited to a pro rata portion of the premium paid by the investor for that loan less any prepayment penalty collectible from the borrower.

Commercial Real Estate, Construction and Commercial Lending.

Federal savings banks, are generally permitted to invest up to 400% of their total regulatory capital in nonresidential real estate loans and up to 20% of its assets in commercial loans. As a federal savings bank which was formerly chartered as a Delaware savings bank, however, WSFS has certain additional lending authority.

WSFS offers commercial real estate mortgage loans on multi-family and other commercial real estate. Generally, loan-to-value ratios for such loans do not exceed 80% of appraised value at origination.

WSFS offers commercial construction loans to developers. In some cases these loans are made as "construction/permanent" loans, which provides for disbursement of loan funds during construction and automatic conversion to mini-permanent loans (1-5 years) upon completion of construction. Such construction loans are made on a short-term basis, usually not exceeding two years, with interest rates indexed to the WSFS prime rate, in most cases, and adjusted periodically as WSFS' prime rate changes. The loan appraisal process includes the same evaluation criteria as required for permanent mortgage loans, but also takes into consideration completed plans, specifications, comparables and cost estimates. These items are used, prior to approval of the credit, as a basis to determine the appraised value of the subject property when completed. Policy requires that all appraisals are to be reviewed independently of the commercial lending area. Generally, the loan-to-value ratio for construction loans does not exceed 75%. The initial interest rate on the permanent portion of the financing is determined based upon the prevailing market rate at the time of conversion to the permanent loan. At December 31, 2000, $61.5 million was committed for construction loans, of which $29.3 million had been disbursed.

WSFS' commercial lending, excluding real estate loans, includes loans for the purpose of financing equipment acquisitions, expansion, working capital and other business purposes. These loans generally range in amounts up to approximately $5.0 million, and their terms range from less than one year to seven years. The loans generally carry variable interest rates indexed to WSFS' prime rate or LIBOR at the time of closing. WSFS intends to continue originating commercial loans to small businesses in its market area.

Commercial, commercial mortgages and construction lending entail significant risk as compared with residential mortgage lending. These loans typically involve larger loan balances concentrated in single borrowers or groups of related borrowers. In addition, the payment experience on loans secured by income-producing properties is typically dependent on the successful operation of the related real estate project and thus may be subject to a greater extent to adverse conditions in the commercial real estate market or in the economy generally. The majority of WSFS' commercial and commercial real estate loans is concentrated in Delaware and surrounding areas.

Construction loans involve risks attributable to the fact that loan funds are advanced as the construction progresses. The valuation of the underlying collateral can be difficult to quantify prior to the completion of the construction due to uncertainties inherent in construction such as ever changing construction costs, delays arising from labor or material shortages and other unpredictable contingencies. WSFS attempts to mitigate these risks and plan for these contingencies through additional analysis and monitoring of its construction projects.

Federal law limits the extensions of credit to any one borrower to 15% of unimpaired capital, or 25%, if the additional incremental 10% is secured by readily marketable collateral having a market value that can be determined by reliable and continually available pricing. A single large extension of credit by WSFS would be limited by this 15% of capital restriction, except if the extension of credit would be fully or partially secured by U.S. treasury securities. Extensions of credit include outstanding loans as well as contractual commitments to advance funds, such as standby letters of credit, but do not include unfunded loan commitments. In April 1997, WSFS originated a $35.5 million loan to refinance an employee stock ownership plan ("ESOP") loan of a company. Approximately 80% of the loan is secured by discounted U.S. treasury securities. The portion of the loan that is secured by U.S. treasury securities is exempt from the above lending limits. At December 31, 2000, no borrower had collective outstandings exceeding the above limits.

Consumer Lending.

The primary consumer credit products of the Company are equity secured installment loans and home equity lines of credit. At December 31, 2000, WSFS had equity secured installment loans totaling $113.7 million, which represented 65% of consumer loans. With a home equity line of credit the borrower is granted a line of credit up to 100% of the appraised value (net of any senior mortgages) of the residence. This line of credit is secured by a mortgage on the borrower's property and can be drawn upon at any time. At December 31, 2000, WSFS had extended a total of $81.7 million in home equity lines of credit, of which $24.4 million had been drawn at the date. Home equity lines of credit potentially offer federal income tax advantages (in certain circumstances the interest paid on a home equity loan can be deductible) and the convenience of checkbook access as well as revolving credit features. Over the past few years, however, home equity lines of credit have decreased as low interest rates offered on first and second mortgage loans have enabled consumers to refinance their mortgages and consolidate debt. Although home equity lines of credit expose the Company to the risk that falling collateral values may leave it inadequately secured, the Company has not had any significant adverse experience to date.

The table below sets forth consumer loans by type, in dollar amounts and percentages, at the dates indicated.

	December 31, 2000 Amount	2000 Percent	1999 Amount	1999 Percent	1998 Amount	1998 Percent
	(Dollars In Thousands)					
Equity secured installment loans	$113,687	64.8%	$ 97,491	63.0%	$ 87,503	61.9%
Home equity lines of credit....................	24,408	13.9%	26,446	17.1%	27,799	19.7%
Automobile.....................................	9,762	5.6%	9,800	6.3%	8,307	5.9%
Unsecured lines of credit......................	16,739	9.6%	11,370	7.3%	10,444	7.4%
Other..	10,673	6.1%	9,750	6.3%	7,185	5.1%
Total consumer loans	$ 175,269	100.0%	$154,857	100.0%	$141,238	100.0%

[RESTUBBED]

	December 31, 1997 Amount	1997 Percent	1996 Amount	1996 Percent
	(Dollars In Thousands)			
Equity secured installment loans	$ 78,975	60.7%	$ 63,803	57.1%
Home equity lines of credit....................	31,110	23.9%	33,267	29.8%
Automobile.....................................	3,596	2.8%	2,519	2.3%
Unsecured lines of credit......................	9,466	7.3%	7,448	6.7%
Other..	6,922	5.3%	4,578	4.1%

Total consumer loans	$130,069	100.0%	$111,615	100.0%
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Loan Originations, Purchase and Sales.

WSFS has traditionally engaged in lending activities primarily in Delaware and contiguous areas of neighboring states although, as a federal savings bank, WSFS may originate, purchase and sell loans throughout the United States. WSFS has also purchased limited amounts of loans from outside its normal lending area when such purchases are deemed appropriate and consistent with WSFS' overall practices. WSFS originates fixed-rate and adjustable-rate residential real estate loans through banking offices. In addition, for the purpose of originating loans, WSFS has established relationships with correspondent banks and mortgage brokers.

During 2000, the Company originated $196 million of residential real estate loans, of which $124 million were from WNF compared to 1999 originations of $110 million in total. From time to time, WSFS has purchased whole loans and loan participations in accordance with its ongoing asset and liability management objectives. In addition, increases in residential real estate loans from correspondents and brokers primarily in the mid-atlantic region of the United States totaled $37 million for the year ended December 31, 2000, $75 million for 1999 and $10 million for 1998. Residential real estate loan sales totaled $145 million in 2000, $29 million in 1999 and $75 million in 1998. While WSFS generally intends to hold loans for the foreseeable future, WSFS, beginning in 1989, has undertaken to sell newly originated fixed-rate mortgage loans in the secondary market to control the interest sensitivity of its balance sheet. During the second half of 1993 the Corporation began to hold for investment certain of its fixed-rate mortgage loans, with terms under 30 years, consistent with current asset/liability management strategies.

WSFS serviced for others approximately $244 million of residential loans at December 31, 2000 compared to $236 million at December 31, 1999. The Company also services residential loans for its portfolio totaling $372 million and $357 million at December 31, 2000 and 1999.

WSFS originates commercial real estate and commercial loans through WSFS' commercial lending department. Commercial loans are made for the purpose of financing equipment acquisitions, expansion, working capital and other business purposes and also include business loans secured by nonresidential real estate. During 2000, WSFS originated $144 million of commercial and commercial real estate loans compared to $125 million in 1999. These amounts represent gross contract amounts and do not reflect amounts outstanding on such loans.

WSFS' consumer lending is conducted primarily through the branch offices. WSFS originates a variety of consumer credit products, including home improvement loans, home equity lines of credit, automobile loans, credit cards, unsecured lines of credit and other secured and unsecured personal installment loans. During 2000, such consumer loan originations aggregated $106 million compared to $94 million in 1999. See "Consumer Lending" for a further discussion regarding consumer loan originations.

All loans to one borrower exceeding $1.0 million in aggregate must be approved by a management loan committee. Minutes of the management loan committee meetings and individual loans exceeding $3.0 million approved by the management loan committee are subsequently reviewed by the Executive Committee and Board of Directors of WSFS, with separate approval needed for all loans to any borrower who has direct or indirect outstanding commitments in excess of $3.0 million or for any additional advances or extensions on loans previously classified by WSFS' regulatory authorities or WSFS' Risk Management Department. Officers of WSFS have authority to approve smaller loans in graduated amounts, depending upon their experience and management position.

Fee Income from Lending Activities.

WSFS realizes interest and loan fee income from lending activities, including fees for originating loans and for servicing loans and loan participations sold. The institution also receive commitment fees for making commitments to originate construction, residential and commercial real estate loans. Additionally, loan fees related to existing loans are received, which include prepayment charges, late charges and assumption fees.

WSFS offers a range of loan commitments for which fees are charged depending on lengths of the commitment periods. As part of the loan application, the borrower in some instances, also pays WSFS for out-of-pocket costs in reviewing the application, whether or not the loan is closed. The interest rate charged on the mortgage loan is normally the prevailing rate at the time the loan application is approved.

Loan fees that are considered adjustments of yield in accordance with generally accepted accounting principles are reflected in interest income and represented an immaterial amount of interest income during the three years ended December 31, 2000. Loan fees other than those considered adjustments of yield are reported as loan fee income, a component of other income.

All fee income on loans originated by WNF for sale to third party investors, which includes origination fees and discount points collected from borrowers and sales premiums paid by investors, are recognized in total upon sale of the loans to the third party investors (less adequate provision for recourse obligations).

LOAN LOSS EXPERIENCE, PROBLEM ASSETS AND DELINQUENCIES

The Company's results of operations can be negatively impacted by nonperforming assets, which include nonaccruing loans, nonperforming real estate investments and assets acquired through foreclosure. Nonaccruing loans are those on which the accrual of interest has ceased. Loans are placed on nonaccrual status immediately if, in the opinion of management, collection is doubtful, or when principal or interest is past due 90 days or more and collateral is insufficient to cover principal and interest. Interest accrued, but not collected at the date a loan is placed on nonaccrual status, is reversed and charged against interest income. In addition, the amortization of net deferred loan fees is suspended when a loan is placed on nonaccrual status. Subsequent cash receipts are applied either to the outstanding principal balance or recorded as interest income, depending on management's assessment of ultimate collectibility of principal and interest.

The Company endeavors to manage its portfolios to identify problem loans as promptly as possible and take actions immediately which will minimize losses. To accomplish this, WSFS' Risk Management Department monitors the asset quality of the Company's loan and investment in real estate portfolios and reports such information to the Credit Policy Committee the Audit Committee of the Board of Directors and the Controller's Department.

SUBSIDIARIES

The Corporation has two subsidiaries, Wilmington Savings Fund Society, FSB (WSFS) and WSFS Capital Trust I. WSFS Capital Trust I was formed in 1998 to issue Trust Preferred Securities. The Trust invested all of the proceeds from the sale of the Trust Preferred Securities in Junior Subordinated Debentures of the Corporation. The Corporation used the proceeds from the Junior Subordinated Debentures for general corporate purposes, including the redemption of its 11% Senior Notes due 2005 on December 31, 1998.

At December 31, 2000, WSFS had three wholly-owned, first-tier subsidiaries which were engaged in leasing, insurance investment products, and securities sales, as well as real estate development. WSFS is the sole investor in and primary lender to its non-bank subsidiaries. At December 31, 2000, it had $224.1 million invested in the equity of these companies and had lent them an additional $23.0 million.

WSFS Credit Corporation (WCC) which commenced operations in 1974, provides leasing for consumer and business motor vehicles and equipment as well as consumer loans. Prior to 1988, its business had been concentrated in the northern Delaware area, but in 1988 it began expanding its motor vehicle leasing base by originating leases through automobile dealerships in Pennsylvania, New Jersey and Maryland as well as Delaware. In 1996 WCC expanded its market area to parts of western Maryland and West Virginia. WCC underwrites all leases originated through automobile dealers in accordance with underwriting criteria generally consistent with those of WSFS and the leasing industry.

On December 21, 2000, the Board of Directors of the Corporation approved plans to discontinue the operations of WCC, as a result, the Company has exited the indirect auto leasing business. WCC, which had 7,300 lease contracts and 2,700 loan contracts at December 31, 2000, no longer accepts new applications but will continue to service its existing loans and leases. Management estimates that substantially all loan and lease contracts will mature by December 2003. As discussed in Note 2 of the Financial Statements, the results of WCC are presented as discontinued operations, retroactively restated for all periods presented.

838 Investment Group, Inc. was formed in 1989. This subsidiary markets various investment and insurance products, such as single-premium annuities and whole life policies, and securities to Bank customers primarily through WSFS' branch system.

Star States Development Company was formed in March 1985 with the objective of engaging in residential real estate projects through either wholly-owned subsidiaries or investments in joint ventures. Star States Development Company's investments in the projects were in the form of nonrecourse, first mortgage loans, in return for which Star States Development Company was entitled to receive repayment of principal and interest, and to share, at an agreed upon percentage, in the profits of the project. In 1998, Star States Development Company sold its remaining parcel of land and is currently inactive.

Providential Home Income Plan, Inc. (Providential) was a San Francisco-based reverse mortgage lender. WSFS acquired Providential in November 1994 for approximately $24.4 million. The acquisition was accounted for by the purchase method of accounting; accordingly, Providential's results are included in the Corporation's consolidated statement of operations for the period in which it is owned. The management and operations of Providential were merged into WSFS in November 1996.

In August 1999, the Corporation invested $5.5 million in CustomerOne Financial Network, Inc (C1FN), a St. Louis, Missouri based corporation formed in 1998 for the express purpose of providing direct-to-consumer marketing, servicing, Internet development and technology management for "branchless" financial services. As a result of this investment, C1FN's Internet-only banking structure became part of everbank.com(TM), a division of WSFS. C1FN assists in managing the operations of everbank.com(TM). everbank.com(TM) began marketing internet-only banking to a national clientele in November of 1999.

WSFS is the single largest shareholder in C1FN, has majority control through a voting trust and, for the year ended December 31, 2000 WSFS shared in 42% of the operating results of C1FN. In addition, WSFS holds warrants for the purchase of 20% additional ownership of C1FN, as well as the option and under certain circumstances the obligation to invest an additional $5.4 million in the year 2000, at the original WSFS ownership prices. This option expired on July 5, 2000 with no additional investment being made by WSFS.

On December 29, 2000, C1FN received a $5.0 million investment from a third party investor, with a conditional commitment to invest an additional $12.5 million if and when a separate bank charter is obtained for everbank.com(TM). This investment effectively reduces WSFS' economic ownership of C1FN at December 31, 2000 from 42% to 29%. Since WSFS retains majority control of C1FN through a voting trust, the results of C1FN will continue to be consolidated into the operating results of WSFS until everbank.com(TM) obtains a separate banking charter.

Additionally, in November 1999, the Corporation expanded the local retail home equity lending business of Community Credit Corporation (CCC) which initially started operations in 1994. CCC was renamed Wilmington National Finance, Inc. (WNF) which expanded its sales to a national level and now aggregates loans primarily through brokers and sells them to investors. WSFS retained a 51% ownership with the remainder held by WNF's executives retained to lead the expansion of WNF. WSFS also has warrants to obtain an additional 15% ownership in WNF. Both C1FN and WNF are consolidated into the financial statements of the Corporation. See Note 19 of the Financial Statements, "Investments in Non-wholly Owned Subsidiaries", for further discussion.

Both C1FN and WNF are consolidated into the Financial Statements of WSFS Financial Corporation. The portion of equity and operating results attributable to investors in C1FN and WNF other than WSFS are reported as minority interest.

SOURCES OF FUNDS

WSFS funds operations through retail and wholesale deposit growth as well as through various borrowing sources, including repurchase agreements, federal funds purchased and advances from the Federal Home Loan Bank (FHLB) of Pittsburgh. Loan repayments and investment maturities also provide sources of funds. Loan repayments and investment maturities provide a relatively stable source of funds while certain deposit flows tend to be more susceptible to market conditions. Borrowings are used to fund wholesale asset growth, short-term funding of lending activities when loan demand exceeds projections, or when deposit inflows or outflows are less than or greater than expected. On a long-term basis, borrowings may be used to match against specific loans or support business expansion.

Deposits. WSFS offers various deposit programs to its customers, including savings accounts, demand deposits, interest-bearing demand deposits, money market deposit accounts and certificates of deposits. WSFS also offers Christmas clubs, Individual Retirement Accounts and Keogh Accounts. In addition, WSFS accepts negotiable rate certificates with balances in excess of $100,000 from individuals, businesses and municipalities in Delaware.

WSFS is the second largest independent full service banking institution headquartered and operating in Delaware. It primarily attracts deposits through its system of 28 branches. Eighteen of these branches are located in northern Delaware's New Castle County, WSFS' primary market. These branches maintain approximately 131,000 total account relationships with approximately 54,200 total households, or 28% of all households in New Castle County, Delaware. The nineteenth branch is in the state capital, Dover, located in central Delaware's Kent County. The nine remaining branches are located in southeastern Pennsylvania.

everbank.com(TM), a division of WSFS, jointly managed with C1FN, a nonwholly owned subsidiary of WSFS, garners deposits nationally through its Internet banking operations. everbank.com(TM) offers demand deposits, money market deposits and certificates of deposits as well as nondollar denominated deposits. Total deposts at everbankTM were $183.2 million at December 31, 2000.

The following table sets forth the amount of certificates of deposit of $100,000 or more by time remaining until maturity at the period indicated.

Maturity Period	December 31, 2000
	(In Thousands)
Less than 3 months	$19,181
Over 3 months to 6 months	8,834
Over 6 months to 12 months	13,377
Over 12 months	8,281
	$49,673

Borrowings. The Company utilizes several sources of borrowings to fund operations. As a member of the FHLB of Pittsburgh, WSFS is authorized to apply for advances on the security of their capital stock in the FHLB and certain of their residential mortgages and other assets (principally securities which are obligations of or guaranteed by the United States Government), provided certain standards related to creditworthiness have been met. As a member institution, WSFS is required to hold capital stock in the FHLB of Pittsburgh in an amount at least equal to 1% of the aggregate unpaid principal of their home mortgage loans, home purchase contracts, and similar obligations at the beginning of each year, or 5% of their outstanding advances, whichever is greater.

WSFS also sells securities under agreements to repurchase with various brokers as an additional source of funding. When entering into these transactions, WSFS is generally required to pledge either government securities or mortgage-backed securities as collateral for the borrowings.

In 1998, the Company issued $50.0 million in Trust Preferred securities due December 11, 2028, part of the proceeds of which was used to pay off the $29.1 million in 11% Senior Notes. See Note 9 of the Consolidated Financial Statements for a further discussion of the Trust Preferred securities.

REGULATION

Regulation of the Company

General. The Company is a registered savings and loan holding company and is subject to Office of Thrift Supervision (OTS) regulation, examination, supervision and reporting requirements. As a subsidiary of a holding company, WSFS is subject to certain restrictions in its dealings with the Company and other affiliates.

Activities Restrictions. Because the Company became a unitary savings and loan holding company prior to May 4, 1999, there generally are no restrictions on its activities. If the Company were to acquire another thrift and operate it as a separate entity, it would become subject to the activities restrictions on multiple holding companies. Among other things, no multiple savings and loan holding company or subsidiary thereof which is not a savings association may commence, or continue after a limited period of time after becoming a multiple savings and loan holding company or subsidiary thereof, any business activity other than: (i) furnishing or performing management services for a subsidiary savings association; (ii) conducting an insurance agency or escrow business; (iii) holding, managing, or liquidating assets owned by or acquired from a subsidiary savings institution; (iv) holding or managing properties used or occupied by a subsidiary savings institution; (v) acting as trustee under deeds of trust; (vi) those activities authorized by regulation as of March 5, 1987 to be engaged in by multiple holding companies; or (vii) unless the Director of OTS by regulation prohibits or limits such activities for savings and loan holding companies, those activities authorized by the Federal Reserve Board as permissible for bank holding companies. Those activities described in (vii) above also must be approved by the Director of OTS prior to being engaged in by a multiple savings and loan holding company.

Transactions with Affiliates; Tying Arrangements. Transactions between savings associations and any affiliate are governed by Sections 23A and 23B of the Federal Reserve Act. An affiliate of a savings association is any company or entity which controls or is under common control with the savings association or any subsidiary of the savings association that would be deemed a financial subsidiary of a national bank. In a holding company context, the parent holding company of a savings association (such as the Company) and any companies which are controlled by such parent holding company are affiliates of the savings association. Generally, Sections 23A and 23B (i) limit the extent to which the savings institution or its subsidiaries may engage in "covered transactions" with any one affiliate to an amount equal to 10% of such institution's capital stock and surplus, and limit the aggregate of all such transactions with all affiliates to an amount equal to 20% of such capital stock and surplus and (ii) require that all such transactions be on terms substantially the same, or at least as favorable, to the institution or subsidiary as those provided to a non-affiliate. The term "covered transaction" includes the making of loans, purchase of assets, issuance of a guarantee and similar types of transactions. In addition to the restrictions imposed by Sections 23A and 23B, no savings association may (i) lend or otherwise extend credit to an affiliate, except for any affiliate which engages only in activities which are permissible for bank holding companies, or (ii) purchase or invest in any stocks, bonds, debentures, notes or similar obligations of any affiliate, except for affiliates which are subsidiaries of the savings association. Savings associations are also prohibited from extending credit, offering services, or fixing or varying the consideration for any extension of credit or service on the condition that the customer obtain some additional service from the institution or certain of its affiliates or that the customer not obtain services from a competitor of the institution, subject to certain limited exceptions.

Restrictions on Acquisitions. Unless the acquiror was a unitary savings and loan holding company on May 4, 1999 (or became a unitary savings and loan holding company pursuant to an application pending as of that date), no company may acquire control of the Company unless the company is only engaged in activities that are permitted for multiple savings and loan holding companies or for financial holding companies under the Bank Holding Company Act of 1956 as amended by the Gramm-Leach-Bliley Act (See "Financial Modernization Legislation"). Financial holding companies may engage in activities that the Board of Governors of the Federal Reserve System (the "Federal Reserve Board"), in consultation with the Secretary of the Treasury, has determined to be financial in nature or incidental to a financial activity or complementary to a financial activity provided that the complementary activity does not pose a risk to safety and soundness. Financial holding companies that were not previously bank holding companies may continue to engage in limited non-financial activities for up to ten years after the effective date of the Gramm-Leach-Bliley Act (with provision for extension for up to five additional years by the Federal Reserve Board) provided that the financial holding company is predominantly engaged in financial activities.

Savings and loan holding companies are prohibited from acquiring, without prior approval of the Director of OTS, (i) control of any other savings association or savings and loan holding company or substantially all the assets thereof, or (ii) more than 5% of the voting shares of a savings association or holding company thereof which is not a subsidiary. Under certain circumstances, a savings and loan holding company is permitted to acquire, with the approval of the Director of OTS, up to 15% of the voting shares of an under-capitalized savings association pursuant to a "qualified stock issuance" without that savings association being deemed controlled by the holding company. Except with the prior approval of the Director of OTS, no director or officer of a savings and loan holding company or person owning or controlling by proxy or otherwise more than 25% of such company's stock, may also acquire control of any savings association, other than a subsidiary savings association, or of any other savings and loan holding company.

The Director of OTS may only approve acquisitions resulting in the formation of a multiple savings and loan holding company which controls savings associations in more than one state if: (i) the company involved controls a savings institution which operated a home or branch office in the state of the association to be acquired as of March 5, 1987; (ii) the acquirer is authorized to acquire control of the savings association pursuant to the emergency acquisition provisions of the Federal Deposit Insurance Act; or (iii) the statutes of the state in which the association to be acquired is located specifically permit institutions to be acquired by state-chartered associations or savings and loan holding companies located in the state where the acquiring entity is located (or by a holding company that controls such state-chartered savings institutions). The laws of Delaware do not specifically authorize out-of-state savings associations or their holding companies to acquire Delaware-chartered savings associations.

The statutory restrictions on the formation of interstate multiple holding companies would not prevent WSFS from entering into other states by mergers or branching. OTS regulations permit federal associations to branch in any state or states of the United States and its territories. Except in supervisory cases or when interstate branching is otherwise permitted by state law or other statutory provision, a federal association may not establish an out-of-state branch unless the federal association qualifies as a "domestic building and loan association" under Section.7701(a)(19) of the Internal Revenue Code or as a "qualified thrift lender" under the Home Owners' Loan Act and the total assets attributable to all branches of the association in the state would qualify such branches taken as a whole for treatment as a domestic building and loan association or qualified thrift lender. Federal associations generally may not establish new branches unless the association meets or exceeds minimum regulatory capital requirements. The OTS will also consider the association's record of compliance with the Community Reinvestment Act of 1977 in connection with any branch application.

Regulation of WSFS

General. As a federally chartered savings institution, WSFS is subject to extensive regulation by the OTS. The lending activities and other investments of WSFS must comply with various federal regulatory requirements. The OTS periodically examines WSFS for compliance with regulatory requirements. The FDIC also has the authority to conduct special examinations of WSFS as the insurer of deposits. WSFS must file reports with OTS describing its activities and financial condition. WSFS is also subject to certain reserve requirements promulgated by the Federal Reserve Board. This supervision and regulation is intended primarily for the protection of depositors. Certain of these regulatory requirements are referred to below or appear elsewhere herein.

Regulatory Capital Requirements. Under OTS capital regulations, savings institutions must maintain "tangible" capital equal to 1.5% of adjusted total assets, "Tier 1" or "core" capital equal to 4% of adjusted total assets (or 3% if the institution is rated composite 1 under the OTS examiner rating system), and "total" capital (a combination of core and "supplementary" capital) equal to 8% of risk-weighted assets. In addition, OTS regulations impose certain restrictions on savings associations that have a total risk-based capital ratio that is less than 8.0%, a ratio of Tier 1 capital to risk-weighted assets of less than 4.0% or a ratio of Tier 1 capital to adjusted total assets of less than 4.0% (or 3.0% if the institution is rated Composite 1 under the OTS examination rating system). For purposes of these regulations, Tier 1 capital has the same definition as core capital.

The OTS capital rule defines Tier 1 or core capital as common stockholders' equity (including retained earnings), noncumulative perpetual preferred stock and related surplus, minority interests in the equity accounts of fully consolidated subsidiaries, certain nonwithdrawable accounts and pledged deposits of mutual institutions and "qualifying supervisory goodwill," less intangible assets other than certain supervisory goodwill and, subject to certain limitations, mortgage and non-mortgage servicing rights and purchased credit card relationships. Tangible capital is given the same definition as core capital but does not include qualifying supervisory goodwill and is reduced by the amount of all the savings institution's intangible assets except for limited amounts of mortgage servicing rights. The OTS capital rule requires that core and tangible capital be reduced by an amount equal to a savings institution's debt and equity investments in "nonincludable" subsidiaries engaged in activities not permissible to national banks, other than subsidiaries engaged in activities undertaken as agent for customers or in mortgage banking activities and subsidiary depository institutions or their holding companies.

Adjusted total assets for purposes of the core and tangible capital requirements are a savings institution's total assets as determined under generally accepted accounting principles, increased by certain goodwill amounts and by a prorated portion of the assets of unconsolidated includable subsidiaries in which the savings institution holds a minority interest. Adjusted total assets are reduced by the amount of assets that have been deducted from capital, the savings institution's minority investments in unconsolidated includable subsidiaries and, for purposes of the core capital requirement, qualifying supervisory goodwill. At December 31, 2000, WSFS was in compliance with both the core and tangible capital requirements.

The risk-based capital requirement is measured against risk-weighted assets, which equal the sum of each on-balance-sheet asset and the credit-equivalent amount of each off-balance-sheet item after being multiplied by an assigned risk weight. Under the OTS risk-weighting system, cash and securities backed by the full faith and credit of the U.S. government are given a 0% risk weight. Mortgage-backed securities that qualify under the Secondary Mortgage Enhancement Act, including those issued, or fully guaranteed as to principal and interest, by the FNMA or FHLMC, are assigned a 20% risk weight. Single-family first mortgages not more than 90 days past due with loan-to-value ratios not exceeding 80%, fixed-rate multi-family first mortgages not more than 90 days past due with loan-to-value ratios not exceeding 80% (75% if rate is adjustable), and annual net operating income equal to not less than 120% of debt service (115% if loan is adjustable) and certain qualifying loans for the construction of one- to four-family residences pre-sold to home purchasers are assigned a risk weight of 50%. Consumer loans, non-qualifying residential construction loans and commercial real estate loans, repossessed assets and assets more than 90 days past due, as well as all other assets not specifically categorized, are assigned a risk weight of 100%. The portion of equity investments not deducted from core or supplementary capital is assigned a 100% risk-weight.

In determining compliance with the risk-based capital requirement, a savings institution is allowed to include both core capital and supplementary capital in its total capital, provided the amount of supplementary capital included does not exceed the savings institution's core capital. Supplementary capital is defined to include certain preferred stock issues, nonwithdrawable accounts and pledged deposits that do not qualify as core capital, certain approved subordinated debt, certain other capital instruments and a portion of the savings institution's general loan loss allowances. The OTS risk-based capital standards require savings institutions with more than a "normal" level of interest rate risk to maintain additional total capital. A savings institution's interest rate risk is measured in terms of the sensitivity of its "net portfolio value" to changes in interest rates. A savings association with more than normal interest rate risk is required to deduct an interest rate risk component equal to one-half of the excess of its measured interest rate risk over the normal level from its total capital for purposes of determining its compliance with the OTS risk-based capital guidelines. At December 31, 2000, WSFS was in compliance with the OTS risk-based capital requirements.

Loans to Directors, Officers and 10% Stockholders. Under Section 22(h) of the Federal Reserve Act, loans to an executive officer or director or to a greater than 10% stockholder of a savings association and certain affiliated interests of either, may not exceed, together with all other outstanding loans to such person and affiliated interests, the association's loans to one borrower limit (generally equal to 15% of the institution's unimpaired capital and surplus) and all loans to all such persons may not exceed the institution's unimpaired capital and unimpaired surplus. Section 22(h) also prohibits loans, above amounts prescribed by the appropriate federal banking agency, to directors, executive officers and greater than 10% stockholders of a savings association, and their respective affiliates, unless such loan is approved in advance by a majority of the board of directors of the association with any "interested" director not participating in the voting. The Federal Reserve Board has prescribed the loan amount (which includes all other outstanding loans to such person), as to which such prior board of director approval if required, as being the greater of $25,000 or 5% of capital and surplus (up to $500,000). Further, loans to directors, executive officers and principal stockholders must be made on terms substantially the same as offered in comparable transactions to other persons unless the loan is made pursuant to a compensation or benefit plan that is widely available to employees and does not discriminate in favor of insiders. Section 22(h) also prohibits a depository institution from paying the overdrafts of any of its executive officers or directors. Savings associations are subject to the requirements and restrictions of Section 22(g) of the Federal Reserve Act which requires that loans to executive officers of depository institutions not be made on terms more favorable than those afforded to other borrowers, requires approval for such extensions of credit by the board of directors of the institution, and imposes reporting requirements for and additional restrictions on the type, amount and terms of credits to such officers. Section 106 of the Bank Holding Company Act of 1956 (BHCA) prohibits extensions of credit to executive officers, directors, and greater than 10% stockholders of a depository institution by any other institution which has a correspondent banking relationship with the institution, unless such extension of credit is on substantially the same terms as those prevailing at the time for comparable transactions with other persons and does not involve more than the normal risk of repayment or present other unfavorable features.

Dividend Restrictions. Savings associations must submit notice to the OTS prior to making a capital distribution (which includes cash dividends, stock repurchases and payments to shareholders of another institution in a cash merger) if (a) they would not be well capitalized after the distribution, (b) the distribution would result in the retirement of any of the association's common or preferred stock or debt counted as its regulatory capital, or (c) the association is a subsidiary of a holding company. A savings association must make application to the OTS to pay a capital distribution if (x) the association would not be adequately capitalized following the distribution, (y) the association's total distributions for the calendar year exceeds the association's net income for the calendar year to date plus its net income (less distributions) for the preceding two years, or (z) the distribution would otherwise violate applicable law or regulation or an agreement with or condition imposed by the OTS.

Deposit Insurance. WSFS may be charged semi-annual premiums by the FDIC for federal insurance on its insurable deposit accounts up to applicable regulatory limits. The FDIC may establish an assessment rate for deposit insurance premiums which protects the insurance fund and considers the fund's operating expenses, case resolution expenditures, income and effect of the assessment rate on the earnings and capital of members.

The assessment rate for an insured depository institution depends on the assessment risk classification assigned to the institution by the FDIC which is determined by the institution's capital level and supervisory evaluations. Institutions are assigned to one of three capital groups -- well-capitalized, adequately-capitalized or undercapitalized -- using the same percentage criteria as in the prompt corrective action regulations. See "Prompt Corrective Action." Within each capital group, institutions will be assigned to one of three subgroups on the basis of supervisory evaluations by the institution's primary supervisory authority and such other information as the FDIC determines to be relevant to the institution's financial condition and the risk posed to the deposit insurance fund.

Because the Bank Insurance Fund (BIF) achieved its statutory reserve ratio of 1.25% of insured deposits, the FDIC has eliminated deposit insurance premiums for most BIF members. The FDIC, however, continues to assess BIF member institutions to fund interest payments on certain bonds issued by the Financing Corporation (FICO), an agency of the federal government established to help fund takeovers of insolvent thrifts. Until December 31, 1999, BIF members were assessed at approximately one-fifth the rate at which Savings Association Insurance Fund (SAIF) members were assessed. After December 31, 1999, BIF and SAIF members are being assessed at the same rate.

Prompt Corrective Action. Under the Federal Deposit Insurance Corporation Improvement Act of 1991 (FDICIA), federal banking regulators are required to take prompt corrective action if an institution fails to satisfy certain minimum capital requirements, including a leverage limit, a risk-based capital requirement, and any other measure deemed appropriate by the federal banking regulators for measuring the capital adequacy of an insured depository institution. All institutions, regardless of their capital levels, are restricted from making any capital distribution or paying any management fees that would cause the institution to become undercapitalized. An institution that fails to meet the minimum level for any relevant capital measure (an "undercapitalized institution") generally is: (i) subject to increased monitoring by the appropriate federal banking regulator; (ii) required to submit an acceptable capital restoration plan within 45 days; (iii) subject to asset growth limits; and (iv) required to obtain prior regulatory approval for acquisitions, branching and new lines of businesses. "Significantly undercapitalized" institutions and their holding companies may become subject to more severe sanctions including limitations on asset growth, restrictions on capital distributions by the holding company and possible divestiture requirements. Institutions generally must be placed in receivership within specified periods of time after they become "critically undercapitalized".

Under the OTS regulations implementing the prompt corrective action provisions of FDICIA, the OTS measures a savings institution's capital adequacy on the basis of its total risk-based capital ratio (the ratio of its total capital to risk-weighted assets), Tier 1 risk-based capital ratio (the ratio of its core capital to risk-weighted assets) and leverage ratio (the ratio of its core capital to adjusted total assets). A savings institution that is not subject to an order or written directive to meet or maintain a specific capital level is deemed "well capitalized" if it also has: (i) a total risk-based capital ratio of 10% or greater; (ii) a Tier 1 risk-based capital ratio of 6.0% or greater; and (iii) a leverage ratio of 5.0% or greater. An "adequately capitalized" savings institution is a savings institution that does not meet the definition of well capitalized and has: (i) a total risk-based capital ratio of 8.0% or greater; (ii) a Tier 1 capital risk-based ratio of 4.0% or greater; and (iii) a leverage ratio of 4.0% or greater (or 3.0% or greater if the savings institution has a composite 1 CAMELS rating). An "undercapitalized institution" is a savings institution that has (i) a total risk-based capital ratio less than 8.0%; or (ii) a Tier 1 risk-based capital ratio of less than 4.0%; or (iii) a leverage ratio of less than 4.0% (or 3.0% if the institution has a composite 1 CAMELS rating). A "significantly undercapitalized" institution is defined as a savings institution that has: (i) a total risk-based capital ratio of less than 6.0%; or (ii) a Tier 1 risk-based capital ratio of less than 3.0%; or (iii) a leverage ratio of less than 3.0%. A "critically undercapitalized" savings institution is defined as a savings institution that has a ratio of tangible equity to total assets of less than 2.0%.

Federal Home Loan Bank System. WSFS is a member of the FHLB System, which consists of 12 district FHLBs subject to supervision and regulation by the Federal Housing Finance Board (FHFB). The FHLBs provide a central credit facility primarily for member institutions. As a member of the FHLB of Pittsburgh, WSFS is required to acquire and hold shares of capital stock in the FHLB of Pittsburgh in an amount at least equal to 1% of the aggregate unpaid principal of its home mortgage loans, home purchase contracts, and similar obligations at the beginning of each year, or 1/20 of its advances (borrowings) from the FHLB of Pittsburgh, whichever is greater. WSFS was in compliance with this requirement with an investment in FHLB of Pittsburgh stock at December 31, 2000, of $28.5 million. The FHLB of Pittsburgh offers advances to members in accordance with policies and procedures established by the FHFB and the Board of Directors of the FHLB of Pittsburgh. Long term advances may only be made to larger institutions like WSFS for the purpose of providing funds for residential housing finance.

Federal Reserve System. Pursuant to regulations of the Federal Reserve Board, a savings institution must maintain average daily reserves equal to 3% on the first $42.8 million of transaction accounts, plus 10% on the remainder. This percentage is subject to adjustment by the Federal Reserve Board. Because required reserves must be maintained in the form of vault cash or in a non-interest bearing account at a Federal Reserve Bank, the effect of the reserve requirement may be to reduce the amount of the institution's interest-earning assets. As of December 31, 2000 WSFS met its reserve requirements.

Financial Modernization Legislation

On November 12, 1999, President Clinton signed legislation which could have a far-reaching impact on the financial services industry. The Gramm-Leach-Bliley ("G-L-B") Act authorizes affiliations between banking, securities and insurance firms and authorizes bank holding companies and national banks to engage in a variety of new financial activities. Among the new activities that will be permitted to qualifying bank holding companies are securities and insurance brokerage, securities underwriting, insurance underwriting and merchant banking. The Federal Reserve Board, in consultation with the Department of Treasury, may approve additional financial activities for bank holding companies. National bank subsidiaries will be permitted to engage in similar financial activities but only on an agency basis unless they are one of the 50 largest banks in the country. National bank subsidiaries will be prohibited from insurance underwriting, real estate development and, for at least five years, merchant banking. The G-L-B Act prohibits future acquisitions of existing unitary savings and loan holding companies, like the Company, and firms which are engaged in commercial activities and limits the permissible activities of unitary holding companies formed after May 4, 1999.

The G-L-B Act imposes new requirements on financial institutions with respect to customer privacy. The G-L-B Act generally prohibits disclosure of customer information to non-affiliated third parties unless the customer has been given the opportunity to object and has not objected to such disclosure. Financial institutions are further required to disclose their privacy policies to customers annually. Financial institutions, however, will be required to comply with state law if it is more protective of customer privacy than the G-L-B Act. The G-L-B Act directs the federal banking agencies, the National Credit Union Administration, the Secretary of the Treasury, the Securities and Exchange Commission and the Federal Trade Commission, after consultation with the National Association of Insurance Commissioners, to promulgate implementing regulations within six months of enactment. The privacy regulations will become final, effective in July 2001.

The G-L-B Act contains significant revisions to the Federal Home Loan Bank System. The G-L-B Act imposes new capital requirements on the Federal Home Loan Banks and authorizes them to issue two classes of stock with differing dividend rates and redemption requirements. The G-I-B Act deletes the current requirement that the Federal Home Loan Banks annually contribute $300 million to pay interest on certain government obligations in favor of a 20% of net earnings formula. The G-L-B Act expands the permissible uses of Federal Home Loan Bank advances by community financial institutions (under $500 million in assets) to include funding loans to small businesses, small farms and small agri-businesses. The G-L-B Act makes membership in the Federal Home Loan Bank voluntary for federal savings associations.

The G-L-B Act contains a variety of other provisions including a prohibition against ATM surcharges unless the customer has first been provided notice of the imposition and the amount of the fee. The G-L-B Act reduces the frequency of Community Reinvestment Act examinations for smaller institutions and imposes certain reporting requirements on depository institutions that make payments to non-governmental entities in connection with the Community Reinvestment Act. The G-L-B Act eliminates the SAIF special reserve and authorizes a federal savings association that converts to a national or state bank charter to continue to use the term "federal" in its name and to retain any interstate branches.

The Company is unable to predict the impact of the G-L-B Act on its operations at this time. Although the G-L-B Act reduces the range of companies which may acquire control of the Company and with which the Company may affiliate, it may facilitate affiliations with companies in the financial services industry.

Item 2. Properties

The following table sets forth the location and certain additional information regarding the Company's offices and other material properties at December 31, 2000.

Location	Owned/ Leased	Date Lease Expires	Net Book Value Of Property or Leasehold Improvements(2)	Deposits
			(In Thousands)	
WSFS:				
Main Office (1)(2) 9th & Market Streets Wilmington, DE 19899	Owned		$1,253	$286,387
Union Street Branch 3rd & Union Streets Wilmington, DE 19805	Leased	2003	101	55,283
Trolley Square Branch 1711 Delaware Avenue Wilmington, DE 19806	Leased	2001	9	23,635
Fairfax Shopping Center Branch 2005 Concord Pike Wilmington, DE 19803	Leased	2003	12	66,965
Branmar Plaza Shopping Center Branch 1812 Marsh Road Wilmington, DE 19810	Leased	2003	10	58,744
Prices Corner Shopping Center Branch 3202 Kirkwood Highway Wilmington, DE 19808	Leased	2003	41	87,877
Pike Creek Shopping Center Branch New Linden Hill & Limestone Roads Wilmington, DE 19808	Leased	2005	19	58,420
University Plaza Shopping Center Branch I-95 & Route 273 Newark, DE 19712	Leased	2003	19	39,630
College Square Shopping Center Branch(4) Route 273 & Liberty Avenue Newark, DE 19711	Leased	2007	274	63,270
Airport Plaza Shopping Center Branch 144 N. DuPont Hwy. New Castle, DE 19720	Leased	2013	12	67,914
Stanton Branch Inside ShopRite at First State Plaza 1600 W. Newport Pike Wilmington, DE 19804	Leased	2001	169	8,612
Glasgow Branch Inside Genuardi's at Peoples Plaza Routes 40 & 896 Newark, DE 19804	Leased	2002	188	14,510
Middletown Square Shopping Center Inside Parkers Thriftway 701 N. Broad St. Middletown, DE 19709	Leased	2004	58	14,071
Dover Branch Inside Metro Food Market Rt 134 & White Oak Road Dover, DE 19901	Leased	2005	129	13,743

Location	Owned/ Leased	Date Lease Expires	Net Book Value Of Property or Leasehold Improvements(2)	Deposits
			(In Thousands)	
WSFS:				

WSFS (continued...):				
Pottstown Branch Inside Genuardi's Family Market 1400 North Charlotte St. Pottstown, PA 19461	Leased	2001	190	1,628
Royersford Branch Inside Genuardi's Family Markets Limerick Square 70 Buckwater Rd., Suite 211 Royersford, PA 19468	Leased	2003	199	1,787
Glen Eagle Branch Inside Genaurdi's Family Market 475 Glen Eagle Square Glen Mills, PA 19342	Leased	2003	259	4,803
University of Delaware-Trabant University Center 17 West Main Street Newark, DE 19716	Leased	2003	237	4,095
Brandywine Branch Inside Genaurdi's Family Market 2522 Foulk Road Wilmington, DE 19810	Leased	2004	221	16,506
Wal-Mart Branch Route 40 & Wilton Boulevard New Castle, DE 19720	Leased	2004	273	2,004
Chesterbrook Branch Inside Genaurdi's Family Market 500 Chesterbrook Boulevard Wayne, PA 19087	Leased	2004	201	2,538
Kimberton Branch Inside Genuardi's Family Market Maple Lawn Shopping Center 542 Kimberton Road Phoenixville, PA 19460	Leased	2004	217	2,101
King of Prussia Branch Inside Genuardi's Family Market 310 S. Henderson Road King of Prussia, PA 19406	Leased	2005	246	3,900
Operations Center 2400 Philadelphia Pike Wilmington, DE 19703	Owned		1,079	N/A
Longwood Branch 830 E. Baltimore Pike E. Marlborough, PA 19348	Leased	2005	246	587
Holly Oak Branch Inside Superfresh 2105 Philadelphia Pike Claymont, DE 19703	Leased	2005	192	19,184
Elkins Park Branch More Shopping Center 7300 Old York Road Elkins Park, PA 19027	Leased	2005	240	5,528
Hockessin Branch 7450 Lancaster Pike Wilmington, DE 19707	Leased	2015	623	13,885
St. David's Branch Inside Genuardi's Supermarket 550 E. Lancaster Ave. Wayne, PA 19086	Leased	2005	243	743

Location	Owned/ Leased	Date Lease Expires	Net Book Value Of Property or Leasehold Improvements(2)	Deposits
			(In Thousands)	
WSFS:				
Wilmington National Finance:				
Marchwood Shopping Center 4 Marchwood Road Exton, PA 19341	Leased	2002	2	N/A
6265 Southfront Road Livermore, CA	Leased	2005	-	N/A
1833 Centre Point Drive Suite 123 Naperville, IL 60566	Leased	2005	-	N/A
Suite 350 2260 Buler Pike Plymouth Meeting, PA 19462	Leased	2005	24	N/A
640 Ten Rod Road North Kingstown, RI	Leased	2001	-	N/A
University Plaza-Bellevue 262 Chapman Road Newark, DE	Leased	2005	-	N/A
Everbank.com(TM):				
St. Louis, Missouri 555 N New Ballas Road Suite 110 St. Louis, MO 63141	Leased	2002	-	183,241
New York 11 Oval Drive Suite 107	Leased	2003	-	N/A

Islandia, NY 11749-1476				
Vermont	Leased	2002	1	N/A
188 South Main Street				
P.O. Box 1209				
Stowe, VT 05672				
Florida (5)	Leased	2004	12	N/A
2233 N. Commerce Pkwy.				
Suite 1				
Weston, FL 33326				
WSFS Credit Corporation:				
30 Blue Hen Drive	Leased	2002	255	N/A
Suite 200				
Newark, DE 19713				
Friess Land (3)	Owned	-	2,158	N/A
Wilmington Gateway:				
500 Delaware Ave.	Owned	-	5,974	N/A
Wilmington, DE 19801				
				$1,121,591

(1) Includes location of executive offices and approximately $147.1 million in brokered deposits.
(2) The net book value of all the Company's investment in premises and equipment totaled $16.8 million at December 31, 2000.
(3) The total includes building and building depreciation listed under Real Estate Held for Investment.
(4) Includes the Company's Education and Development Center.
(5) Florida location is pending execution of a sublease by C1FN to an independent third party at the same rental cost.

Item 3. Legal Proceedings

There are no material legal proceedings to which the Company or WSFS is a party or to which any of its property is subject except as discussed in Note 14 to the Consolidated Financial Statements.

Item 4. Submissions of Matters To a Vote of Security Holders

No matter was submitted to a vote of the stockholders during the fourth quarter of the fiscal year ended December 31, 2000 through the solicitation of proxies or otherwise.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

WSFS Financial Corporation's Common Stock is traded on The Nasdaq Stock MarketSM under the symbol WSFS. At December 31, 2000, the Corporation had 1,926 registered common stockholders of record. The following table sets forth the range of high and low sales prices for the Common Stock for each full quarterly period within the two most recent fiscal years as well as the quarterly dividends paid.

The closing market price of the common stock at December 31, 2000 was $12 7/8.

		Stock Price Range		Dividends
		Low	High	
2000	1st	$10 11/16	$12 7/8	$ .03
	2nd	10 1/4	13 5/16	.04
	3rd	9 15/16	11 3/8	.04
	4th	10 1/16	12 7/8	.04
				$ .15
1999	1st	$14 5/8	$17 3/8	$ .03
	2nd	13 5/8	16	.03

3rd	13 7/8	15 3/8	.03
4th	11 7/8	15 1/4	.03

			$ .12
			=====

Item 6. Selected Financial Data

(Dollars in Thousands, Except Per Share Data)

	2000	1999	1998	1997	1996
At December 31,					
Total assets....................................	$1,739,316	$1,751,037	$1,631,319	$1,510,655	$1,353,519
Net loans (1)...................................	963,491	860,573	739,462	734,716	695,991
Investment securities (2).......................	29,740	37,473	37,861	78,655	18,933
Investment in reverse mortgages, net............	33,683	28,103	31,293	32,109	35,796
Other investments...............................	39,318	36,526	51,418	74,523	47,337
Mortgage-backed securities (2)..................	339,718	447,749	459,084	330,274	365,252
Deposits	1,121,591	910,090	858,300	766,966	744,886
Borrowings (3)..................................	443,638	672,465	622,409	615,578	489,819
Senior notes....................................	-	-	-	29,100	29,100
Trust Preferred Borrowings......................	50,000	50,000	50,000	-	-
Stockholders' equity	97,146	96,153	85,752	86,759	75,788
Number of full-service branches (4).............	28	24	20	16	16
For the Year Ended December 31,					
Interest income.................................	$ 129,677	$ 108,184	$ 105,833	$ 107,265	$ 96,266
Interest expense................................	65,727	58,856	59,775	60,751	53,135
Other income	18,101	11,579	11,243	8,785	6,559
Other expenses	61,428	42,668	34,501	33,883	31,089
Income from continuing operations...............	15,622	18,086	15,388	14,979	15,222
Net income	11,019	19,709	16,512	16,389	16,356
Earnings per share:					
Basic:					
Income from continuing operations............	1.46	1.60	1.25	1.20	1.09
Net income	1.03	1.74	1.34	1.31	1.18
Diluted:					
Income from continuing operations............	1.46	1.59	1.23	1.18	1.08
Net income	1.03	1.73	1.32	1.29	1.16
Interest rate spread............................	4.76%	3.90%	3.78%	3.78%	3.75%
Net interest margin.............................	4.57	3.65	3.63	3.71	3.83
Return on average equity (5)....................	15.95	20.32	16.47	18.51	19.72
Return on average assets (5)....................	1.04	1.25	1.15	1.14	1.30
Average equity to average assets (5)............	6.54	6.15	6.96	6.18	6.61

(1) Includes loans held-for-sale.
(2) Includes securities available-for-sale.
(3) Borrowings consist of FHLB advances, securities sold under agreement to repurchase and municipal bond repurchase obligations. The municipal bond repurchase obligation was called in 1996.
(4) WSFS opened two branches in 1996 and four branches in 1998, 1999 and 2000.
(5) Based on continuing operations.

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

GENERAL

WSFS Financial Corporation (Company or Corporation) is a thrift holding company headquartered in Wilmington, Delaware. Substantially all of the Corporation's assets are held by its subsidiary, Wilmington Savings Fund Society, FSB (WSFS). Founded in 1832, WSFS is one of the oldest financial institutions in the country. As a federal savings bank which was formerly chartered as a state mutual savings bank, WSFS enjoys broader investment powers than most other financial institutions. These grandfathered powers have allowed WSFS to diversify its revenue sources to a greater extent than most savings banks. WSFS has served the residents of the Delaware Valley for 169 years. WSFS is the largest thrift institution headquartered in Delaware and among the four largest financial institutions in the state on the basis of total deposits traditionally garnered in-market. The Corporation's primary market area is the

Mid-Atlantic region of the United States which is characterized by a diversified manufacturing and service economy. The long-term goal of the Corporation is to maintain its high-performing financial services company status by focusing on its core banking business while developing unique profitable niches in complementary businesses which may operate outside WSFS' geographical footprint.

WSFS provides residential and commercial real estate, commercial and consumer lending services, as well as cash management services funding these activities primarily with retail deposits and borrowings. The banking operations of WSFS are conducted from 28 retail banking offices located in northern Delaware and southeastern Pennsylvania. Deposits are insured by the Federal Deposit Insurance Corporation (FDIC).

Fully owned subsidiaries of WSFS include WSFS Credit Corporation (WCC), which is engaged primarily in indirect motor vehicle leasing; and 838 Investment Group, Inc., which markets various insurance products and securities through WSFS' branch system. An additional subsidiary, Star States Development Company (SSDC), is currently inactive having sold its final parcel of land in 1998.

On December 21, 2000, the Board of Directors of the Corporation approved plans to discontinue the operations of WCC, and as a result, the Company has exited the indirect auto leasing business. WCC, which had 7,300 lease contracts and 2,700 loan contracts at December 31, 2000, no longer accepts new applications but will continue to service its existing loans and leases. Management estimates that substantially all loan and lease contracts will mature by December 2003. As discussed in Note 2 of the Financial Statements, the results of WCC are presented as discontinued operations, retroactively restated for all periods presented.

In August 1999, WSFS Financial Corporation invested $5.5 million in CustomerOne Financial Network, Inc. (C1FN), a St. Louis, Missouri based corporation formed in 1998 for the express purpose of providing direct-to-consumer marketing, servicing, Internet development and technology management for "branchless" financial services. As a result of this investment, C1FN's Internet-only banking structure became part of everbank.com(TM), a division of WSFS. C1FN assists in managing the operations of everbank.com(TM). everbank.com(TM) began marketing Internet-only banking to a national clientele in November of 1999.

WSFS is the single largest shareholder in C1FN, has majority control through a voting trust and as a result, consolidates the results of C1FN in the WSFS Financial Statements. For the year ended December 31, 2000 WSFS shared in 42% of the operating results of C1FN. In addition, WSFS holds warrants for the purchase of 20% additional ownership of C1FN, as well as the option and under certain circumstances the obligation to invest an additional $5.4 million in the year 2000, at current offered ownership prices. This option expired on July 5, 2000 with no additional investment being made by WSFS.

On December 29, 2000, C1FN received a $5.0 million investment from a third party investor with a conditional commitment to invest an additional $12.5 million if and when a separate bank charter is obtained for everbank.com(TM). This investment effectively reduces WSFS' economic ownership of C1FN at December 31, 2000 from 42% to 29%. Since WSFS retains majority control of C1FN through a voting trust, the results of C1FN will continue to be consolidated into the operating results of WSFS until everbank.comTM obtains a separate banking charter.

Additionally, in November 1999, the Corporation expanded the local retail home equity lending business of Community Credit Corporation (CCC) which

began operations in 1994. CCC was renamed Wilmington National Finance, Inc. (WNF) which expanded its sales to a national level and now aggregates loans through brokers and sells them to investors. WSFS retained a 51% ownership with the remainder held by WNF's executives retained to lead the expansion of WNF. WSFS also has warrants to obtain an additional 15% ownership in WNF. Both C1FN and WNF are consolidated into the Financial Statements of the Corporation. See Note 19 of the Financial Statements, "Investments in Non-Wholly Owned Subsidiaries", for further discussion.

The following discussion focuses on the major components of the Company's operations and presents an overview of the significant changes in the results of operations for the past three fiscal years and financial condition during the past two fiscal years. This discussion should be reviewed in conjunction with the Consolidated Financial Statements and Notes thereto presented elsewhere in this Annual Report.

RESULTS OF OPERATIONS

The Corporation recorded net income of $11.0 million for the year ended December 31, 2000, compared to $19.7 million and $16.5 million in 1999 and 1998, respectively. Income from continuing operations was $15.6 million, $18.1 million and $15.4 million for the years ended December 31, 2000, 1999 and 1998, respectively

Net Interest Income. Net interest income is the most significant component of operating income to the Corporation. Net interest income relies upon the levels of interest-earning assets and interest-bearing liabilities and the difference or "spread" between the respective yields earned and rates paid. The interest rate spread is influenced by regulatory, economic and competitive factors that affect interest rates, loan demand and deposit flows. The level of nonperforming loans can also impact the interest rate spread by reducing the overall yield on the loan portfolio.

Net interest income increased 30% to $64.0 million in 2000 compared with $49.3 million in 1999. Total interest income increased $21.5 million, between 1999 and 2000, primarily due to an increase in average balances for loans of $133.7 million over the previous year, offset in part by a $114.5 million decrease in mortgage-backed securities. In addition to this positive volume variance impact, overall rates were higher in 2000 than in 1999, and specifically, the average yield on the reverse mortgage portfolio increased to 58.92% from 23.87%, between 2000 and 1999. For further discussion on reverse mortgages see Note 16 of the Financial Statements.

Total interest expense increased $6.9 million from 1999 and 2000 as a result of the growth in interest-bearing deposits by an average of $111.6 million, partially offset by a $95.0 million decrease in average borrowings. The average rates on deposits increased 56 basis points from 4.21% to 4.77%, while the rates on FHLB and other borrowings increased 57 basis points and 61 basis points, respectively. The cost of funding discontinued operations resulted in an overall decrease in total interest expense of $1.4 million between 1999 and 2000, as a result of the declining balance of this business in 2000.

Between 1998 and 1999, interest income increased $2.4 million, while interest expense decreased $919,000. The primary increase in interest income was related to the increase in average balances for mortgaged-backed securities of $69.1 million and an increase in average loan balances of $46.4 million. This was offset by a decrease in average interest rates in 1999 versus 1998. The decrease in interest expense was primarily due to a decline in average rates offset by an increase in average borrowings of $32.6 million. This was partially offset by a decline in the average rate paid on deposits and borrowings of 42 basis points and 34 basis points respectively, between 1999 and 1998. There was also a $1.2 million decrease to total interest expense related to the funding of discontinued operations between 1999 and 1998.

The following table sets forth certain information regarding changes in net interest income attributable to changes in the volumes of interest-earning assets and interest-bearing liabilities and changes in the rates for the periods indicated. For each category of interest-earning assets and interest-bearing liabilities, information is provided on changes attributable to: (i) changes in volume (change in volume multiplied by prior year rate); (ii) changes in rates (change in rate multiplied by prior year volume); and (iii) net change. Changes due to the combination of rate and volume changes (changes in volume multiplied by changes in rate) are allocated proportionately between changes in rate and changes in volume.

	Year Ended December 31,					
	2000 vs. 1999			1999 vs. 1998		
	Volume	Rate	Net	Volume	Rate	Net
	(Dollars In Thousands)					
Interest income:						
Real estate loans (1).........................	$ 7,173	$ 651	$ 7,824	$ 2,259	$(4,208)	$ (1,949)

Commercial loans	2,378	475	2,853	841	(450)	391
Consumer loans................................	1,966	238	2,204	1,075	(417)	658
Loans held-for-sale...........................	1,125	93	1,218	59	(33)	26
Mortgage-backed securities....................	(7,619)	2,197	(5,422)	4,356	(552)	3,804
Investment securities	634	4	638	(679)	5	(674)
Other...	532	11,646	12,178	(1,799)	1,894	95
	6,189	15,304	21,493	6,112	(3,761)	2,351
Interest expense:						
Deposits:						
Money market and interest-bearing demand.....	2,818	1,873	4,691	227	(260)	(33)
Savings.......................................	1,191	2,102	3,293	1,525	(19)	1,506
Retail time deposits..........................	(1,279)	815	(464)	(1,979)	(2,081)	(4,060)
Jumbo certificates of deposit	(1,769)	195	(1,574)	878	(165)	713
Brokered certificates of deposit	2,999	804	3,803	2,981	(484)	2,497
FHLB of Pittsburgh advances...................	(4,292)	2,530	(1,762)	2,920	(1,484)	1,436
Senior notes and trust preferred borrowings....	-	513	513	1,461	(1,028)	433
Other borrowed funds..........................	(1,146)	900	(246)	(2,083)	(153)	(2,236)
Cost of funding discontinued operations........	-	(1,383)	(1,383)	-	(1,175)	(1,175)
	(1,478)	8,349	6,871	5,930	(6,849)	(919)
Net change, as reported...........................	7,667	6,955	14,622	182	3,088	3,270
Tax-equivalent effect (2)	(1)	(1)	(2)	(2)	(79)	(81)
Net change, tax-equivalent basis..................	$ 7,666	$ 6,954	$14,620	$ 180	$ 3,009	$ 3,189

(1) Includes commercial mortgage loans.
(2) The tax-equivalent income adjustment relates primarily to a commercial loan.

The following table, in thousands except yield and rate data, provides information regarding the average balances of, and yields/rates on, interest-earning assets and interest-bearing liabilities during the periods indicated:

	Year Ended December 31,					
	2000			1999		
	Average Balance	Interest	Yield/ Rate(1)	Average Balance	Interest	Yield/ Rate(1)
					(Dollars in Thousands)	
Assets						
Interest-earning assets:						
Loans(2)(3):						
Real estate loans (4).......................	$622,932	$ 51,264	8.23%	$ 535,623	$ 43,440	8.11%
Commercial loans	124,742	10,131	8.89	98,440	7,278	8.44
Consumer loans..............................	165,983	16,273	9.80	145,943	14,069	9.64
Total loans.............................	913,657	77,668	8.63	780,006	64,787	8.45
Mortgage-backed securities (5)...............	369,780	25,118	6.79	484,254	30,540	6.31
Loans held-for-sale (3)......................	16,577	1,477	8.91	3,739	259	6.93
Investment securities (5)....................	46,703	2,980	6.38	36,792	2,342	6.37
Other interest-earning assets................	76,358	22,434	29.38	77,705	10,256	13.20
Total interest-earning assets..............	1,423,075	129,677	9.19	1.382,496	108,184	7.91
Allowance for loan losses....................	(22,427)			(22,705)		
Cash and due from banks......................	55,050			50,640		
Other noninterest-earning assets.............	40,861			35,748		
Net assets from discontinued operations	228,544			238,479		
Total assets...............................	$1,725,103			$1,684,658		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing deposits:						
Money market and interest-bearing demand ...	$ 158,849	6,186	3.89%	$ 70,400	$ 1,495	2.12%
Savings....................................	273,675	10,764	3.93	239,034	7,471	3.13
Retail time deposits.......................	275,399	13,687	4.97	301,738	14,151	4.69
Jumbo certificates of deposits	30,671	1,713	5.59	62,532	3,287	5.26
Brokered certificates of deposits..........	160,753	10,541	6.56	114,006	6,738	5.91
Total interest-bearing deposits..........	899,347	42,891	4.77	787,710	33,142	4.21
FHLB of Pittsburgh advances..................	397,672	23,459	5.90	473,458	25,221	5.33
Senior notes and trust preferred borrowings...	50,000	4,694	9.23	50,000	4,181	8.36
Other borrowed funds.........................	137,340	8,580	6.25	156,544	8,826	5.64
Cost of funding discontinued operations.......	-	(13,897)		-	(12,514)	
Total interest-bearing liabilities...........	1,484,359	65,727	4.43	1,467,712	58,856	4.01
Noninterest-bearing demand deposits..........	119,928			105,883		
Other noninterest-bearing liabilities........	18,975			20,191		
Minority interest............................	3,912			1,885		
Stockholders' equity.........................	97,929			88,987		
Total liabilities and stockholders' equity..	$1,725,103			$1,684,658		
Excess (deficit) of interest-earning assets over interest-bearing liabilities..........	$ (61,284)			$ (85,216)		

Net interest and dividend income.............	$ 63,950		$ 49,328	
Interest rate spread.........................		4.76%		3.90%
Interest rate margin.........................		4.57%		3.65%
Net interest and dividend income to total average assets.......................		3.77%		3.00%

[RESTUBBED FOR ABOVE]

	1998		
	Average Balance	Interest	Yield/ Rate(1)
Assets			
Interest-earning assets:			
Loans(2)(3):			
Real estate loans (4)......................	$509,422	$ 45,389	8.91%
Commercial loans	89,330	6,887	8.96
Consumer loans.............................	134,888	13,411	9.94
Total loans.............................	733,640	65,687	9.12
Mortgage-backed securities (5)...............	415,141	26,736	6.44
Loans held-for-sale (3)......................	2,935	233	7.94
Investment securities (5)....................	47,430	3,016	6.36
Other interest-earning assets................	104,485	10,161	9.72
Total interest-earning assets..............	1,303,631	105,833	8.21
Allowance for loan losses....................	(23,621)		
Cash and due from banks......................	29,040		
Other noninterest-earning assets.............	32,273		
Net assets from discontinued operations	202,980		
Total assets..............................	$1,544,303		
Liabilities and Stockholders' Equity			
Interest-bearing liabilities:			
Interest-bearing deposits:			
Money market and interest-bearing demand ...	$ 60,746	$ 1,528	2.52
Savings..................................	189,744	5,965	3.14
Retail time deposits.......................	341,257	18,211	5.34
Jumbo certificates of deposits	45,924	2,574	5.60
Brokered certificates of deposits..........	64,302	4,241	6.60
Total interest-bearing deposits..........	701,973	32,519	4.63
FHLB of Pittsburgh advances..................	419,849	23,785	5.67
Senior notes and trust preferred borrowings...	34,201	3,748	10.96
Other borrowed funds.........................	193,315	11,062	5.72
Cost of funding discontinued operations.......	-	(11,339)	
Total interest-bearing liabilities...........	1,349,338	59,775	4.43
Noninterest-bearing demand deposits...........	84,631		
Other noninterest-bearing liabilities.........	16,918		
Minority interest............................	-		
Stockholders' equity.........................	93,416		
Total liabilities and stockholders' equity..	$1,544,303		
Excess (deficit) of interest-earning assets over interest-bearing liabilities..........	$ (45,707)		
Net interest and dividend income.............		$46,058	
Interest rate spread.........................			3.78%
Interest rate margin.........................			3.63%
Net interest and dividend income to total average assets.......................			3.06%

(1) Weighted average yields have been computed on a tax-equivalent basis.
(2) Nonperforming loans are included in average balance computations.
(3) Balances are reflected net of unearned income.
(4) Includes commercial mortgage loans.
(5) Includes securities available-for-sale.

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Provision for Loan Losses. The Corporation considers, among other things, identifiable and inherent risks in its loan portfolio in periodically establishing the amount of the provision for loan losses and the amount of the allowance for loan losses. Such risks are determined based upon an ongoing review of the loan portfolio, which includes the identification and assessment of adverse situations that may affect borrowers' debt servicing ability, an analysis of overall portfolio quality and prior loan loss experience as well as an appraisal of current economic conditions. Accordingly, the allowance for loan losses is maintained at a level which management deems adequate to provide for known and inherent losses.

The Corporation's continued efforts to invest in quality loans and resolve and collect problem loans, including nonaccrual and restructured loans favorably impacted the provision. This was evident in 2000 as the provision for loan losses of $894,000 was a decrease of $110,000 from 1999. The allowance for loan losses was $21.4 million at December 31, 2000, a 3.6% decrease from the level reported at December 31, 1999.

The Corporation will continue to adjust the provision for loan losses periodically as necessary to maintain the allowance at what is deemed to be an adequate level, based on the previously discussed criteria. As the provision is primarily a function of credit quality, changes in the provision for loan losses are contingent upon the economic conditions of the Corporation's market area and the economic prospects of borrowers.

Other Income. Other income of $18.1 million in 2000, increased $6.5 million, or 56% during 2000 from 1999. The Corporation's two new not wholly-owned startup initiatives, C1FN and WNF contributed $5.2 million to the positive variance, mainly in the form of gains on the sale of loans and other income. In 1999 the Corporation recorded a $2.0 million loss on the sale of below-market yielding securities and loans. Credit/debit and ATM income grew $1.6 million during 2000, due to the continued expansion of WSFS' ATM network and customer card usage. At December 31, 2000 WSFS derived income from 2,001 ATMs compared to 1,049 at December 31, 1999. In addition, deposit service charges increased $1.6 million to $7.1 million, a result of the 23.2% growth in core deposits. Partially offsetting these increases was a $3.8 million increase in securities losses. These losses were a result of the Corporation's de-leveraging strategy, in which the Corporation sold below-market yielding investments to payoff higher cost borrowings.

Other income of $11.6 million in 1999, increased $336,000 during 1999 from 1998. Credit/debit and ATM income grew $1.2 million during 1999, due to the continued expansion of WSFS' ATM network and customer card usage. At December 31, 1999 WSFS derived income from 1,049 ATMs compared to 757 at December 31, 1998. In addition, deposit service charges increased $1.1 million as a result of growth in deposits. Partially offsetting these increases was $602,000 in securities losses and a $1.0 million loss on the sale of loans. These losses were a result of the Corporation's de-leveraging strategy, in which the Corporation sold below-market yielding investments to pay off higher cost borrowings.

Other Expenses. Other expenses of $61.4 million in 2000, increased $18.8 million or 44% during 2000 from 1999. The Corporation's two new, not wholly-owned, startup initiatives, C1FN and WNF accounted for $14.2 million of this increase, mainly in salaries, benefits and other compensation. The unowned portion of the results of these subsidiaries has been reflected in minority interest, on an after-tax basis, in the consolidated statement of operations. Excluding these two startup initiatives expenses increased $5.0 million or 12% during 2000 from 1999. These increases were mainly in salaries, equipment expense, occupancy expense and other expenses; partially offset by lower data processing and operations expense, which decreased by $653,000. The increases were primarily attributable to investments in retail banking offices, as the Corporation added four new branch offices during the year, and the expansion of the CashConnect Division (ATM unit). In addition, during the third quarter of 2000 the Corporation re-assumed all responsibility for loan and deposit operations that were previously outsourced through ALLTEL, the Corporation's information technology provider. As a result, approximately sixty associates that were previously employed by ALLTEL were re-hired by the Corporation. Expenses previously recorded as data processing and operations are currently reflected in salaries and benefit expenses.

Other expenses of $42.7 million increased $8.2 million or 24% during 1999 from 1998. Expenses increased mainly in salaries, equipment expense, professional fees and data processing and operations expense. These increases were attributable to investments in retail banking offices, ATMs, and

improvements in technology. As part of this investment the Corporation added four new branch offices during the year. In addition, expenses of $2.0 million from the not wholly-owned C1FN and WNF investments are included in other expenses. The unowned portion of the results of these subsidiaries has been eliminated through minority interest, on an after-tax basis, in the consolidated statement of operations.

Income Taxes. The Corporation recorded a $276,000 tax provision for the year ended December 31, 2000 compared to tax provisions of $1.2 million and $5.5 million for the years ended December 31, 1999 and 1998, respectively. The provision for income taxes includes federal, state, and local income taxes that are currently payable and those deferred because of temporary differences between the financial reporting bases and the tax reporting bases of assets and liabilities.

The years 2000, 1999, and 1998 include the recording of $2.9 million, $5.1 million, and $2.7 million, respectively, in tax benefits, resulting from the merger of a former subsidiary into WSFS. As a consequence of this merger, certain tax benefits, which were previously offset by a valuation allowance, are now recognizable based primarily upon the continued profitability of the WSFS consolidated group.

Approximately $18 million in gross deferred tax assets of the Corporation at December 31, 2000 is related to built-in losses on reverse mortgages that are attributable to a former subsidiary, Providential. Management has continued to assess substantial valuation allowances on these deferred tax assets due to limitations imposed by the Internal Revenue Code and uncertainties, including the timing of settlement and realization on these assets. As historical data accumulates, management continues to obtain more information on which to base the potential recognition of these assets.

The Corporation analyzes its projection of taxable income on an ongoing basis and makes adjustments to its provision for income taxes, accordingly. For additional information regarding the Corporation's tax provision and net operating loss carryforwards, see Note 12 to the Financial Statements.

FINANCIAL CONDITION

Total assets decreased $11.7 million or .7% during 2000 to $1.739 billion. This decline occurred predominantly in mortgage-backed securities, partially offset by an increase in loans. The decline in mortgage-backed securities resulted primarily from a deleveraging strategy in which the Corporation divested of certain investment securities and residential mortgages with below-market interest rates, thereby repositioning the balance sheet to allow room for other strategies. Total liabilities decreased $13.5 million during the year to $1.636 billion at December 31, 2000. This decrease occurred primarily in borrowings which declined $228.8 million during the period, as proceeds from the investment and loan sale were used to repay $164.0 million in FHLB advances. Partially offsetting this decrease were deposits which increased $211.5 million. Stockholder's equity increased $1.0 million to $97.1 million at December 31, 2000. This increase resulted primarily from earnings and the increase in other comprehensive income, offset in part by the acquisition of treasury stock and cash dividends paid.

Investments. Between December 31, 2000 and 1999, total investments increased $639,000. During 2000, investments in reverse mortgages increased $5.6 million while federal funds sold increased $3.5 million. These increases were partially offset by a $7.7 million decrease in investment securities.

Mortgage-backed Securities. Investments in mortgage-backed securities decreased $108.0 million during 2000 to $339.7 million. This decline resulted primarily from the sale of $225.9 million in mortgage-backed securities, which was mainly a result of the deleveraging strategy. Also contributing to this decline were $97.8 million in principal repayments. These decreases were partially offset by purchases of $210.4 million.

Loans. Net loans, including loans held-for-sale, increased $102.9 million between December 31, 1999 and 2000. This increase was primarily due to a $48.9 million increase in residential mortgages, a $3.6 million and a $20.4 million increase in commercial and consumer loans, respectively.

Deposits. Deposits grew $211.5 million during 2000. This growth was largely attributable to a net inflow of deposits of $186.6 million in 2000 and interest credited to deposits of $30.2 million in 2000. The table below depicts the changes in deposits over the last three years:

	Year Ended December 31,		
	2000	1999	1998
		(In Millions)	
Beginning balance	$ 910.0	$858.3	$767.0
Interest credited	30.2	25.0	24.4
Deposit inflows, net	181.4	26.8	66.9
Ending balance	$1,121.6	$910.1	$858.3

Borrowings. Total borrowings decreased $228.8 million between December 31, 2000 and 1999. Advances from the Federal Home Loan Bank decreased $164.0 million and federal funds purchased and securities sold under agreement to repurchase decreased $74.6 million. The proceeds from the investment and loan sales as well as deposit inflows were used to repay these balances.

Stockholders' Equity. Stockholders' equity increased $1.0 million to $97.1 million at December 31, 2000. This increase included $11.0 million in net income and a $3.5 million in other comprehensive income. This was offset in part by the acquisition of 1,101,500 shares of treasury stock for $12.7 million and dividends of $1.6 million declared and paid to stockholders.

ASSET/LIABILITY MANAGEMENT

The primary asset/liability management goal of the Corporation is to manage and control its interest rate risk, thereby reducing its exposure to fluctuations in interest rates, and achieving sustainable growth in net interest income over the long term. Other objectives of asset/liability management include: (1) ensuring adequate liquidity and funding, (2) maintaining a strong capital base and (3) maximizing net interest income opportunities.

In general, interest rate risk is mitigated by closely matching the maturities or repricing periods of interest-sensitive assets and liabilities to ensure a favorable interest rate spread. Management regularly reviews the Corporation's interest-rate sensitivity, and uses a variety of strategies as needed to adjust that sensitivity within acceptable tolerance ranges established by management and the board of directors. Changing the relative proportions of fixed-rate and adjustable-rate assets and liabilities is one of the primary strategies utilized by the Corporation to accomplish this objective.

The matching of assets and liabilities may be analyzed by examining the extent to which such assets and liabilities are "interest-rate sensitive" and by monitoring an institution's interest-sensitivity gap. An interest-sensitivity gap is considered positive when the amount of interest-rate sensitive assets exceeds the amount of interest-rate sensitive liabilities repricing within a defined period and is considered negative when the amount of interest-rate sensitive liabilities exceeds the amount of interest-rate sensitive assets repricing within a defined period.

The repricing and maturities of the Corporation's interest-rate sensitive assets and interest-rate sensitive liabilities at December 31, 2000 are set forth in the following table:

	Less than One Year	One to Five Years	Over Five Years	Total
	(Dollars in Thousands)			
Interest-rate sensitive assets (1):				
Real estate loans (2)	$ 202,467	$219,776	$215,509	$ 637,752
Commercial loans	75,926	21,764	54,197	151,887
Consumer loans	63,050	60,228	51,991	175,269
Mortgage-backed securities	269,731	45,640	24,347	339,718
Loans held-for-sale	23,274	-	-	23,274
Investment in reverse mortgages	1,469	8,740	23,474	33,683
Investment securities	17,994	4,834	6,912	29,740
Other investments	39,318	-	-	39,318
	693,229	360,982	376,430	1,430,641
Interest-rate sensitive liabilities:				
Money market and interest-bearing demand deposits	183,381	-	60,739	244,120
Savings deposits	63,664	-	225,718	289,382
Retail time deposits	206,104	75,040	1,695	282,839
Jumbo certificates of deposit	18,080	950	-	19,030
Brokered certificates of deposit	138,746	8,346	-	147,092
FHLB advances	236,000	115,000	-	351,000
Trust preferred borrowings and interest rate cap	-	-	50,000	50,000
Other borrowed funds	67,638	25,000	-	92,638
	913,613	224,336	338,152	1,476,101
Excess of interest-rate sensitive assets over interest-rate sensitive liabilities ("interest-rate sensitive gap")	$(220,384)	$136,646	$ 38,278	$ (45,460)
Interest-rate sensitive assets/interest-rate sensitive liabilities	75.88%			
Interest-rate sensitive gap as a percent of total assets	(12.66%)			

(1) Interest-sensitive assets of discontinued operations (WCC) are excluded, however, funding of $203.6 million for these assets have been included.
(2) Includes commercial mortgage loans.

To provide a more accurate one-year gap position of the Corporation, certain deposit classifications are based on the interest-rate sensitive attributes and not on the contractual repricing characteristics of these deposits. Management estimates, based on historical trends of WSFS' deposit accounts, that 35% of money market and 25% of interest-bearing demand deposits are sensitive to interest rate changes and that 22% of savings deposits are sensitive to interest rate changes. Accordingly, these interest-sensitive portions are classified in the less than one-year category with the remainder in the over five-year category. Deposit products with interest rates based on a particular index are classified according to the specific repricing characteristic of the index.

Deposit rates other than time deposit rates are variable, and changes in deposit rates are generally subject to local market conditions and management's discretion and are not indexed to any particular rate.

In November 1998, the Corporation purchased a ten-year interest rate cap in order to limit its exposure on $50 million of variable rate trust preferred securities issued in November 1998. This derivative instrument caps 3-month LIBOR (the base rate of the trust preferred) at 6.00%. The trust preferred is classified in the over five-year category reflecting the effective inability to price upward beyond the capped rate for the balance of the term on the interest rate cap.

Generally, during a period of rising interest rates, a positive gap would result in an increase in net interest income while a negative gap would adversely affect net interest income. Conversly, during a period of falling rates, a positive gap would result in a decrease in net interest income while a negative gap would augment net interest income. However, the interest-sensitivity table does not provide a comprehensive representation of the impact of interest rate changes on net interest income. Each category of assets or liabilities will not be affected equally or simultaneously by changes in the general level of interest rates. Even assets and liabilities, which contractually reprice within the rate period, may not, in fact, reprice at the same price or the same time or with the same frequency. It is also important to consider that the table represents a specific point in time. Variations can

occur as the Company adjusts its interest-sensitivity position throughout the year.

MARKET RISK

Market risk is the risk of loss from adverse changes in market prices and rates. The Company's market risk arises primarily from interest rate risk inherent in its lending, investing and funding activities. To that end, management actively monitors and manages its interest rate risk exposure. One measure, required to be performed by OTS-regulated institutions, is the test specified by OTS Thrift Bulletin No. 13A "Management of Interest Rate Risk, Investment Securities and Derivatives Activities." This test measures the impact on the net portfolio value of an immediate change in interest rates in 100 basis point increments. Net portfolio value is defined as the net present value of the estimated cash flows from assets, liabilities, and off-balance sheet contracts. The table below is the estimated impact of immediate changes in interest rates on net interest margin and net portfolio value at the specified levels at December 31, 2000 and 1999, calculated in compliance with Thrift Bulletin No. 13A:

	December 31,			
	2000		1999	
Change in Interest Rate (Basis Points)	% Change in Net Interest Margin (1)	Net Portfolio Value (2)	% Change in Net Interest Margin (1)	Net Portfolio Value (2)
+300	6%	6.34%	4%	5.76%
+200	4%	6.50%	3%	6.07%
+100	2%	6.68%	2%	6.40%
0	0%	6.88%	0%	6.88%
-100	-2%	7.21%	-2%	7.16%
-200	-3%	7.82%	-3%	7.73%
-300	-4%	8.59%	-5%	8.41%

(1) This column represents the percentage difference between net interest margin in a stable interest rate environment and net interest margin as projected under the various rate environment changes.

(2) This column represents the net portfolio value of the Company in a stable interest rate environment and the net portfolio value as projected under the various rate environment changes.

The Company's primary objective in managing interest rate risk is to minimize the adverse impact of changes in interest rates on the Company's net interest income and capital, while maximizing the yield/cost spread on the Company's asset/liability structure. The Company relies primarily on its asset/liability structure to control interest rate risk.

NONPERFORMING ASSETS

Nonperforming assets, which include nonaccruing loans, nonperforming real estate investments and assets acquired through foreclosure can negatively affect the Corporation's results of operations. Nonaccruing loans are those on which the accrual of interest has ceased. Loans are placed on nonaccrual status immediately if, in the opinion of management, collection is doubtful, or when principal or interest is past due 90 days or more and the value of the collateral is insufficient to cover principal and interest. Interest accrued but not collected at the date a loan is placed on nonaccrual status is reversed and charged against interest income. In addition, the amortization of net deferred loan fees is suspended when a loan is placed on nonaccrual status. Subsequent cash receipts are applied either to the outstanding principal balance or recorded as interest income, depending on management's assessment of the ultimate collectibility of principal and interest. Past due loans are loans contractually past due 90 days or more as to principal or interest payments but which remain in accrual status because they are considered well secured and in the process of collection.

The following table sets forth the Corporation's non-performing assets, restructured loans and past due loans at the dates indicated:

	December 31,				
	2000	1999	1998	1997	1996
	(Dollars in Thousands)				
Nonaccruing loans:					
Commercial	$ 2,766	$ 2,630	$ 2,182	$ 1,216	$ 550
Consumer	383	251	312	194	216
Commercial mortgages	2,272	1,808	2,383	3,919	3,243
Residential mortgages	2,704	2,617	3,068	3,710	3,789
Construction	210	-	-	38	3,529
Total nonaccruing loans	8,335	7,306	7,945	9,077	11,327
Nonperforming investments in real estate	-	-	76	989	1,500
Assets acquired through foreclosure	630	853	2,588	3,092	5,809
Total nonperforming assets	$ 8,965	$ 8,159	$10,609	$13,158	$18,636
Restructured loans	$ -	$ -	$ -	$ 4,740	$10,967
Past due loans:					
Residential mortgages	$ 449	$ 333	$ 247	$ 315	$ 328
Commercial and commercial mortgages	790	504	2,654	1,909	797
Consumer	199	197	41	82	162
Total past due loans	$ 1,438	$ 1,034	$ 2,942	$ 2,306	$ 1,287
Ratio of nonaccruing loans to total loans(1)	0.87%	0.85%	1.05%	1.20%	1.57%
Ratio of allowance for loan losses to gross loans(1)	2.22%	2.58%	2.97%	3.16%	3.25%
Ratio of nonperforming assets to total assets	0.52%	0.47%	0.65%	0.87%	1.37%
Ratio of loan losses allowance to nonaccruing loans(2)	248.81%	294.16%	286.13%	252.24%	208.61%
Ratio of loan losses and foreclosed asset allowance to total nonperforming assets(2)	234.01%	266.52%	216.73%	174.08%	131.12%

(1) Total loans exclude loans held-for-sale.
(2) The applicable allowance represents general valuation allowances only.

Total nonperforming assets decreased by $2.5 million between 1998 and 1999 and increased $806,000 between 1999 and 2000. The year-over-year increase reflects the addition in the second quarter 2000 of a $2.6 million commercial real estate relationship. Management does not expect any significant loss on this loan. In 2000, $4.3 million in collections of such assets, as well as $1.2 million in transfers to accrual/restructured status contributed to the reduction in nonperforming assets. Such decreases were offset by the addition of $8.3 million of assets that were not previously classified as nonperforming assets.

An analysis of the change in the balance of nonperforming assets during the last three fiscal years is presented below:

	Year Ended December 31,		
	2000	1999	1998

	----	----	----
		(In Thousands)	
Beginning balance....................................	$ 8,159	$10,609	$13,158
Additions..	8,332	6,912	7,296
Collections	(4,323)	(5,041)	(6,653)
Transfers to accrual/restructured status..........	(1,227)	(2,937)	(1,566)
Transfers to investment in real estate............	-	-	-
Charge-offs/write-downs...........................	(1,976)	(1,384)	(1,626)
Ending balance.......................................	$ 8,965	$ 8,159	$10,609

The level of nonaccruing loans to total loans ratio increased from 0.85% in 1999 to 0.87% in 2000. The nonperforming assets to total assets ratio increased from 0.47% in 1999 to 0.51% in 2000. These increases were primarily due to the increase in nonaccruing loans and nonperforming loans and nonperforming assets.

In 2000, an increase of $464,000 in the commercial mortgage category and an increase of $210,000 in construction loans accounted for the majority of the increase in total nonperforming assets.

Allowance for Loan Losses. The Corporation maintains allowances for credit losses and charges losses to these allowances when such losses are realized. The allowances for losses are maintained at a level which management considers adequate to provide for known and inherent losses based upon an evaluation of risks in the portfolios. Management's evaluation is based upon a continuing review of the portfolios, which include factors such as identification of adverse situations that may affect the borrower's ability to repay, a review of overall portfolio quality, prior loss experience and an assessment of current and expected economic conditions. Changes in economic conditions and economic prospects of debtors can occur quickly, and as a result, impact the estimates made by management.

Additionally, each quarter, management evaluates the collectibility of each loan in the nonperforming portfolio and the fair value of each asset in the assets acquired through foreclosure category. The most frequent forms of collateral for loans and foreclosed assets are income-producing properties, business-owned real estate and personal residences. The value of such collateral is frequently verified through the use of outside appraisals. Appraisals of collateral, together with the value of guarantees and the worth of other collateral, are combined to recognize current losses, write-downs of foreclosed assets, and to reserve for future losses.

The table below represents a summary of changes in the allowance for loan losses during the periods indicated:

	Year Ended December 31,				
	2000	1999	1998	1997	1996
	(Dollars in Thousands)				
Beginning balance............................	$22,223	$22,732	$24,057	$23,527	$23,667
Provision for loan losses....................	894	1,004	385	800	1,070
Reclass from allowance for ORE losses.........	-	-	-	848	-
Balance at acquisition of credit card portfolio...........................	175	-	-	-	-
Charge-offs:					
Residential real estate...................	133	172	210	193	185
Commercial real estate (1)................	376	692	608	520	416
Commercial................................	998	437	648	169	605
Consumer..................................	1,002	720	504	452	153
Total charge-offs............................	2,509	2,021	1,970	1,334	1,359
Recoveries:					
Residential real estate...................	6	-	12	2	15
Commercial real estate (1)................	252	271	123	95	4
Commercial................................	70	116	74	22	15
Consumer..................................	312	121	51	97	115
Total recoveries.............................	640	508	260	216	149
Net charge-offs..............................	1,869	1,513	1,710	1,118	1,210

Ending balance	$21,423	$22,223	$22,732	$24,057	$23,527
Net charge-offs to average gross loans outstanding, net of unearned income	0.20%	0.19%	0.23%	0.15%	0.16%

(1) Includes commercial mortgage and construction loans.

The provision for loan losses declined modestly by $110,000 between 1999 and 2000. Net charge-offs increased $356,000 between 1999 and 2000. Annual net charge-offs for the five-year period ranged from .15% of average loans to .23% of average loans.

The allowance for losses is allocated by major portfolio type. As these portfolios have seasoned, they have become a source of historical data in projecting delinquencies and loss exposure; however, such allocations are not indicative of where future losses will occur. The allocation of the allowance for loan losses by portfolio type at the end of each of the last five fiscal years, and the percentage of outstandings in each category to total gross outstandings at such dates follow:

	December 31,									
	2000		1999		1998		1997		1996	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent
	(Dollars in thousands)									
Residential real estate	$ 1,754	43.2%	$ 1,389	42.7%	$ 229	37.7%	$ 524	37.5%	$ 326	35.4%
Commercial real estate	3,187	22.9	8,240	25.9	10,398	31.0	11,280	33.0	12,697	39.0
Commercial	13,985	15.7	9,983	13.4	11,751	12.8	11,664	12.4	10,068	3.6
Consumer	2,497	18.2	2,611	18.0	354	18.5	589	17.1	436	22.0
Total loans	$21,423	100.0%	$22,223	100.0%	$22,732	100.0%	$24,057	100.0%	$23,527	100.0%

LIQUIDITY

As required by the OTS, institutions under its supervision must maintain a 4.0% minimum liquidity ratio of cash and qualified assets to net withdrawable deposits and borrowings due within one year. The liquidity ratios of WSFS were 8.2% and 6.4% at December 31, 2000 and 1999, respectively.

Management monitors liquidity daily and maintains funding sources to meet unforeseen changes in cash requirements. It is the practice of WSFS to maintain cash and investments at least slightly above required levels. The Corporation's primary financing sources are deposits, repayments of loans and investment securities, sales of loans and borrowings. In addition, the Corporation's liquidity requirements can be accomplished through the use of its borrowing capacity from the FHLB of Pittsburgh, the sale of certain securities and the pledging of certain loans for other lines of credit. Management believes these sources are sufficient to maintain the required and prudent levels of liquidity. At December 31, 2000 and 1999, WSFS had outstanding FHLB advances of $351.0 million and $515.0 million, respectively.

The Corporation routinely enters into commitments requiring the future outlay of funds. Currently WSFS is in the final year of a five-year agreement with its data processing facilities management company. Under the terms of this agreement, a minimum payment of approximately $2.5 million for the year 2001 has been committed. The Corporation has entered into a five-year commitment with telecommunication companies. Under the terms of this agreement, the average minimum payment for each of the five years is $1.3 million. The aforementioned commitments, as well as loan commitments, are expected to be met through traditional funding sources, such as deposits, short-term borrowings, advances from the FHLB and principal repayments on loans and investments.

During 2000, operating and financing activities provided cash and cash equivalents of $836,000 and $13.7 million, respectively, while investing activities used $17.7 million. The cash provided by operating and financing activities resulted primarily from net income, the sales of investment securities and mortgage-backed securities, as well as increases in demand and savings deposits. This cash was used to fund the purchase of mortgage-backed securities and to fund an increase in loans, as well as to repay borrowings and purchase treasury stock.

In 1999, financing activities provided $82.5 million of cash and cash equivalents, while operating and investing activities used $7.2 million and $92.3 million, respectively. The cash provided by financing activities resulted primarily from additional FHLB advances and increases in demand and time deposits. This cash was utilized to fund the purchase of investment securities and mortgage-backed securities, as well as the repayment of other borrowings, and to fund the net increase in loan volume. During 1998, the operating and financing activities provided $17.8 million and $75.7 million of cash and cash equivalents, respectively, while investing activities used $69.4 million. The cash provided by operating and financing activities reflect the additional FHLB advances. This cash was used to fund the purchase of investment securities and mortgage-backed securities, as well as for the repayment of other borrowings and the purchase of treasury stock.

CAPITAL RESOURCES

Federal laws, among other things, require the OTS to mandate uniformly applicable capital standards for all savings institutions. These standards currently require institutions such as WSFS to maintain a "tangible" capital ratio equal to 1.5% of adjusted total assets, "core" (or "leverage") capital equal to 4.0% of adjusted total assets, "Tier 1" capital equal to 4.0% of "risk-weighted" assets and total "risk-based" capital (a combination of core and "supplementary" capital) equal to 8.0% of "risk-weighted" assets.

The Federal Deposit Insurance Corporation Improvement Act (FDICIA), as well as other requirements, established five capital tiers: well-capitalized, adequately capitalized, under capitalized, significantly under capitalized and critically under capitalized. A depository institution's capital tier depends upon its capital levels in relation to various relevant capital measures, which include leverage and risk-based capital measures and certain other factors. Depository institutions that are not classified as well-capitalized are subject to various restrictions regarding capital distributions, payment of management fees, acceptance of brokered deposits and other operating activities.

At December 31, 2000, WSFS is classified as well-capitalized and is in compliance with all regulatory capital requirements. For additional information concerning WSFS' regulatory capital compliance see Note 10 to the Financial Statements.

As part of capital management, the Corporation from time to time purchases its own shares of common stock to be included in its treasury. Since 1996, the Board of Directors has approved five separate stock repurchase programs to reacquire common stock outstanding. As part of these programs, the Corporation acquired 1.7 million shares in 1996, 507,000 shares in 1997, 1.0 million shares in 1998, 340,000 shares in 1999 and 1.1 million shares in 2000. At December 31, 2000, the Corporation held 4.6 million shares of its common stock in the treasury. The Corporation may continue repurchasing shares in 2001.

IMPACT OF INFLATION AND CHANGING PRICES

The Corporation's Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles, which require the measurement of financial position and operating results in terms of historical dollars without consideration of the changes in the relative purchasing power of money over time due to inflation. The impact of inflation is reflected in the increased costs of the Corporation's operations. Unlike most industrial companies, nearly all the assets and liabilities of the Corporation are monetary. As a result, interest rates have a greater impact on the Corporation's performance than do the effects of general levels of inflation. Interest rates do not necessarily move in the same direction or the same extent as the price of goods and services.

RECENT ACCOUNTING PRONOUNCEMENTS

In September 2000, the Financial Accounting Standards Board (FASB) issued SFAS No. 140, "Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities." This statement supercedes and replaces the guidance in Statement 125. It revises the standards for accounting for securitizations and other transfers of financial assets and collateral and requires certain disclosures, although it carries over most of Statement 125's provisions without reconsideration.

The Statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001 and for recognition and reclassification of collateral and for disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. This Statement is to be applied prospectively with certain exceptions. Other than those exceptions, earlier retroactive application of its accounting provisions is not permitted. The Company has not yet determined the impact, if any, of this Statement on the Company's financial condition, equity, results of operations, or disclosures.

FORWARD LOOKING STATEMENTS

Within this annual report and financial statements we have included certain "forward looking statements" concerning the future operations of the Corporation. It is management's desire to take advantage of the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. This statement is for the express purpose of availing the Corporation of the protections of such safe harbor with respect to all "forward looking statements" contained in our financial statements and annual report. We have used "forward looking statements" to describe the future plans and strategies including our expectations of the Corporation's future financial results. Management's ability to predict results or the effect of future plans and strategy is inherently uncertain. Factors that could affect results include interest rate trends, competition, the general economic climate in Delaware, the Mid-Atlantic region and the country as a whole, loan delinquency rates, uncertainty of estimates and changes in federal and state regulation, among others. These factors should be considered in evaluating the "forward looking statements", and undue reliance should not be placed on such statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Item 7A is incorporated herein by reference to page 39 of Item 7 of the 2000 annual report on Form 10K.

ITEM 8. FINANCIAL STATEMENTS AND SUPLIMENTARY DATA

Page

(b) The following supplementary data is set forth in this Annual Report on Form 10-K on the following pages:

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders of WSFS Financial Corporation

We have audited the accompanying consolidated statement of condition of WSFS Financial Corporation and subsidiaries (the Corporation) as of December 31, 2000 and 1999, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000. These consolidated financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these consolidated Financial Statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the Financial Statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated Financial Statements referred to above present fairly, in all material respects, the financial position of WSFS Financial Corporation and subsidiaries as of December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the years in the three-year period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 20 to the Financial Statements, the Company adopted SFAS 133, "Accounting for Derivative Instruments and Hedging Activities" in 2000.

/s/ KPMG LLP

January 23, 2001, except as to Note 21 which is as of March 16, 2001.
Philadelphia, Pennsylvania

MANAGEMENT'S STATEMENT ON FINANCIAL REPORTING

To Our Stockholders:

The management of WSFS Financial Corporation (the Corporation) is responsible for the preparation, integrity and fair presentation of its published Financial Statements. The consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America and, as such, include amounts that are based on judgments and estimates of management.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention or overriding of controls. Accordingly, even effective internal controls can only provide reasonable assurance with respect to financial statement preparation. Further, because of changes in conditions, the degree of effectiveness of an internal control structure may vary over time.

Management assessed the Corporation's internal controls over financial reporting presented in conformity with accounting principles generally accepted in the United States of America. This assessment was based on criteria for effective internal control over financial reporting described in "Internal Control-Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this assessment, management believes the Corporation maintained effective internal controls over financial data, presented in accordance with accounting principles generally accepted in the United States of America.

Management is also responsible for compliance with the federal laws and regulations concerning dividend restrictions and loans to insiders designated by the Office of Thrift Supervision and the Federal Deposit Insurance Corporation as safety and soundness laws and regulations.

The Corporation assessed its compliance with the designated laws and regulations relating to safety and soundness. Based on this assessment, management believes that the Corporation complied, in all material respects, with the designated laws and regulations related to safety and soundness for the year ended December 31, 2000.

Marvin N. Schoenhals	Mark A. Turner
Chairman, President &	Executive Vice President
Chief Executive Officer	& Chief Financial Officer

CONSOLIDATED STATEMENT OF OPERATIONS

	Year Ended December 31,		
	2000	1999	1998
	(Dollars In Thousands, Except Per Share Data)		
Interest income:			
Interest and fees on loans	$ 79,145	$ 65,046	$ 65,920
Interest on mortgage-backed securities	25,118	30,540	26,736
Interest and dividends on investment securities	2,980	2,342	3,016
Interest on investments in reverse mortgages	19,309	7,372	5,836
Other interest income	3,125	2,884	4,325
	129,677	108,184	105,833
Interest expense:			
Interest on deposits	42,891	33,142	32,519
Interest on Federal Home Loan Bank advances	14,583	16,965	15,890
Interest on federal funds purchased and securities sold under agreements to repurchase	4,801	5,621	8,267
Interest on senior notes and trust preferred borrowings	2,918	2,812	2,914
Interest on other borrowings	534	316	185
	65,727	58,856	59,775
Net interest income	63,950	49,328	46,058
Provision for loan losses	894	1,004	385
Net interest income after provision for loan losses	63,056	48,324	45,673
Other income:			
Loan servicing fee income	2,219	2,075	1,957
Deposit service charges	7,050	5,464	4,371
Credit/debit card and ATM income	5,544	3,914	2,724
Securities gains (losses)	(4,368)	(602)	305
Gain (loss) on sale of loans	3,936	(993)	638
Other income	3,720	1,721	1,248
	18,101	11,579	11,243
Other expenses:			
Salaries, benefits and other compensation	29,991	18,950	14,650
Equipment expense	4,448	3,133	1,947
Data processing and operations expense	5,243	5,896	5,179
Occupancy expense	4,290	3,422	2,938
Marketing expense	2,893	1,570	1,278
Professional fees	3,113	2,343	1,564
Other operating expenses	11,450	7,354	6,945
	61,428	42,668	34,501
Income from continuing operations before minority interest, taxes, loss on extinguishment of debt and cumulative effect of change in accounting principle	19,729	17,235	22,415
Less minority interest	(3,735)	(972)	-
Income from continuing operations before taxes, loss on extinguishment of debt and cumulative effect of change in accounting principle	23,464	18,207	22,415
Income tax provision	6,586	121	5,566
Income from continuing operations before loss on extinguishment of debt and cumulative effect of a change in accounting principle	16,878	18,086	16,849
Loss on extinguishment of debt, net of $787,000 in tax benefit	-	-	1,461
Income from continuing operations before cumulative effect of change in accounting principle	16,878	18,086	15,388
Cumulative effect of change in accounting principle, net of $837,000 in tax benefit	(1,256)	-	-
Income from continuing operations	15,622	18,086	15,388
Income (loss) from discontinued operations, net of taxes	(2,392)	1,623	1,124
Loss on wind-down of discontinued operations, net of $4.0 million in tax benefit	(2,211)	-	-
Net income	$ 11,019	$ 19,709	$ 16,512

CONSOLIDATED STATEMENT OF OPERATIONS (continued...)

	Year Ended December 31,		
	2000	1999	1998
	(Dollars In Thousands, Except Per Share Data)		
Earnings per share:			
Basic:			
Income from continuing operations before loss on extinguishment of debt and cumulative effect of change in accounting principle	$ 1.58	$ 1.60	$ 1.37
Loss on extinguishment of debt, net of tax benefit	-	-	(0.12)

Income from continuing operations before cumulative effect of change in accounting principle	1.58	1.60	1.25
Cumulative effect of change in accounting principle net of tax benefit	(0.12)	-	-
Income from continuing operations	1.46	1.60	1.25
Income (loss) from discontinued operations, net of taxes	(0.22)	0.14	0.09
Loss on wind-down of discontinued operations, net of tax benefit	(0.21)	-	-
Net income	$ 1.03	$ 1.74	$ 1.34
Diluted:			
Income from continuing operations before loss on extinguishment of debt and cumulative effect of change in accounting principle	$ 1.58	$ 1.59	$ 1.35
Loss on extinguishment of debt, net of tax benefit	-	-	(0.12)
Income from continuing operations before cumulative effect of change in accounting principle	1.58	1.59	1.23
Cumulative effect of change in accounting principle net of tax benefit	(0.12)	-	-
Income from continuing operations	1.46	1.59	1.23
Income (loss) from discontinued operations, net of taxes	(0.22)	0.14	0.09
Loss on wind-down of discontinued operations, net of tax benefit	(0.21)	-	-
Net income	$ 1.03	$ 1.73	$ 1.32

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CONDITION

	December 31, 2000	December 31, 1999
	(In thousands)	
Assets		
Cash and due from banks	$ 87,849	$ 59,166
Federal funds sold and securities purchased under agreements to resell	3,500	--
Interest-bearing deposits in other banks	7,318	8,026
Investment securities held-to-maturity (market value: 2000-$14,938, 1999-$8,420)	14,746	8,612
Investment securities available-for-sale	14,994	28,861
Mortgage-backed securities held-to-maturity (market value: 2000-$106,604, 1999-$250,079)	107,663	258,825
Mortgage-backed securities available-for-sale	232,055	188,924
Investment in reverse mortgages, net	33,683	28,103
Loans held-for-sale	23,313	24,558
Loans, net of allowance for loan losses of $21,423 at December 31, 2000 and $22,223 at December 31, 1999	940,178	836,015
Stock in Federal Home Loan Bank of Pittsburgh, at cost	28,500	28,500
Assets acquired through foreclosure	630	853
Premises and equipment	16,788	14,456
Accrued interest and other assets	28,348	25,375
Net assets of discontinued operations	199,751	240,763
Total assets	$1,739,316	$1,751,037
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits:		
Noninterest-bearing demand	$ 139,128	$ 119,754
Money market and interest-bearing demand	244,120	79,321
Savings	289,382	258,854
Time	282,839	278,051
Total retail deposits	955,469	735,980
Jumbo certificates of deposit	19,030	24,645
Brokered certificates of deposit	147,092	149,465
Total deposits	1,121,591	910,090
Federal funds purchased and securities sold under agreements to repurchase	69,300	143,941
Federal Home Loan Bank advances	351,000	515,000
Trust preferred borrowings	50,000	50,000
Other borrowed funds	23,338	13,524
Accrued expenses and other liabilities	21,065	17,223
Total liabilities	1,636,294	1,649,778
Commitments and contingencies		
Minority Interest	5,876	5,106
Stockholders' Equity:		
Serial preferred stock $.01 par value, 7,500,000 shares authorized; none issued and outstanding	--	--
Common stock $.01 par value, 20,000,000 shares authorized; issued 14,813,403 at December 31, 2000, and 14,797,513 at December 31, 1999	148	148
Capital in excess of par value	58,985	58,185
Accumulated other comprehensive income (loss)	197	(3,265)
Retained earnings	92,409	83,000
Treasury stock at cost, 4,629,769 shares at December 31, 2000 and 3,528,269 shares at December 31, 1999	(54,593)	(41,915)
Total stockholders' equity	97,146	96,153
Total liabilities, minority interest and stockholders' equity	$1,739,316	$1,751,037

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The accompanying notes are an integral part of these financial statements:

CONSOLIDATED STATEMENT OF CHANGES IN STOCKHOLERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Income (Loss)	Retained Earnings	Treasury Stock	Total Stockholders' Equity
			(In Thousands)			
Balance, January 1, 1998	$ 146	$57,469	$ 379	$49,252	$(20,487)	$ 86,759
Comprehensive income:						
Net income	--	--	--	16,512	--	16,512
Other comprehensive income(1).....................	--	--	(143)	--	--	(143)
Total comprehensive income	--	--	--	--	--	16,369
Cash dividend, $.09 per share	--	--	--	(1,107)	--	(1,107)
Exercise of common stock options	1	227	--	--	--	228
Treasury stock at cost, 1,030,160 shares(2)	--	--	--	--	(16,497)	(16,497)
Balance, December 31, 1998	147	57,696	236	64,657	(36,984)	85,752
Comprehensive income:						
Net income	--	--	--	19,709	--	19,709
Other comprehensive income(1)....................	--	--	(3,501)	--	--	(3,501)
Total comprehensive income	--	--	--	--	--	16,208
Cash dividend, $.12 per share	--	--	--	(1,366)	--	(1,366)
Exercise of common stock options	1	388	--	--	--	389
Treasury stock at cost, 335,500 shares(3).............	--	--	--	--	(4,931)	(4,931)
Increase in investment in subsidiary	--	101	--	--	--	101
Balance, December 31, 1999	$ 148	$58,185	$(3,265)	$ 83,000	$(41,915)	$ 96,153
Comprehensive income:						
Net income	--	--	--	11,019	--	11,019
Other comprehensive income(1)....................	--	--	3,462	--	--	3,462
Total comprehensive income	--	--	--	--	--	14,481
Cash dividend, $.15 per share	--	--	--	(1,610)	--	(1,610)
Exercise of common stock options	--	103	--	--	--	103
Treasury stock at cost, 1,101,500(4) shares	--	--	--	--	(12,678)	(12,678)
Increase in investment in subsidiary	--	697	--	--	--	697
Balance, December 31, 2000	$ 148	$58,985	$ 197	$ 92,409	$(54,593)	$ 97,146

(1) Other Comprehensive Income:

	2000	1999	1998
Net unrealized holding gains (losses) on securities available-for-sale arising during the period net of taxes (2000 - $373,000, 1999 - ($2.1) million, 1998 - $30,000)................................	$ 608	$(3,892)	$ 55
Net unrealized holding loss arising during the period on derivatives used for cash flow hedge, net of $917,000 tax benefit...........	(1,703)	-	-
Reclassification for losses (gains) included in income, net of taxes (2000 -($1.7) million, 1999 - ($211,000), 1998 - $107,000)...........	2,729	391	(198)
Total comprehensive income (loss), before other comprehensive income that resulted from the cumulative effect of a change in accounting principle, net of taxes........	1,634	(3,501)	(143)
Net unrealized gain on derivatives used for cash flow hedging as a result of adopting SFAS No.133, net of $985,000 tax benefit......	1,828	-	-
Total comprehensive income (loss)........	$ 3,462	$(3,501)	$ (143)

(2) Net of reissuances of 4,800 shares
(3) Net of reissuances of 4,500 shares
(4) Net of reissuances of 5,000 shares

The accompanying notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Year Ended December 31,		
	2000	1999	1998

		(In Thousands)	
Operating activities:			
Net income	$ 11,019	$ 19,709	$ 16,512
Adjustments to reconcile net income to net cash provided by (used for) operating activities:			
Provision for loan, and residual value losses	894	1,004	385
Depreciation, accretion and amortization	2,366	2,724	1,769
Decrease (increase) in accrued interest receivable and other assets	(2,725)	(3,416)	1,362
Origination of loans held-for-sale	(189,239)	(56,011)	(58,398)
Proceeds from sales of loans held-for-sale	187,104	32,528	58,008
Increase in accrued interest payable and other liabilities	3,706	2,146	2,407
Increase in reverse mortgage capitalized interest, net	(19,111)	(7,052)	(5,525)
Loss on extinguishment of debt	--	--	2,248
Minority interest in net income	(3,735)	(972)	--
Other, net	10,557	2,152	(992)
Net cash provided by (used for) operating activities	836	(7,188)	17,776
Investing activities:			
Net decrease (increase) of interest-bearing deposits in other banks	708	(508)	21,474
Maturities of investment securities	9,155	16,577	41,070
Sales of investment securities available-for-sale	36,199	20,000	20,059
Sales of mortgage-backed securities available-for-sale	219,235	--	29,875
Purchases of investment securities held-to-maturity	(8,952)	(2,295)	(10,000)
Purchases of investment securities available-for-sale	(27,962)	(34,148)	(10,000)
Repayments of mortgage-backed securities held-to-maturity	25,383	108,436	151,661
Repayments of mortgage-backed securities available-for-sale	72,436	67,963	44,344
Purchases of mortgage-backed securities held-to-maturity	--	(101,369)	(145,178)
Purchases of mortgage-backed securities available-for-sale	(210,376)	(69,881)	(210,288)
Repayments on reverse mortgages	21,904	19,878	16,603
Disbursements for reverse mortgages	(8,230)	(9,456)	(10,058)
Sales of loans	--	--	16,781
Purchase of loans	(36,829)	(74,721)	(10,479)
Net increase in loans	(69,183)	(26,036)	(11,648)
Net increase in stock of Federal Home Loan Bank of Pittsburgh	--	(5,500)	(2,748)
Payments for investment in real estate	(1,991)	--	--
Receipts from investments in real estate	--	--	1,252
Sales of assets acquired through foreclosure, net	1,469	3,259	2,573
Premises and equipment, net	(5,298)	(5,089)	(4,696)
Net cash provided by (used for) investing activities	17,668	(92,890)	(69,403)

(Continued on next page)

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

	Year Ended December 31,		
	2000	1999	1998
		(In Thousands)	
Financing activities:			
Net increase in demand and savings deposits	224,155	67,537	80,739
Net increase (decrease) in time deposits	(3,733)	(11,598)	11,328
Receipts from FHLB borrowings	692,500	210,000	884,000
Repayments of FHLB borrowings	(856,500)	(155,000)	(824,000)
Receipts from reverse repurchase agreements	46,588	111,211	259,771
Repayments of reverse repurchase agreements	(116,229)	(125,775)	(313,965)
Receipts from Federal funds purchased	(5,000)	5,000	--
Repayments of Federal funds purchased	(103)	--	--
Dividends paid on common stock	(1,610)	(1,366)	(1,107)
Issuance of common stock and exercise of employee stock options	103	389	228
Extinguishment of senior notes	--	--	(30,548)
Proceeds from issuance of trust preferred borrowings, net of costs	--	--	48,624
Purchase of treasury stock, net of re-issuance	(12,678)	(4,931)	(16,497)
Change in net assets from discontinued operations	41,012	(19,111)	(22,944)
Increase in investment in subsidiary	--	101	--
Minority interest	5,174	6,039	--
Net cash provided by financing activities	13,679	82,496	75,629
Increase (decrease) in cash and cash equivalents	32,183	(17,582)	24,002
Cash and cash equivalents at beginning of period	59,166	76,748	52,746
Cash and cash equivalents at end of period	$ 91,349	$ 59,166	$ 76,748
Supplemental Disclosure of Cash Flow Information:			
Cash paid for interest during the year	$ 79,377	68,231	$ 72,048
Cash paid for income taxes, net	1,713	1,041	2,233
Loans transferred to assets acquired through foreclosure	1,199	1,421	2,138
Net change in unrealized gains (losses) on securities available-for-sale, net of tax	3,462	(3,501)	(143)
Assets transferred from held-to-maturity to available-for-sale upon adoption of SFAS No.133:			
Investment securities	2,000	--	--
Mortgage-backed securities	128,981	--	--

The accompanying notes are an integral part of these financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

WSFS Financial Corporation (Company or Corporation) is a thrift holding company organized under the laws of the State of Delaware. The Corporation's principal wholly-owned subsidiary, Wilmington Savings Fund Society, FSB (WSFS), is a federal savings bank organized under the laws of the United States which conducts operations from 28 retail banking offices located in northern Delaware and southeastern Pennsylvania.

In preparing the Financial Statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. The material estimates that are particularly susceptible to significant changes in the near term relate to the determination of the adequacy of the allowances for loan losses and the valuations of the interest rate cap, other real estate owned, deferred tax assets, investment in reverse mortgages, reserve for discontinued operations and contingencies.

Basis of Presentation

The consolidated Financial Statements include the accounts of the parent company, WSFS Capital Trust I, WSFS and its wholly-owned subsidiaries, 838 Investment Group, Inc. and Star States Development Company (SSDC) as well as not wholly-owned, but majority controlled subsidiaries, Wilmington National Finance, Inc. (WNF), formerly Community Credit Corporation, and CustomerOne Financial Network, Inc. (C1FN), see Note 19 for further discussion of non-wholly owned subsidiaries.

As discussed in Note 2 of the Financial Statements, the results of WSFS Credit Corporation, the Corporation's wholly owned indirect auto financing and leasing subsidiary, are presented as discontinued operations, retroactively restated for all periods presented.

WSFS Capital Trust I was formed in 1998 to sell Trust Preferred Securities. The Trust invested all of the proceeds from the sale of the Trust Preferred Securities in Junior Subordinated Debentures of the Corporation. The Corporation used the proceeds from the Junior Subordinated Debentures for general corporate purposes, including the redemption of its 11% Senior Notes due 2005 on December 31, 1998.

838 Investment Group, Inc. markets various insurance and securities products to Bank customers through WSFS' branch system.

SSDC was originally formed to acquire, develop and market improved and unimproved real estate either through wholly-owned subsidiaries or investments in joint ventures. SSDC sold its remaining parcel of land in 1998 and remains inactive.

Certain reclassifications have been made to the prior years' Financial Statements to conform them to the current year's presentation. All significant intercompany transactions are eliminated in consolidation.

Cash and Cash Equivalents

For purposes of reporting cash flows, cash and cash equivalents include cash, due from banks, federal funds sold and securities purchased under agreements to resell. Generally, federal funds are purchased and sold for periods ranging up to ninety days.

Debt and Equity Securities

Investments in equity securities that have a readily determinable fair value and investments in debt securities are classified into three categories and accounted for as follows:

- Debt securities with the positive intention to hold to maturity are classified as "held-to-maturity" and reported at amortized cost.

- o Debt and equity securities purchased with the intention of selling them in the near future are classified as "trading securities" and are reported at fair value, with unrealized gains and losses included in earnings.
- o Debt and equity securities not classified in either of the above are classified as "available-for-sale securities" and reported at fair value, with unrealized gains and losses excluded from earnings and reported, net of tax, as a separate component of stockholders' equity.

There were no investment and mortgage-backed securities classified as "trading" during 2000, 1999 and 1998.

Debt and equity securities include mortgage-backed securities, corporate and municipal bonds, U.S. Government and agency securities and certain equity securities. Premiums and discounts on debt and equity securities held-to-maturity and available-for-sale are recognized in interest income using a level yield method over the period to expected maturity. The fair value of debt and equity securities are obtained from third party pricing services. Implicit in the valuation are estimated prepayments based on history and current market conditions.

Declines in the fair value of individual held-to-maturity and available-for-sale securities below their cost that are other than temporary result in write-downs of the individual securities to their fair value. The related write-downs are included in earnings as realized losses. The specific identification method is used to determine realized gains and losses on sales of investment and mortgage-backed securities. All sales are made without recourse.

Loans

Loans are stated net of deferred fees and costs and unearned discounts. Loan interest income is accrued using various methods which approximate a constant yield. Loan origination and commitment fees and direct loan origination costs are deferred and recognized over the life of the related loans using a level yield method over the period to maturity.

Impaired loans are measured based on the present value of expected future discounted cash flows, the market price of the loan or the fair value of the underlying collateral if the loan is collateral dependent. Impaired loans include loans within the Corporation's commercial, commercial mortgage and commercial construction portfolios. The Company's policy for recognition of interest income on impaired loans is the same as for nonaccrual loans discussed below.

Nonaccrual Loans

Nonaccrual loans are those on which the accrual of interest has ceased. Loans are placed on nonaccrual status immediately if, in the opinion of management, collection is doubtful, or when principal or interest is past due 90 days or more and collateral is insufficient to cover principal and interest. Interest accrued but not collected at the date a loan is placed on nonaccrual status is reversed and charged against interest income. In addition, the amortization of net deferred loan fees is suspended when a loan is placed on nonaccrual status. Subsequent cash receipts are applied either to the outstanding principal or recorded as interest income, depending on management's assessment of ultimate collectibility of principal and interest. Loans are returned to an accrual status when the borrower's ability to make periodic principal and interest payments has returned to normal (i.e. - brought current with respect to principal or interest or restructured) and the paying capacity of the borrower and/or the underlying collateral is deemed sufficient to cover principal and interest in accordance with the Corporation's previously established loan-to-value policies.

Allowances for Loss

The allowances for loan losses are maintained at a level which management considers adequate to provide for potential losses based upon an evaluation of known and inherent risks in the loan portfolios. Management's evaluation is based upon a continuing review of each portfolio which includes factors such as identification of adverse situations that may affect the borrower's ability to repay, a review of overall portfolio quality, prior loan loss experience and an assessment of current and expected economic conditions and other relevant factors. Allowances for estimated losses on investments in real estate and assets acquired through foreclosure are provided if the carrying value exceeds the fair value less estimated disposal costs. Consideration is also given to examinations performed by regulatory authorities.

Changes in economic conditions and economic prospects of borrowers can occur quickly, and as a result, impact the estimates made by management. These estimates are continually reviewed, and as adjustments become necessary, they are included in the results of operations in the period in which they become known. Identified losses on specific loans, investments in real estate or assets acquired through foreclosure are charged against the applicable allowance.

Assets Held-for-Sale

Assets held-for-sale include loans held-for-sale. Assets held-for-sale are carried at the lower of cost or market of the individual assets. Vehicles that have been returned to the Company upon the expiration of their lease terms have been included in the net assets of discontinued operations.

Assets Acquired Through Foreclosure

Assets acquired through foreclosure are recorded at the lower of the recorded investment in the loan or fair value less estimated disposal costs. Costs subsequently incurred to improve the assets are included in the carrying value provided that the resultant carrying value does not exceed fair value less estimated disposal costs. Costs relating to holding the assets are charged to expense in the current period. An allowance for estimated losses is provided when declines in fair value below the carrying value are identified. Net costs of assets acquired through foreclosure includes costs of holding and operating the assets, net gains or losses on sales of the assets and provisions for losses to reduce such assets to fair value less estimated disposal costs.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation and amortization. Costs of major replacements, improvements and additions are capitalized. Depreciation expense is computed on the straight-line basis over the estimated useful lives of the assets or, for leasehold improvements, over the life of the related lease if less than the estimated useful life. In general, computer equipment, furniture and equipment and building renovations are depreciated over 3, 5 and 10 years, respectively. Accelerated methods are used in depreciating certain assets for income tax purposes.

Securities Sold Under Agreements to Repurchase

The Corporation enters into sales of securities under agreements to repurchase. Reverse repurchase agreements are treated as financings, with the obligation to repurchase securities sold reflected as a liability in the Consolidated Statement of Condition. The securities underlying the agreements remain in the asset accounts.

Income Taxes

The provision for income taxes includes federal, state and local income taxes currently payable and those deferred because of temporary differences between the financial statement basis and tax basis of assets and liabilities.

Earnings Per Share

The following table sets forth the computation of basic and diluted earnings per share:

	2000	1999	1998
	(In thousands, except per share data)		
Numerator:			
Income from continuing operations before loss on extinguishment of debt and cumulative effect of change in accounting principle...............	$16,878	$18,086	$16,849
Loss on extinguishment of debt, net of tax benefit.....................	-	-	(1,461)

Income from continuing operations before cumulative effect of change in accounting principle	16,878	18,086	15,388
Cumulative effect of change in accounting principle, net of tax benefit.	(1,256)	-	-
Income from continuing operations	15,622	18,086	15,388
(Loss) income from discontinued operations, net of taxes	(2,392)	1,623	1,124
Loss on wind-down of discontinued operations, net of tax benefit	(2,211)	-	-
Net income	$11,019	$19,709	$16,512
Denominator:			
Denominator for basic earnings per share - weighted average shares	10,652	11,352	12,317
Effect of dilutive securities:			
Employee stock options	14	53	186
Denominator for diluted earnings per share - adjusted weighted average shares and assumed exercise	10,666	11,405	12,503
Earnings per share:			
Basic:			
Income from continuing operations before loss on extinguishment of debt and cumulative effect of change in accounting principle	$ 1.58	$ 1.60	$ 1.37
Loss on extinguishment of debt, net of tax benefit	-	-	(.12)
Income from continuing operations before cumulative effect of change in accounting principle	1.58	1.60	1.25
Cumulative effect of change in accounting principle, net of tax benefit.	(.12)	-	-
Income from continuing operations	1.46	1.60	1.25
(Loss) income from discontinued operations, net of taxes	(.22)	.14	.09
Loss on wind-down of discontinued operations, net of tax benefit	(.21)	-	-
Net income	$ 1.03	$ 1.74	$ 1.34
Diluted:			
Income from continuing operations before loss on extinguishment and cumulative effect of change in accounting principle	$ 1.58	$ 1.59	$ 1.35
Loss on extinguishment of debt, net of tax benefit	-	-	(.12)
Income from continuing operations before cumulative effect of change in accounting principle, net of tax benefit	1.58	1.59	1.23
Cumulative effect of change in accounting principle, net of taxes	(.12)	-	-
Income from continuing operations	1.46	1.59	$1.23
(Loss) income from discontinued operations, net of taxes	(.22)	.14	.09
Loss on wind-down of discontinued operations, net of tax benefit	(.21)	-	-
Net income	$ 1.03	$ 1.73	$ 1.32

2. Discontinued Operations of a Business Segment

On December 21, 2000, the Board of Directors of WSFS Financial Corporation approved plans to discontinue the operations of WSFS Credit Corporation (WCC), the Company's indirect auto finance business segment. WCC, which had 7,300 lease contracts and 2,700 loan contracts at December 31, 2000, no longer accepts new applications but will continue to service existing loans and leases until their maturity. Management estimates that substantially all loan and lease contracts will mature by the end of December 2003.

Accounting for discontinued operations of a business segment requires that the Company forecast operating results over the wind-down period and immediately accrue any expected net losses as a one time charge. The historic results of WCC's operations, the one-time charge, and the future reported results of WCC are required to be treated as Discontinued Operations of a Business Segment, and shown in summary form separately from the Company's results of continuing operations in reported results of the Corporation. Prior periods are restated, as required by generally accepted accounting principles.

As a result, net operating losses of $2.4 for the year ended December 31, 2000 and net income of $1.6 and $1.1 million for the years ended December 31, 1999 and 1998 respectively, were reclassified from continuing operations to discontinued operations. In addition, the Corporation recognized a charge of $2.2 million, net of taxes, for the expected loss over the projected three-year wind-down period. A $6.2 million pretax reserve has been established to absorb these expected future losses. This reserve will be reevaluated quarterly with adjustments, if necessary, recorded as income/losses from discontinued operations. Accounting for discontinued operations also requires that the net assets (assets less third party liabilities) be reclassified on the balance sheet to a single line item, Net assets of discontinued operations.

The following chart depicts the net assets of discontinued operations at December 31, 2000 and 1999:

	At December 31, 2000	At December 31, 1999
	(In Thousands)	
Net loans	$ 27,877	$ 20,612
Vehicles under operating leases, net	175,745	220,209
Interest receivable	148	107
Premises and equipment	131	165
Foreclosed assets	133	208
Other Assets	3,650	2,245
Less:		
Reserve for losses of discontinued operations	6,169	
Other liabilities	1,764	2,783
Net assets of discontinued operations	$199,751	$240,763

The following table depicts the net income (loss) from discontinued operations for the years ended December 31, 2000, 1999 and 1998:

	Year Ended December 31, 2000	1999	1998
	(In Thousands)		
Interest income	$ 1,998	$ 1,996	$ 2,399
Allocated interest expense (1)	13,897	12,514	11,339
Net interest expense	(11,899)	(10,518)	(8,940)
Provision for loan losses	-	-	695
Net interest income after provision for loan losses	(11,899)	(10,518)	(9,635)
Loan and lease servicing fee income	723	1,440	1,483
Rental income on operating leases, net	9,214	13,569	11,911
Other income	42	46	56
	9,979	15,055	13,450
Other operating expenses	1,987	1,832	1,942
(Loss) income before taxes	(3,907)	2,705	1,873
Income tax provision (benefit)	(1,515)	1,082	749
(Loss) income from discontinued operations	$ (2,392)	$ 1,623	$ 1,124

(1) Allocated interest expense based on the Company's annual average wholesale borrowings rate which was 6.28%, 5.65% and 5.12% for the years 2000, 1999 and 1998, respectively.

3. INVESTMENT SECURITIES

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Thousands)		
Available-for-sale securities:				
December 31, 2000:				
U.S. Government and agencies	$ 1,894	$ -	$ 1	$ 1,893
Corporate Bonds	13,104	16	19	13,101
	$14,998	$ 16	$ 20	$14,994
December 31, 1999:				
U.S. Government and agencies	$28,573	$ -	$137	$28,436

Other investments	425	-	-	425
	$28,998	$ -	$137	$28,861
Held-to-maturity:				
December 31, 2000:				
Corporate bonds	$ 3,885	$ 13	$ 74	$ 3,824
State and political subdivisions	10,861	258	5	11,114
	$14,746	$271	$ 79	$14,938
December 31, 1999:				
Corporate bonds	$ 6,855	$ -	$194	$ 6,661
State and political subdivisions	1,757	2	-	1,759
	$ 8,612	$ 2	$194	$ 8,420

Securities with book values aggregating $11.5 million at December 31, 2000 were pledged as collateral for WSFS' Treasury Tax and Loan account with the Federal Reserve Bank and certain municipal deposits which require collateral. Accrued interest receivable relating to investment securities was $457,000 and $595,000 at December 31, 2000 and 1999, respectively. Substantially, all of the interest and dividends on investment securities represented taxable income.

The scheduled maturities of investment securities held-to-maturity and securities available-for-sale at December 31, 2000 were as follows :

	Held-to-Maturity		Available-for-Sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(In Thousands)			
Within one year	$ -	$ -	$12,953	$12,949
After one year but within five years	3,324	3,398	-	-
After five but within ten years	5,403	5,515	45	45
After ten years	6,019	6,025	2,000	2,000
	$14,746	$14,938	$14,998	$14,994

Proceeds from the sales of investment security available-for-sale during 2000 were $26.0 million, with gains of $18,000 and losses of $67,000 realized on these sales. There were also proceeds of $10.1 million received in January 2000 for which a loss of $289,000 was recognized in 1999. In addition, there was a gain of $40,000 on the sale of common stock received from the demutualization of insurance companies of which WSFS was a policy holder. Proceeds from the sale of investments during 1999 and 1998 were $20.0 million and $20.1 million, respectively. Losses of $9,000 and gains of $30,000 were realized on these sales in 1999 and 1998, respectively. The cost basis for all investment security sales was based on the specific identification method. There were no sales of securities classified as held-to-maturity. With the adoption of Statement of Financial Accounting Standards (SFAS) No. 133, $2.0 million of corporate bonds were reclassified from held-to maturity, to available-for-sale. See Note 20 of the Financial Statements for further discussion of the adoption of SFAS No. 133.

4. MORTGAGE-BACKED SECURITIES

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(In Thousands)		
Available-for-sale securities:				
December 31, 2000:				
Collateralized mortgage obligations	$229,882	$617	$ 617	$229,882
FNMA	1,153	-	12	1,141
FHLMC	1,034	-	2	1,032

	$232,069	$617	$ 631	$232,055
	========	====	======	========
Weighted average yield........................	7.04%			
December 31, 1999:				
Collateralized mortgage obligations	$178,290	$ -	$4,746	$173,544
GNMA	15,376	-	139	15,237
FHLMC...	143	-	-	143
	$193,809	$ -	$4,885	$188,924
	========	====	======	========
Weighted average yield........................	6.34%			
Held-to-maturity securities:				
December 31, 2000:				
Collateralized mortgage obligations............	$ 56,091	$103	$ 523	$ 55,671
FNMA..	24,908	-	351	24,557
FHLMC...	26,664	1	289	26,376
	$107,663	$104	$1,163	$106,604
	========	====	======	========
Weighted average yield........................	6.41%			
December 31, 1999:				
Collateralized mortgage obligations............	$191,839	$ 62	$6,562	$185,339
FNMA..	31,065	-	1,019	30,046
GNMA..	852	12	-	864
FHLMC...	33,036	3	1,184	31,855
Other...	2,033	-	58	1,975
	$258,825	$ 77	$8,823	$250,079
	========	====	======	========
Weighted average yield........................	6.53%			

At December 31, 2000, mortgage-backed securities with book values aggregating $104.3 million were pledged as collateral for retail customer repurchase agreements and securities sold under agreements to repurchase. Accrued interest receivable relating to mortgage-backed securities was $2.0 million and $2.5 million at December 31, 2000 and 1999, respectively. During 2000, as part of a deleveraging strategy, WSFS received proceeds of $180.3 million in collateralized mortgage obligations and $14.7 million in adjustable rate GNMA securities, all classified as available-for-sale, resulting in net losses of $6.4 million and gains of $3,000, respectively. The cost basis of all mortgage-backed security sales is based on the specific identification method. There were no sales of mortgage-backed securities classified as held to maturity in 2000. With the adoption of SFAS No. 133, $129.0 million in mortgage-backed securities were reclassified from held-to-maturity to available-for-sale. In addition there were proceeds of $24.3 million in January 2000 for the sale of collateralized mortgage obligations for which a loss of $730,000 was recognized in 1999. There were no other sales of mortgage-backed securities in 1999. In 1998, WSFS sold $29.6 million in collateralized mortgage obligations, classified as available-for-sale, resulting in a gain of $235,000. There were no other sales of mortgage-backed securities, nor transfers between categories of mortgage-backed securities during 1999 and 1998.

5. LOANS

	December 31,	
	2000	1999
	(In Thousands)	
Real estate mortgage loans:		
Residential (1-4 family)	$ 416,863	$ 368,671
Other	191,004	206,512
Real estate construction loans................	37,203	38,273
Commercial loans..............................	156,293	119,875
Consumer loans................................	175,268	154,857
	976,631	888,188
Less:		
Loans in process	11,723	25,609
Unearned income	3,307	4,341

Allowance for loan losses	21,423	22,223
	$ 940,178	$ 836,015

The Corporation had impaired loans of approximately $1.3 million at December 31, 2000 compared to $2.0 million at December 31, 1999. The average recorded investment in impaired loans was $1.4 million, $1.5 million and $5.4 million during 2000, 1999 and 1998, respectively. The allowance for losses on impaired loans was $190,000 at December 31, 2000, as compared to $295,000 at December 31, 1999. There was no interest income recognized on impaired loans.

The total amounts of loans serviced for others were $250.8 million, $236.4 million and $237.9 million at December 31, 2000, 1999 and 1998, respectively.

Accrued interest receivable on loans outstanding was $5.9 million, $4.9 million and $4.3 million at December 31, 2000, 1999 and 1998, respectively.

Nonaccruing loans aggregated $8.3 million, $7.4 million and $8.0 million at December 31, 2000, 1999 and 1998, respectively. If interest on all such loans had been recorded, net interest income would have increased by $966,000 in 2000, $591,000 in 1999 and $767,000 in 1998.

A summary of changes in the allowance for loan losses follows:

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Beginning balance	$22,223	$22,732	$24,057
Balance at acquisition of credit card portfolio	175	-	-
Provision for loan losses...	894	1,004	385
Loans charged-off	(2,509)	(2,021)	(1,970)
Recoveries..	640	508	260
Ending balance	$21,423	$22,223	$22,732

6. ASSETS ACQUIRED THROUGH FORECLOSURE

	December 31,	
	2000	1999
	(In Thousands)	
Real estate	$ 903	$ 1,182
Less allowance for losses..........................	273	329
	$ 630	$ 853

A summary of changes in the allowance for foreclosed assets follows:

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Beginning balance.........................	$ 329	$ 390	$ 11
Provision for losses	-	-	(258)
Net (charge-offs) recoveries	(56)	(61)	126
Transfer from investment in real estate..	-	-	511
Ending balance	$ 273	$ 329	$ 390

======== ========= ======

7. PREMISES AND EQUIPMENT

	December 31, 2000	1999
	(In Thousands)	
Land	$ 1,086	$ 720
Buildings	6,580	6,773
Leasehold improvements	9,126	5,503
Furniture and equipment	18,313	16,673
	35,105	29,669
Less:		
Accumulated depreciation	18,317	15,213
	$16,788	$14,456

The Corporation occupies certain premises and operates certain equipment under noncancelable leases with terms ranging from 1 to 25 years. These leases are accounted for as operating leases. Accordingly, lease costs are expensed as incurred. Rent expense was $2.2 million in 2000, $1.5 million in 1999, and $1.2 million in 1998. Future minimum payments under these leases at December 31, 2000 are as follows:

	(In thousands)
2001	$ 2,255
2002	2,146
2003	1,951
2004	1,598
2005	1,103
Thereafter	3,503
Total future minimum lease payments	$12,556

8. DEPOSITS

Time deposits include certificates of deposit in denominations of $100,000 or more which aggregate $49.7 million and $46.0 million at December 31, 2000 and 1999, respectively.

The following is a summary of deposits by category, including a summary of the remaining time to maturity for time deposits:

	December 31, 2000	1999
	(In Thousands)	
Money market and demand:		
Noninterest-bearing demand	$ 139,128	$ 119,754
Money market and interest-bearing demand	244,120	79,321
Total money market and demand	383,248	199,075
Savings	289,382	258,854

Retail certificates of deposits by maturity:		
Less than one year	209,035	217,554
One year to two years	55,532	42,248
Two years to three years	10,832	8,452
Three years to four years....................	2,862	5,096
Four years to five years.....................	2,882	1,854
Over five years..............................	1,696	2,847
Total retail time certificates	282,839	278,051
Jumbo certificates of deposit by maturity:		
Less than one year	17,722	23,309
One year to two years	894	908
Two years to three years	314	324
Three years to four years....................	100	-
Four years to five years.....................	-	104
Total jumbo time certificates	19,030	24,645
Brokered certificates of deposit by maturity:		
Less than one year	138,726	99,529
One year to two years	8,366	49,936
Total brokered time certificates	147,092	149,465
Total deposits	$ 1,121,591	$ 910,090

Interest expense by category follows:

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Money market and interest-bearing demand	$ 6,186	$ 1,495	$ 1,528
Savings	10,764	7,471	5,965
Retail time deposits..	13,687	14,151	18,211
Total retail interest expense	30,637	23,117	25,704
Jumbo certificates of deposit	1,713	3,287	2,574
Brokered certificates of deposit	10,541	6,738	4,241
Total interest expense on deposits	$ 42,891	$ 33,142	$ 32,519

9. BORROWED FUNDS

	Balance End of Period	Weighted Average Interest Rate	Maximum Amount Outstanding at Month End During the Period	Average Amount Outstanding During the Period	Weighted Average Interest Rate During the Period
	(Dollars in Thousands)				
2000					
FHLB advances...	$351,000	6.11%	$535,000	$397,672	5.90%
Trust preferred borrowings..............................	50,000	9.52	50,000	50,000	9.23
Federal funds purchased and securities sold under agreements to repurchase	69,300	6.66	138,941	116,127	6.65
Other borrowed funds	23,338	4.57	25,155	21,213	4.05

1999					
FHLB advances	$515,000	5.63%	$525,000	$473,458	5.33%
Trust preferred borrowings	50,000	9.06	50,000	50,000	8.36
Federal funds purchased and securities sold under agreements to repurchase	143,941	6.10	159,641	145,096	5.76
Other borrowed funds	13,524	4.14	16,103	11,448	4.11

Federal Home Loan Bank Advances

Advances from the Federal Home Loan Bank (FHLB) of Pittsburgh with fixed rates ranging from 4.86% to 7.43% at December 31, 2000 are due as follows:

	Amount	Weighted Average Rate
	(Dollars in Thousands)	
2001	$ 161,000	6.81%
2002	65,000	4.86
	$ 226,000	

Also outstanding at December 31, 2000 are four advances, totaling $125.0 million, with a weighted average rate of 5.87% maturing in 2002 and beyond, which are convertible on a quarterly basis (at the discretion of the FHLB) to a variable rate advance based upon the 3-month LIBOR rate, after an initial fixed term. WSFS has the option to prepay these four advances at predetermined times or rates. Pursuant to collateral agreements with the FHLB, advances are secured by qualifying first mortgage loans, collateralized mortgage obligations, FHLB stock and an interest-bearing demand deposit account with the FHLB.

As a member of the FHLB of Pittsburgh, WSFS is required to acquire and hold shares of capital stock in the FHLB of Pittsburgh in an amount at least equal to 1% of the aggregate unpaid principal of its home mortgage loans, home purchase contracts, and similar obligations at the beginning of each year, or 5% of its advances (borrowings) from the FHLB of Pittsburgh, whichever is greater. WSFS was in compliance with this requirement with an investment in FHLB of Pittsburgh stock at December 31, 2000, of $28.5 million.

Senior Notes and Trust Preferred Borrowings

In December 1993, the Corporation issued $32.0 million of 11% Senior Notes (the Notes). The Corporation repurchased and extinguished $750,000 and $2.2 million of the notes outstanding during 1996 and 1995, respectively. In 1998, the Corporation repurchased and extinguished the remaining $29.1 million in senior notes prior to maturity recording an extraordinary loss on extinguishment of debt of $1.5 million, net of $787,000 in tax benefit.

On November 20, 1998, the Corporation issued $50.0 million of Trust Preferred securities, due at December 1, 2028, pursuant to a shelf registration under the Securities Act of 1933 under which the Corporation may sell, from time to time, up to $75.0 million in aggregate purchase price of Trust Preferred securities. These securities were issued at a floating rate of 250 basis points over 3-month LIBOR, repricing quarterly. The maturity date on these securities may be shortened to a date not earlier than December 1, 2003 if certain conditions are met.

The Trust Preferred securities were issued by a specially formed subsidiary of the Corporation, a Delaware statutory trust, which invested the proceeds in junior subordinated debentures to be issued by the Corporation. The net proceeds from the sale of Trust Preferred securities were used primarily as replacement financing for the early retirement of the Corporation's Notes, due 2005. The Corporation expects to benefit from significantly reduced long-term financing costs and the flexibility of additional Bank regulatory capital.

The Corporation also entered into an agreement to limit the interest rate exposure in the trust preferred securities by purchasing an interest rate cap, which provides a ceiling on 3-month LIBOR of 6.00% for the first ten years. This will limit the interest rate exposure on the Trust Preferred securities to no more than 8.50% through the first ten years. The cost of this interest rate cap was $2.4 million, which, prior to the adoption of SFAS 133, was to be amortized over the ten-year period as a yield adjustment. On January 1, 2000, the Corporation adopted SFAS No. 133 which changed the accounting treatment of the cap. See Note 20 of the Financial Statements for a further discussion. The effective rate of the Trust Preferred securities including amortization of transactional costs and the change in the time value of the interest rate cap was 9.52% and 9.06% at December 31, 2000 and 1999, respectively. The Corporation received $220,000 in payments from the cap in 2000.

Securities Sold Under Agreements to Repurchase

During 2000, WSFS sold securities under agreements to repurchase as a short-term funding source. At December 31, 2000, securities sold under agreements to repurchase had fixed rates ranging from 6.59% to 6.76%. The underlying securities are mortgage-backed securities with book and market values aggregating $74.1 million and $73.5 million, respectively, at December 31, 2000. Securities sold under agreements to repurchase with the corresponding carrying and market values of the underlying securities are due as follows:

			Collateral		
	Borrowing	Rate	Carrying Value	Market Value	Accrued Interest
			(Dollars in Thousands)		
2000					
Over 90 days	$ 69,300	6.66%	$ 74,070	$ 73,458	$ 405
	$ 69,300	6.66%	$ 74,070	$ 73,458	$ 405
1999					
Up to 30 days	$ 20,000	5.60%	$ 20,790	$ 20,790	$ 465
30 to 90 days	25,000	5.24	27,036	26,649	138
Over 90 days	93,941	6.48	101,939	100,180	575
	$138,941	6.13%	$149,765	$147,619	$1,178

Other Borrowed Funds

Included in other borrowed funds are collateralized borrowings of $22.9 million and $13.5 million at December 31, 2000 and 1999, respectively, consisting of outstanding retail repurchase agreements, contractual arrangements under which portions of certain securities are sold on an overnight basis to retail customers under agreements to repurchase. Such borrowings were collateralized by collateralized mortgage obligations. The average rate on these borrowings was 4.10% and 4.11% at December 31, 2000 and 1999 respectively. Also included in other borrowed funds is capital leases totaling $412,000 and $51,000 at December 31, 2000 and 1999, respectively. The average rate on these capital leases was 16.53% and 14.92% at December 31, 2000 and 1999, respectively.

Cost of funding discontinued operations

A certain amount of WSFS' funding costs were allocated towards the funding of discontinued operations. See Note 2 of the Financial Statements for further discussion.

10. STOCKHOLDERS' EQUITY

Under Office of Thrift Supervision (OTS) capital regulations, savings institutions, such as WSFS, must maintain "tangible" capital equal to 1.5% of adjusted total assets, "core" capital equal to 4.0% of adjusted total assets, "Tier 1" capital equal to 4.0% of risk-weighted assets and "total" or "risk-based" capital (a combination of core and "supplementary" capital) equal to 8.0% of risk-weighted assets. Failure to meet minimum capital requirements can initiate certain mandatory - and possibly additional discretionary - actions by regulators that, if undertaken, could have a direct material effect on WSFS' financial statements. At December 31, 2000 and 1999 WSFS was in compliance with regulatory capital requirements and was deemed a "well-capitalized" institution.

The following table presents WSFS' consolidated capital position as of December 31, 2000 and 1999:

	Consolidated Bank Capital		For Capital Adequacy Purposes		To Be Well-Capitalized Under Prompt Corrective Action Provisions	
	Amount	Percent	Amount	Percent	Amount	Percent
			(Dollars in Thousands)			
As of December 31, 2000:						
Total Capital (to risk-weighted assets)	$151,280	12.72%	$95,142	8.00%	$118,927	10.00%
Core Capital (to adjusted tangible assets)	144,889	8.31	69,757	4.00	87,197	5.00
Tangible Capital (to tangible assets)..	144,865	8.31	26,159	1.50	N/A	N/A
Tier 1 Capital (to risk-weighted assets)	144,889	12.18	N/A	N/A	71,356	6.00
As of December 31, 1999:						
Total Capital (to risk-weighted assets)	$145,383	12.80%	$90,838	8.00%	$113,547	10.00%
Core Capital (to adjusted tangible assets)	136,811	7.80	70,174	4.00	87,718	5.00
Tangible Capital (to tangible assets)..	136,638	7.79	26,313	1.50	N/A	N/A
Tier 1 Capital (to risk-weighted assets)	136,811	12.05	N/A	N/A	68,128	6.00

The Corporation has a simple capital structure with one class of $ .01 par common stock outstanding, each share having equal voting rights. In addition, the Corporation has authorized 7,500,000 shares of $0.01 par preferred stock. No preferred stock was outstanding at December 31, 2000 and 1999. The Trust Preferred securities issued in 1998 qualify as Tier 1 capital. WSFS is prohibited from paying any dividend or making any other capital distribution if, after making the distribution, WSFS would be undercapitalized within the meaning of the OTS Prompt Corrective Action regulations. Since 1996, the Board of Directors has approved five separate stock repurchase programs to reacquire common shares. As part of these programs, the Corporation acquired 1.7 million shares in 1996, 507,000 shares in 1997, 1.0 million shares in 1998, 340,000 shares in 1999, and 1.1 million shares in 2000. At December 31, 2000, the Corporation held 4.6 million shares of its common stock in the treasury.

The Holding Company

Although the holding company does not have significant assets or engage in significant operations separate from WSFS, the Corporation has agreed to cause WSFS' required regulatory capital level to be maintained by infusing sufficient additional capital as necessary. To that end, the Corporation issued the 11% Senior Notes described in Note 9 of the Financial Statements. These notes were called in December 1998. In November 1998, the Corporation issued $50 million of Trust Preferred securities at a variable interest rate of 250 basis points over the 3-month LIBOR. At December 31, 2000, the coupon rate on these securities was 8.50% with a scheduled maturity of December 1, 2028. The Corporation purchased an interest rate cap that effectively limits 3-month LIBOR to 6.00% until 2008. The effective rate of these securities, including amortization of issuance costs and the cost of the interest rate cap was 9.52% at December 31, 2000. These securities were issued by WSFS Financial Corporation's subsidiary, WSFS Capital Trust I, and the proceeds from the issue were invested in Junior Subordinate Debentures issued by WSFS Financial Corporation. These securities are treated as borrowings with the interest included in interest expense on the consolidated statement of operations. The Corporation purchased an interest rate cap that effectively limits 3-month LIBOR to 6.00% until 2008. See Note 9 of the Financial Statements for additional information. The proceeds were used primarily to extinguish the 11% Senior Notes and for general corporate purposes.

Pursuant to federal laws and regulations, WSFS' ability to engage in transactions with affiliated corporations is limited, and WSFS generally may not lend funds to nor guarantee indebtedness of the Corporation.

11. EMPLOYEE BENEFIT PLANS

Employee 401(k) Savings Plan

Certain subsidiaries of the Corporation maintain a qualified plan in which employees may participate. Participants in the plan may elect to direct a portion of their wages into investment accounts which include professionally managed mutual and money market funds and the Corporation's common stock. The principal and earnings thereon are tax deferred until withdrawn, generally. The Company matches a portion of the employees' contributions and also periodically makes discretionary contributions, based on Company performance, into the plan for the benefit of employees. The Corporation's contributions to the plan on behalf of its employees resulted in an expenditure of $848,000, $670,000 and $616,000 for 2000, 1999 and 1998, respectively. All Company contributions are made in the form of the Corporation's common stock. The plan purchased 105,000, 75,000 and 50,000 shares of common stock of the Corporation during 2000, 1999, and 1998, respectively.

Postretirement Benefits

The Corporation shares certain costs of providing health and life insurance benefits to retired employees (and their eligible dependents). Substantially all employees may become eligible for these benefits if they reach normal retirement age while working for the Corporation.

The Corporation accounts for its obligations under the provisions of SFAS No. 106, "Employers' Accounting for Postretirement Benefits Other Than Pensions." SFAS No. 106 requires that the costs of these benefits be recognized over an employee's active working career.

In December 1998 the Corporation adopted SFAS No. 132, "Employer's Disclosure About Pensions and Other Post Retirement Benefits" which standardized the applicable disclosure requirements.

The following disclosures are in accordance with SFAS No. 132, "Employer's Disclosure About Pensions and Other Postretirement Benefits":

	At or for the Year Ended		
	2000	1999	1998
	(Dollars in Thousands)		
Change in Benefit Obligation:			
Benefit obligation at beginning of year	$ 1,058	$ 1,428	$ 1,350
Service cost	36	43	40
Interest cost	74	93	91
Actuarial loss (gain)	47	(404)	44
Benefits paid	(129)	(102)	(97)
Benefit obligation at end of year	$ 1,086	$ 1,058	$ 1,428
Change in plan assets:			
Fair value of plan assets at beginning of year	$ -	$ -	$ -
Employer contributions	129	102	97
Benefits paid	(129)	(102)	(97)
Fair value of plan assets at end of year	$ -	$ -	$ -
Funded Status:			
Funded status	$ (1,086)	$(1,058)	$(1,428)
Unrecognized transition (asset) obligation	736	797	859
Unrecognized net (gain) loss	(263)	(332)	72
Net amount recognized	$ (613)	$ (593)	$ (497)
Components of net periodic benefit cost:			
Service cost	$ 36	$ 43	$ 40
Interest cost	74	93	91
Amortization of transition (asset) obligation	61	61	61
Amortization of net (gain) loss	(21)	-	-
Net periodic benefit cost	$ 150	$ 197	$ 192

Sensitivity analysis:			
Effect of +1% on service cost plus interest cost..............................	$ -	$ 2	$ 2
Effect of -1% on service cost plus interest cost..............................	-		(2)
Effect of +1% on APBO...	2	1	31
Effect of -1% on APBO...	(1)	(1)	(35)
Assumptions used to value the Accumulated Postretirement Benefit Obligation (APBO):			
Discount rate..	7.50%	7.50%	6.75%
Health care cost trend rate..	7.00%	7.50%	8.00%

The Corporation assumes that the average annual rate of increase for medical benefits will decrease by one-half of 1% per year and stabilizes in the year 2005, and thereafter, at an average increase of 5% per annum. The costs incurred for retirees' health care are limited since certain current and all future retirees are restricted to an annual medical premium cap indexed since 1995 by the lesser of 4% or the actual increase in medical premiums paid by the Corporation. For 2000 this annual premium cap amounted to $1,824 per retiree.

12. TAXES ON INCOME

The Corporation and its subsidiaries file a consolidated federal income tax return and separate state income tax returns. The income tax provision (benefit) consists of the following:

	Year Ended December 31,		
	2000	1999	1998
		(In Thousands)	
From Current Operations:			
Current income taxes:			
Federal taxes	$ 8,451	$ (214)	$ 562
State and local taxes...	541	537	1,295
Deferred income taxes:			
Federal taxes	(2,406)	(202)	3,709
State and local taxes	-	-	-
Subtotal	$ 6,586	$ 121	$ 5,566
From Discontinued Operations:			
Current income taxes:			
Federal taxes	$(3,475)	$ 947	$ 655
State and local taxes...	202	135	94
Deferred income taxes:			
Federal taxes	(2,159)	-	-
State and local taxes	(41)	-	-
Subtotal	$(5,473)	$ 1,082	$ 749
Current taxes from extraordinary item:			
Federal taxes on SFAS no. 133 adoption...........................	(837)	-	-
Federal taxes on debt extinguishment	-	-	(787)
	$ 276	$ 1,203	$ 5,528

Current federal income taxes include taxes on income that cannot be offset by net operating loss carryforwards.

Based on the Corporation's history of prior earnings and its expectations of the future, management believes that operating income and the reversal pattern of its temporary differences will, more likely than not, be sufficient to realize a net deferred tax asset of $2.1 million at December 31, 2000. Adjustments to the valuation allowance were made in 2000, 1999, and 1998 as a result of continued operating earnings of the Corporation's consolidated group and other events.

Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. The following is a summary of the significant components of the Corporation's deferred tax assets and liabilities as of December 31, 2000, 1999 and 1998:

	2000	1999	1998
		(In Thousands)	
Deferred tax liabilities:			
Accelerated depreciation	$(26,502)	$(29,344)	$(25,205)
Other	(174)	(1,849)	(134)
Total deferred tax liabilities	(26,676)	(31,193)	(25,339)
Deferred tax assets:			
Bad debt deductions	12,151	9,992	9,287
Tax credit carryforwards	1,125	2,930	2,259
Net operating loss carryforwards	7,718	15,284	14,761
Loan fees	155	215	283
Provisions for losses on reverse mortgages	12,350	13,069	15,199
Discontinued operations	2,159	-	-
Other	1,283	2,165	3,051
Unrealized gains/losses on available-for-sale securities	22	1,758	(127)
Investments in nonwholly-owned subsidiaries	1,958	343	-
Total deferred tax assets	38,921	45,756	44,713
Valuation allowance	(10,147)	(14,902)	(21,800)
Net deferred tax asset (liability)	$ 2,098	$ (339)	$ (2,426)

Approximately $18.0 million of the Corporation's deferred tax assets are related to write-downs and income on its portfolio of reverse mortgages. Management has assessed substantial valuation allowances on these deferred tax assets due to limitations imposed by the Internal Revenue Code (Code) and uncertainties, including the timing of when these assets are realized.

Included in the preceding table above is the effect of certain temporary differences for which no deferred tax expense or benefit was recognized. Such items consisted primarily of unrealized gains and losses on certain investments in debt and equity securities accounted for under SFAS No. 115 and certain adjustments in nonwholly-owned subsidiaries. An increase in 2000 for the deferred tax liabilities for investments in nonwholly-owned subsidiaries for which no deferred tax expense was recognized was $433,000.

Net operating loss carryforwards of $53.4 million remain at December 31, 2000. The expiration dates and amounts of such carryforwards and credits are listed below:

	NOLs	
	Federal	State
	(In Thousands)	
2004	$ -	$ 4,907
2005	1,308	10,857
2006	1,098	-
2007	-	3,723
2008	6,515	4,745
2009	6,755	-
2012	-	346
2013	-	112
2014	-	3,205
2018	-	9,818
	$ 15,676	$ 37,713

The Corporation's ability to use its federal NOLs to offset future income is subject to restrictions enacted in Section 382 of the Internal Revenue Code. These restrictions would limit the Corporation's future use of its NOLs if there are significant Ownership Changes, in or acquisitions of, the Corporation's stock (referred to herein as an "Ownership Change"). The utilization of approximately $15.7 million of net operating loss carryforwards is limited to approximately $1.5 million each year as a result of such "Ownership Changes" in a former subsidiary's stock.

A reconciliation setting forth the differences between the effective tax rate of the Corporation and the U.S. Federal Statutory tax rate is as follows:

	Year Ended December 31, 2000	1999	1998
Statutory federal income tax rate	35.0%	35.0%	35.0%
State tax net of federal tax benefit...........	21.3	2.2	3.7
Interest income 50% excludable................	(6.7)	(3.8)	(3.3)
Utilization of loss carryforwards and valuation allowance adjustments.........	(42.1)	(28.2)	(9.4)
Other..	(5.0)	0.8	-
Effective tax rate	2.5%	6.0%	26.09%

13. STOCK OPTION PLANS

The Corporation has stock options outstanding under two stock option plans (collectively, Option Plans) for officers, directors and employees of the Corporation and its subsidiaries. The 1986 Stock Option Plan (1986 Plan) expired on November 26, 1996, the tenth anniversary of its effective date. As a result, no future awards may be granted under the 1986 Plan. The 1997 Stock Option Plan (1997 Plan) was approved by shareholders to replace the expired 1986 Plan. The 1997 Plan will terminate on the tenth anniversary of its effective date, after which no awards may be granted. On April 27, 2000, at the Annual Meeting of Stockholders', the stockholders approved an amendment to the 1997 Stock Option Plan to increase the number of shares reserved for issuance under the 1997 Plan to 1,165,000. At December 31, 2000 there were 357,095 shares available for future grants under the 1997 Plan.

The Option Plans provide for the granting of incentive stock options as defined in Section 422 of the Internal Revenue Service Code as well as nonincentive stock options (collectively, Stock Options), phantom stock awards and stock appreciation rights. All awards are to be granted at not less than the market price of the Corporation's common stock on the date of the grant and expire no later than ten years from the grant date. All stock options granted prior to October 1996 are exercisable one year from the date of grant. All stock options granted after October 1996 are exercisable one year from grant date and vest in 20% per annum increments. All awards generally become immediately exercisable in the event of a change in control, as defined, within the Option Plans.

The Corporation also had Stock Appreciation Rights (SARs) which expired in November 1999. SARs allowed an optionee to surrender the award in consideration for payment by the Corporation of an amount equal to the excess of the fair market value of the common stock over the option price of the SARs. The Corporation recorded credits related to SARs of $147,000 and $261,000 in 1999 and 1998, respectively. There were no SAR's outstanding at December 31, 2000 and 1999.

A summary of the status of the Corporation's Option Plans as of December 31, 2000, 1999 and 1998, and changes during the years then ending is presented below:

	2000		1999		1998	
	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price	Shares	Weighted-Average Exercise Price
Stock Options:						
Outstanding at beginning of year	530,055	$ 14.88	333,655	$ 11.55	334,915	$ 7.96
Granted	372,700	12.30	298,225	14.75	96,900	17.47
Exercised	(15,890)	6.53	(101,825)	3.59	(73,100)	2.43
Canceled	(60,520)	15.09	-	-	(25,060)	13.07
Outstanding at end of year	826,345	$ 13.84	530,055	$ 14.88	333,655	$ 11.55

Exercisable at end of year	156,484		82,830		136,435	
Weighted-average fair value of awards granted	$ 4.69		$ 6.15		$ 6.88	
SARs:						
Outstanding at beginning of year	-	$ -	97,510	$ 1.65	190,658	$ 1.75
Granted	-	-	-	-	-	-
Exercised	-	-	(97,510)	1.65	(93,148)	1.85
Canceled	-	-	-	-	-	-
Outstanding at end of year	-	-	-	-	97,510	$ 1.65
Exercisable at end of year	-	-	-	-	97,510	

The Black-Scholes option-pricing model was used to determine the grant-date fair-value of options. Significant assumptions used in the model included a weighted average risk-free rate of return of 6.0% in 2000, 5.6% in 1999, and 4.6% in 1998; expected option life of 6 years for all three years' awards; and expected stock price volatility of 35% for 2000, 1999 and 1998 awards. Cash dividends of $.16 per share were assumed for 2000, $.12 per share in 1999 and $.09 per share in 1998.

SFAS No. 123, "Accounting for Stock-based Compensation" (SFAS 123) encourages, but does not require, the adoption of fair-value accounting for stock-based compensation to employees. The Company, as permitted, has elected not to adopt the fair value accounting provisions of SFAS 123, and has instead continued to apply APB Opinion 25 and related interpretations in accounting for the stock plans and to provide the required proforma disclosures of SFAS 123. Had the grant-date fair-value provisions of SFAS 123 been adopted, the Corporation would have recognized compensation expense of $1.3 million in 2000, $821,000 in 1999 and $349,000 in 1998 related to its Option Plans. As a result, proforma net income from continuing operations for the Corporation would have been $14.7 in 2000, $17.5 million in 1999 and $15.1 million in 1998, and proforma diluted earnings per share would from continuing operations have been $1.37 in 2000, $1.53 in 1999 and $1.21 in 1998.

The effects on proforma net income and diluted earnings per share of applying the disclosure requirement of SFAS 123 in past years may not be representative of the future proforma effects on net income and EPS due to the vesting provisions of the options and future awards that are available to be granted.

The following table summarizes all stock options outstanding and exercisable for Option Plans as of December 31, 2000, segmented by range of exercise prices:

	Outstanding			Exercisable	
	Number	Weighted-Average Exercise Price	Weighted-Average Remaining Contractual Life	Number	Weighted-Average Exercise Price
Stock Options:					
$ 9.41-$11.29	225,080	$10.56	9.2 years	28,760	$ 9.44
$11.29-$13.17	73,800	11.68	8.8 years	7,380	12.75
$13.17-$15.05	394,725	14.78	8.8 years	54,724	14.73
$15.05-$16.93	3,100	16.08	6.2 years	1,600	15.93
$16.93-$18.81	129,640	17.94	7.1 years	64,020	18.08
Total	826,345	$13.84	8.6 years	156,484	$15.04

14. COMMITMENTS AND CONTINGENCIES

Lending Operations

At December 31, 2000, the Corporation had commitments to extend credit of $156.8 million. Consumer lines of credit totaled $66.2 million of which $57.3

million was secured by real estate. Outstanding letters of credit were $2.8 million and outstanding commitments to make or acquire mortgage loans aggregated $10.1 million of which approximately $5.6 million were at fixed rates ranging from 6.00% to 8.375%, and approximately $4.5 million were at variable rates ranging from 5.75% to 8.50%. All mortgage commitments are expected to have closing dates within a six month period.

Computer Operations

In February 1997, WSFS entered into a five-year contract with ALLTEL, the company that has been managing data processing operations since 1988. In 2000 the Company reduced the scope of the original agreement with this data processing management company by (1) assuming the responsibility for the "back-office" functions of deposit and loan operations and (2) outsourcing the network operations function to MCI/WorldCom and Intergraph Corporation. The revised projected amount of future minimum payments contractually due ALLTEL are as follows:

2001	$2,520,000
2002....................................	420,000

In September 2000, the Company entered into a five-year contract with MCI/WorldCom and Intergraph Corporation to manage network operations. The projected amount of future minimum payments contractually due are as follows:

2001	$1,249,000
2002....................................	1,285,000
2003....................................	1,323,000
2004....................................	1,362,000
2005....................................	1,238,000

Legal Proceedings

In the ordinary course of business, the Corporation, WSFS and its subsidiaries are subject to legal actions which involve claims for monetary relief. Based upon information presently available to management and its counsel, it is management's opinion that any legal and financial responsibility arising from such claims will not have a material adverse effect on the Corporation's results of operations.

WSFS, as successor to Providential, may from time-to-time be involved in arbitration or litigation with the borrowers or with the heirs of borrowers. Some kinds of disputes may delay or impair WSFS' ability to liquidate its collateral promptly after maturity of a reverse mortgage loan. Because reverse mortgages are a relatively new and uncommon product, there can be no assurances regarding how courts or arbitrators may apply existing legal principles to the interpretation and enforcement of the terms and conditions of WSFS' reverse mortgage loans.

Financial Instruments With Off-Balance Sheet Risk

The Corporation is a party to financial instruments with off-balance sheet risk in the normal course of business primarily to meet the financing needs of its customers. These financial instruments involve, to varying degrees, elements of credit risk that are not recognized in the Consolidated Statement of Condition.

Exposure to loss for commitments to extend credit and standby letters of credit written is represented by the contractual amount of those instruments. The Corporation generally requires collateral to support such financial instruments in excess of the contractual amount of those instruments and essentially uses the same credit policies in making commitments as it does for on-balance sheet instruments.

The following represents a summary of off-balance sheet financial instruments at year-end:

	December 31, 2000	1999
	(In Thousands)	
Financial instruments with contract amounts which represent potential credit risk:		
Construction loan commitments	$32,207	$21,931
Commercial mortgage loan commitments	6,425	4,955
Commercial loan commitments	39,057	30,686
Commercial standby letters of credit	2,829	1,406
Residential mortgage loan commitments	10,104	22,996
Consumer lines of credit	66,211	65,838

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the contract. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being completely drawn upon, the total commitment amounts do not necessarily represent future cash requirements. Standby letters of credit written are conditional commitments issued to guarantee the performance of a customer to a third party. The Corporation evaluates each customer's creditworthiness and obtains collateral based on management's credit evaluation of the counterparty.

15. FAIR VALUE OF FINANCIAL INSTRUMENTS

The reported fair values of financial instruments are based on a variety of factors. In certain cases, fair values represent quoted market prices for identical or comparable instruments. In other cases, fair values have been estimated based on assumptions regarding the amount and timing of estimated future cash flows which are discounted to reflect current market rates and varying degrees of risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of year-end or that will be realized in the future. In November 1998, the Corporation purchased an interest rate cap in order to limit its exposure on $50.0 million of variable Trust Preferred Securities issued in November 1998. The cap has a notional amount of $50.0 million and a term of 10 years. This derivative instrument caps 3-month LIBOR (the base rate of the trust preferred) at 6.00% for 10 years, thus limiting the Company's exposure to rising interest rates on the Trust Preferred offering.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash and Short-Term Investments: For cash and short-term investments, including due from banks, federal funds sold, securities purchased under agreements to resell and interest-bearing deposits with other banks, the carrying amount is a reasonable estimate of fair value.

Investment and Mortgage-Backed Securities: Fair value for investment securities is based on quoted market prices, where available. If a quoted market price is not available, fair value is estimated using quoted prices for similar securities.

Investment in Reverse Mortgages: The fair value of the Corporation's investment in reverse mortgages is based on discounted net cash flows. The discount rate utilized in determining such fair value is based on current rates of similar instruments with comparable maturities.

Loans: Fair values are estimated for portfolios of loans with similar financial characteristics. Loans are segregated by type: commercial, commercial mortgages, construction, residential mortgages and consumer. The fair value of residential mortgage loans is estimated using quoted market prices for sales of whole loans with similar characteristics such as repricing dates, product type and size. For residential loans that reprice frequently, the carrying amount approximates fair value. The fair value of other types of loans for which quoted market prices are not available is estimated by discounting expected future cash flows using the current rates at which similar loans would be made to borrowers with comparable credit ratings and for similar remaining maturities. The fair value of nonperforming loans is based on recent external appraisals of the underlying collateral. Estimated cash flows, discounted using a rate commensurate with current rates and the risk associated with the estimated cash flows, are utilized if appraisals are not available.

Interest Rate Cap: The fair value is estimated using quoted prices for similar instruments.

Deposit Liabilities: The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, money market and interest-bearing demand deposits and savings deposits, is equal to the amount payable on demand. The carrying value of variable rate time deposits and time deposits that reprice frequently also approximates fair value. The fair value of the remaining time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using the rates currently offered for deposits with comparable remaining maturities.

Borrowed Funds: Rates currently available to the Corporation for debt with similar terms and remaining maturities are used to estimate fair value of existing debt.

Off-Balance Sheet Instruments: The fair value of off-balance sheet instruments, including commitments to extend credit and standby letters of credit, is estimated using the fees currently charged to enter into similar agreements with comparable remaining terms and reflects the present creditworthiness of the counterparties.

The carrying amount and estimated fair value of the Corporation's financial instruments are as follows:

	December 31,			
	2000		1999	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
	(In Thousands)			
Financial assets:				
Cash and short-term investments	$ 98,667	$ 98,667	$ 67,192	$ 67,192
Investment securities	29,740	29,932	37,473	37,281
Mortgage-backed securities	339,718	338,659	447,749	439,003
Investment in reverse mortgages	33,683	36,650	28,103	29,003
Loans, net	963,491	976,125	860,573	864,903
Interest rate cap	1,997	1,997	2,131	4,944
Financial liabilities:				
Deposits	1,121,591	1,122,754	910,090	910,661
Borrowed funds	493,638	481,282	722,465	686,288

The estimated fair value of the Corporation's off-balance sheet financial instruments is as follows:

	December 31,	
	2000	1999
	(In Thousands)	

Off-balance sheet instruments:		
Commitments to extend credit	$ 878	$ 806
Standby letters of credit	28	14

16. INVESTMENT IN AND ACQUISITION OF REVERSE MORTGAGES

Reverse mortgage loans are contracts that require the lender to make monthly advances throughout the borrower's life or until the borrower relocates, prepays or the home is sold, at which time the loan becomes due and payable. Since reverse mortgages are nonrecourse obligations, the loan repayments are generally limited to the sale proceeds of the borrower's residence, and the mortgage balance consists of cash advanced, interest compounded over the life of the loan and a premium which represents a portion of the shared appreciation in the home's value, if any, or a percentage of the value of the residence.

The Corporation accounts for its investment in reverse mortgages in accordance with the instructions provided by the staff of the Securities and Exchange Commission entitled "Accounting for Pools of Uninsured Residential Reverse Mortgage Contracts" which requires grouping the individual reverse mortgages into "pools" and recognizing income based on the estimated effective yield of the pool. In computing the effective yield, the Corporation must project the cash inflows and outflows of the pool including actuarial projections of the life expectancy of the individual contract holder and changes in the collateral values of the residence. At each reporting date, a new economic forecast is made of the cash inflows and outflows of each pool of reverse mortgages; the effective yield of each pool is recomputed, and income is adjusted retroactively and prospectively to reflect the revised rate of return. Accordingly, the value of reverse mortgage assets include significant risk associated with estimations.

In November 1994, the Corporation purchased Providential Home Income Plan, Inc., a California-based reverse mortgage lender, for approximately $24.4 million. Providential's assets at acquisition primarily consisted of cash and its investment in reverse mortgages (the "1994 Pool"). Providential's results have been included in the Corporation's consolidated statement of operations since the acquisition date. In November 1996 the management and operations of Providential were merged into WSFS. The carrying value of the reverse mortgages was $17.2 million and $11.4 million at December 31, 2000 and December 31, 1999, respectively. Of the 526 loans that comprise the 1994 pool at December 31, 2000, all are located in California.

In 1993, the Corporation acquired a pool of reverse mortgages (the "1993 Pool") from the FDIC and another lender. The Corporation's investment in this pool of reverse mortgages totaled $16.5 million and $16.7 million at December 31, 2000 and December 31, 1999, respectively. Of the 318 loans that comprise the 1993 Pool at December 31, 2000, 261 loans, or 82%, are located in Delaware, New Jersey, Pennsylvania and Maryland.

At December 31, 2000, the Corporation's estimate of net cash flows from each pool of reverse mortgages was as follows:

Net Inflows (Outflows)		
1994 Pool	1993 Pool	Total

Year ending:	(In Thousands)		
2001	$ 5,166	$ 1,240	$ 6,406
2002	6,335	1,953	8,288
2003	6,454	1,975	8,429
2004	6,477	1,968	8,445
2005	6,449	1,935	8,384
2006-2010	29,956	8,473	38,429
2011-2015	22,658	5,493	28,151
2016-2020	13,635	2,696	16,331
Thereafter	8,914	1,267	10,181

The effective yield used to accrue investment income on the Corporation's investment in reverse mortgages is sensitive to changes in collateral values and other actuarial and prepayment assumptions. Future estimated changes in collateral values in 2000 are as follows for each pool:

	1994 Pool	1993 Pool
Year ended December 31, 2001	2.00%	1.00%
Year ended December 31, 2002	2.00	1.00
Thereafter	2.00	1.00

In making these estimates of current and expected collateral values, the Corporation considers its own experience with reverse mortgages that have matured and expected rates of future appreciation in housing prices. The projections also incorporate actuarial estimates of contract terminations using mortality tables published by the Office of the Actuary of the United States Bureau of Census adjusted for expected prepayments and relocations. The carrying value of reverse mortgages is affected by actual cash flows as well as estimates of timing of future cash flows and collateral values. Furthermore, since the 1994 pool was purchased at a significant discount to face value, changes in collateral value can have a leveraged effect on book value. As such, the value of the Company's reverse mortgage portfolio can very significantly from period to period.

The changes in collateral values and actuarial assumptions resulted in an effective yield of approximately 41.87% at December 31, 2000 on the 1994 Pool and increased income by $10,215,000 during 2000 over the anticipated effective yield at January 1, 2000. Included in this increase was a cumulative positive catch-up adjustment of $7,861,000. The effective yield on the 1993 Pool was 6.62% at December 31, 2000, reflecting a $3,266,000 increase in income over the anticipated effective yield at January 1, 2000, which includes a cumulative catch-up adjustment of $2,989,000.

The effect on the yield and income assuming no changes in collateral values or a 1% annual reduction in the aforementioned projected future changes of collateral values is presented below for the year ended December 31, 2000:

	1994 Pool		1993 Pool	
	No future changes in collateral values	1% annual reduction in the projected future changes in collateral values	No future changes in collateral values	1% annual reduction in the projected future changes in collateral values
	(Dollars in Thousands)			
Effective yield	41.22%	41.57%	6.23%	6.23%
Effect on income of reverse mortgages	$(1,364)	$ (689)	$ (969)	$ (969)

The cumulative catch-up adjustments included in the above reductions in income are $820,000 and $449,000, respectively, at January 1, 2000 for the 1994 Pool. The cumulative catch-up adjustments included in the above reductions in income are $836,000 and $836,000, respectively, at January 1, 2000 for the 1993 Pool.

17. SEGMENT INFORMATION

Under the definition of SFAS No. 131, "Disclosures About Segments of an Enterprise and Related Information", the Corporation had three operating segments in 2000: WSFS, C1FN and WNF. C1FN and WNF are not wholly-owned, but are majority-controlled subsidiaries that began operating in 1999. As majority controlled subsidiaries, they are included in consolidated Financial Statements, including segment reporting.

The operation of WCC, which provided auto loans and leases indirectly through unrelated auto dealerships within the Mid-Atlantic region, was discontinued in 2000 and therefore no longer defined as a business segment. The segment information for 2000, 1999 and 1998 has been restated to reflect this change. In 1998, excluding the discontinued segment, WCC, the Corporation had only one segment: Wilmington Savings Fund Society, FSB (WSFS) and thus, no separate segment information is provided for 1998.

The WSFS segment provides financial products within its geographical footprint through its branch network to consumer and commercial customers. C1FN received an additional investment in December 2000, which reduced WSFS' ownership from 42% to 29%. WSFS retains majority control of C1FN through a voting trust. C1FN provides direct-to-customer marketing, servicing and Internet development and technology management for "branchless" financial services. WSFS and C1FN are engaged in joint effort through a division of WSFS, everbank.com(TM), to provide Internet banking on a national level. WNF, a 51% owned subsidiary, which began operations in December 1999, is engaged in sub-prime home equity lending. WNF expanded sales to a national level and now aggregates loans primarily through brokers and sells them to investors.

Reportable segments are business units that offer different services to distinct customers. The reportable segments are managed separately because they operate under different regulations and provide services to distinct customers. The Corporation evaluates performance based on pre-tax ordinary income and allocates resources based on these results. Segment information for the years ended December 31, 2000 and 1999 follow:

For the year ended December 31, 2000:

	WSFS	C1FN	WNF	Total
		(In Thousands)		
External customer revenues:				
Interest income	$ 121,247	$ 7,310	$ 1,120	$ 129,677
Other income	12,931	796	4,374	18,101
Total external customer revenues	134,178	8,106	5,494	147,778
Intersegment revenues:				
Interest income	-	-	72	72
Other income	327	-	-	327
Total intersegment revenues	327	-	72	399

Total revenue	134,505	8,106	5,566	148,177
External customer expenses:				
Interest expense	59,476	5,477	774	65,727
Other expenses	43,838	7,789	7,168	58,795
Other depreciation and amortization	2,871	469	187	3,527
Total external customer expenses	106,185	13,735	8,129	128,049
Intersegment expenses:				
Interest expense	72	-	-	72
Other expenses	-	327	-	327
Total intersegment expenses	72	327	-	399
Total expenses	106,257	14,062	8,129	128,448
Income before taxes and minority interest	$ 28,248	$ (5,956)	$ (2,563)	$ 19,729
Provision for income taxes				6,586
Income (loss) from discontinued operations				(2,392)
Loss on wind-down of discontinued operations				(2,211)
Minority interest				(3,735)
Cumulative effect of change in accounting principle				(1,256)
Consolidated net income				$ 11,019
Segment assets	$ 1,555,091	$ 192,617	$ 24,682	$1,772,390
Elimination of intersegment receivables				(33,074)
Consolidated assets				$1,739,316
Capital expenditures	$ 4,059	$ 587	$ 847	$ 5,493

For the year ended December 31, 1999:

	WSFS	C1FN(1)	WNF(2)	Total
		(In Thousands)		
External customer revenues:				
Interest income	$ 108,011	$ 173	$ -	$ 108,184
Other income	11,577	2	-	11,579
Total external customer revenues	119,588	175	-	119,763
Intersegment revenues:				
Interest income	-	-	7	7
Other income	40	-	-	40
Total intersegment revenues	40	-	7	47

Total revenue	119,628	175	7	119,810
External customer expenses:				
Interest expense	58,840	16	-	58,856
Other expenses	39,261	1,687	198	41,146
Other depreciation and amortization	2,468	58	-	2,526
Total external customer expenses	100,569	1,761	198	102,528
Intersegment expenses:				
Interest expense	7	-	-	7
Other expenses	-	40	-	40
Total intersegment expenses	7	40	-	47
Total expenses	100,576	1,801	198	102,575
Income before taxes and minority interest	$ 19,052	$ (1,626)	$ (191)	$ 17,235
Provision for income taxes				121
Minority interest				(972)
Income from discontinued operations				1,623
Consolidated net income				$ 19,709
Segment assets	$1,740,297	$ 18,091	$ 2,383	$1,760,771
Elimination of intersegment receivables				(9,734)
Consolidated assets				$1,751,037
Capital expenditures	$ 4,274	$ 894	$ 70	$ 5,238

(1) Includes the results of C1FN from September 1, 1999 through December 31, 1999, the period of WSFS' ownership.
(2) Includes the results of WNF from December 1, 1999, its date of inception.

18. PARENT COMPANY FINANCIAL INFORMATION

Condensed Statement of Financial Condition

	December 31, 2000	December 31, 1999
	(In Thousands)	
Assets:		
Cash	$ 2,519	$ 7,185
Investment in the subsidiaries	140,116	134,653
Investment in interest rate cap	1,997	2,131
Investment in capital trust	1,547	1,547
Other assets	1,449	1,667
Total assets	$ 147,628	$ 147,183
Liabilities:		
Borrowings	$ 50,000	$ 50,000
Interest payable	409	382
Other liabilities	73	648
Total liabilities	50,482	51,030

Stockholders' equity:		
Common stock	148	148
Capital in excess of par value	58,985	58,185
Comprehensive income	197	(3,265)
Retained earnings	92,409	83,000
Treasury stock	(54,593)	(41,915)
Total stockholders' equity	97,146	96,153
Total liabilities and stockholders' equity	$ 147,628	$ 147,183

Condensed Statement of Operations

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Income:			
Interest income	$ 359	$ 876	$ 850
Other income	234	93	91
	593	969	941
Expenses:			
Interest expense	4,787	4,284	3,748
Other operating expenses	(1,408)	(1,116)	(934)
	3,379	3,168	2,814
Loss before equity in undistributed income of WSFS and extraordinary item	(2,786)	(2,199)	(1,873)
Equity in undistributed income of WSFS	13,805	21,908	19,846
Income before extraordinary item	11,019	19,709	17,973
Loss on extinguishment of debt, net of taxes	-	-	1,461
Net income	$ 11,019	$ 19,709	$ 16,512

Condensed Statement of Cash Flows

	Year Ended December 31,		
	2000	1999	1998
	(In Thousands)		
Operating activities:			
Net income	$ 11,019	$ 19,709	$ 16,512
Adjustments to reconcile net income to net cash used for operating activities:			
Equity in undistributed income of WSFS	(13,805)	(21,908)	(19,846)
Amortization	373	286	135
Loss on extinguishment of debt	-	-	2,248
(Increase) decrease in other assets	(20)	487	(600)
Decrease (increase) in other liabilities	(547)	(706)	98
Net cash used for operating activities	(2,980)	(2,132)	(1,453)
Investing activities:			
Decrease in investment in Bank	12,374	-	12,000
Investment in interest rate cap	-	-	(2,390)
Investment in capital trust	-	-	(1,547)
Net cash provided by investing activities	12,374	-	8,063
Financing activities:			
Issuance of common stock	103	389	228
Proceeds from issuance of trust preferred borrowings, net of costs	-	-	48,624
Extinguishment of senior notes	-	-	(30,548)
Unrealized gains in intrinsic value of interest rate cap	125	-	-
Dividends paid on common stock	(1,610)	(1,366)	(1,107)
Treasury stock, net of reissuance	(12,678)	(4,931)	(16,497)
Net cash (used for) provided by financing activities	(14,060)	(5,908)	700
(Decrease) increase in cash	(4,666)	(8,040)	7,310
Cash at beginning of period	7,185	15,225	7,915
Cash at end of period	$ 2,519	$ 7,185	$ 15,225

19. INVESTMENTS IN NONWHOLLY-OWNED SUBSIDIARIES

In August 1999, WSFS Financial Corporation invested $5.5 million in CustomerOne Financial Network, Inc (C1FN), a St Louis, Missouri based corporation formed in 1998 for the express purpose of providing direct-to-consumer marketing, servicing, Internet development and technology management for "branchless" financial services. As a result of this investment, C1FN's Internet-only banking structure became part of everbank.com(TM), a division of WSFS. C1FN assists WSFS in managing the operations of everbank.com.(TM) everbank.com(TM) began marketing Internet-only banking to a national clientele in November of 1999.

WSFS is the single largest shareholder in C1FN, has majority control through a voting trust and for the year ended December 31, 2000 shared in 42% of the operating results of C1FN. In addition, WSFS received warrants for the purchase of 20% additional ownership of C1FN, as well as the option and under certain circumstances the obligation to invest an additional $5.4 million in the year 2000, at the original WSFS ownership prices. This option expired on July 5, 2000 with no additional investment being made by WSFS.

On December 29, 2000, C1FN received a $5.0 million investment from a third party investor, with a conditional commitment to invest an additional $12.5 million if and when a separate bank charter is obtained for everbank.com(TM). This investment effectively reduces WSFS' economic ownership of C1FN at December 31, 2000 from 42% to 29%. Since WSFS retains majority control of C1FN through a voting trust, the results of C1FN will continue to be consolidated into the operating results of WSFS until everbank.com(TM) obtains a separate banking charter. If and when everbank.com(TM) obtains a banking charter, WSFS will no longer have control. This investment may then be accounted for under the equity method.

Additionally, in November 1999, the Corporation expanded the local retail home equity lending business of Community Credit Corporation (CCC) which initially started operations in 1994. CCC was renamed Wilmington National Finance, Inc. (WNF) which expanded its sales to a national level and now aggregates loans primarily through brokers and sells them to investors. WSFS retained a 51% ownership with the remainder held by WNF's executives retained to lead the expansion of WNF. WSFS also has warrants to obtain an additional 15% ownership in WNF.

Both C1FN and WNFI are consolidated into the financial statements of WSFS Financial Corporation. The portion of equity and operating results attributable to investors in C1FN and WNF, other than WSFS, are reported as minority interest.

20. ACCOUNTING FOR DERIVATIVE INSTRUMENTS AND HEDGING

On January 1, 2000, the Corporation adopted Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities", as amended by SFAS Nos. 137 and 138. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, (collectively referred to as derivatives) and for hedging activities. It requires that an entity recognize all derivatives as either assets or liabilities in the statement of financial position and measure those instruments at fair value. The accounting for changes in the fair value of derivatives depends on the derivative and the resulting designation. If certain conditions are met, a derivative may be specifically designated as (a) a hedge of the exposure to changes in the fair value of a recognized asset or liability or an unrecognized firm commitment, (b) a hedge of the exposure to variable cash flows of a forecasted transaction, or (c) a hedge of certain foreign currency exposures. This Statement is effective for all fiscal quarters of fiscal years beginning after June 15, 2000. The Corporation has elected earlier adoption as permitted under this standard.

The Corporation's only derivative that requires separate accounting under SFAS 133 is an interest-rate cap with a notional amount of $50 million which limits 3-month LIBOR to 6% for ten years ending December 1, 2008. The cap is being used to hedge the cash flows of $50 million in trust preferred floating rate debt. The cap was recorded at the date of purchase in other assets, at a cost of $2.4 million. The fair market value (FMV), which at inception is equal to the cost, is broken into two components: the intrinsic value and the time value of the option. The cap is marked-to-market quarterly, with changes in the intrinsic value of the cap, net of tax, included in a separate component of other comprehensive income and changes in the time value of the option included directly in interest expense as required under SFAS 133. In addition, the ineffective portion, if any, will be expensed in the period in which ineffectiveness is determined. It has been determined that the hedge is highly effective and can reasonably be expected to remain so. Management is not aware of any events that would result in the reclassification into earnings of gains and losses that are currently reported in accumulated other comprehensive income except for the change in the FMV of the interest rate cap which pertains to the time value of the hedging instrument. The fair value is estimated using quoted prices for similar instruments.

The following depicts the change in fair market value of the interest rate cap:

	Carrying Value At January 1, 2000	Changes in Fair Market Value	Carrying Value At December 31, 2000
		(In thousands)	
Intrinsic value	$ 2,813	$ (2,620)	$ 193(1)
Time value	2,131	(327)(2)	1,804
	$ 4,944	$ (2,947)	$ 1,997

(1) Included in other comprehensive income, net of taxes.
(2) Included in interest expense on the hedged item (trust preferred borrowings).

An additional provision of SFAS 133 affords the opportunity to reclassify investment securities between held-to-maturity, available-for-sale and trading at the date of adoption. Accordingly, the Corporation reclassified $131.0 million in investments and mortgage-backed securities from held-to-maturity to available-for-sale and recorded on unrealized loss of $2.4 million net of tax. Of the $131.0 million transferred, $55.4 million was sold at a loss of $1.3 million, net of tax, during the quarter of adoption. In accordance with SFAS No. 133, this loss was included in the statement of operations as a cumulative effect of a change in accounting principle.

21. Subsequent Event

In the first quarter of 2001, the Company became aware of missing or misappropriated funds related to an armored car carrier engaged to supply cash to ATM's operated by customers of Cash Connect, the ATM division of WSFS. Criminal investigations are ongoing and have resulted in the arrest of certain armored car carrier employees. The armored car carrier has subsequently declared bankruptcy.

Management estimates that the related net loss after taxes will be between $450,000 and $650,000 and will be charged to earnings in the first quarter of 2001. The Company believes it will reduce any loss by, among other things, vigorously pursuing restitution from the responsible parties and making claims in bankruptcy proceedings as well as through various insurance policies. Management can make no assurance, however, that these efforts will result in any recovery to the Company.

QUARTERLY FINANCIAL SUMMARY (Unaudited)

	Three Months Ended							
	12/31/00	9/30/00	6/30/00	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99
	(In Thousands, Except Per Share Data)							
Interest income...........	$32,664	$32,302	$30,219	$34,492	28,125	26,729	26,670	26,660
Interest expense..........	17,303	17,251	15,347	15,826	15,502	14,374	14,322	14,658
Net interest income	15,361	15,051	14,872	18,666	12,623	12,355	12,348	12,002
Provision for loan losses	222	227	217	228	233	259	249	263
Net interest income after provision for loan losses	15,139	14,824	14,655	18,438	12,390	12,096	12,099	11,739
Other income	5,006	5,982	6,026	1,087	2,211	3,315	3,156	2,897
Other operating expenses...	16,535	16,222	15,271	13,400	12,613	10,558	10,122	9,375
Income from operations before, minority int., taxes and accounting change..................	3,610	4,584	5,410	6,125	1,988	4,853	5,133	5,261
Minority interest net of tax	(868)	(780)	(856)	(1,231)	(799)	(173)	-	-
Income before taxes	4,478	5,364	6,266	7,356	2,787	5,026	5,133	5,261
Income tax provision (benefit)................	1,165	1,326	1,999	2,096	(3,462)	1,121	1,188	1,274
Income from continued operations before accounting change........	3,313	4,038	4,267	5,260	6,249	3,905	3,945	3,987
Change in accounting principles, net.........	-	-	-	(1,256)	-	-	-	-
Income from continuing operations.............	3,313	4,038	4,267	4,004	6,249	3,905	3,945	3,987
(Loss) income from Discontinued operations, net of tax	(656)	31	(1,901)	134	(11)	607	623	404
Loss on wind-down of Discontinued operations.	(2,211)	-	-	-	-	-	-	-
Net income	$ 446	$ 4,069	$ 2,366	$ 4,138	$ 6,238	$ 4,512	$ 4,568	$ 4,391
Earnings per share:								
Basic:								
Income from continued operations before accounting change	$ .32	$ .39	$ .40	$ .47	0.55	0.34	0.35	0.35
Change in accounting principle, net...........	-	-	-	(0.11)	-	-	-	-
Income from continuing operations............	0.32	0.39	0.40	0.36	0.55	0.34	0.35	0.35
(Loss) income from discontinued operations, net of tax..............	(0.06)	-	(0.18)	0.01	-	0.06	0.05	0.03
Loss on wind-down of discontinued operations	(0.22)	-	-	-	-	-	-	-
Net income................	$ 0.04	$ 0.39	$ 0.22	$ 0.37	$ 0.55	$ 0.40	$ 0.40	$ 0.38

QUARTERLY FINANCIAL SUMMARY (Unaudited) (continued...)

	Three Months Ended							
	12/31/00	9/30/00	6/30/00	3/31/00	12/31/99	9/30/99	6/30/99	3/31/99
	(In Thousands, Except Per Share Data)							
Diluted:								

Income from continuing operations before accounting change	$ .32	$ .39	$ .40	$ .47	$ 0.55	$ 0.34	$ 0.35	$ 0.35
Change in accounting principles, net..........	-	-	-	(0.11)	-	-	-	-
Income from continuing operations.............	0.32	0.39	0.40	0.36	0.55	0.34	0.35	0.35
(Loss) Income from discontinued operations, net of taxes.............	(0.06)	-	(0.18)	0.01	-	0.06	0.05	0.03
Loss on wind-down of discontinued operations	(0.22)	-	-	-	-	-	-	-
Net income.................	$ 0.04	$ 0.39	$ 0.22	$ 0.37	$ 0.55	$ 0.40	$ 0.40	$ 0.38

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

Not applicable.

PART III

Items 10 through 13 are incorporated by the following references from the indicated pages of the Proxy Statement for the 2001 Annual Meeting of Stockholders:

	Page
ITEM 10. DIRECTORS AND EXECUTIVE OFFICERS OF THE REGISTRANT	4-8
ITEM 11. EXECUTIVE COMPENSATION	9-15
ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	2,6,7
ITEM 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS	16

PART IV

ITEM 14. EXHIBITS, FINANCIAL STATEMENT SCHEDULES AND REPORTS ON FORM 8-K

(a) The financial statements listed on the index set forth in Item 8 of this Annual Report on Form 10-K are filed as part of this Annual Report.

Financial statement schedules are not required under the related instructions of the Securities and Exchange Commission or are inapplicable and, therefore, have been omitted.

The following exhibits are incorporated by reference herein or annexed to this Annual Report:

Exhibit Number	Description of Document
3.1	Registrant's Certificate of Incorporation, as amended is incorporated herein by reference to Exhibit 3.1 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994.
3.2	Bylaws of WSFS Financial Corporation are incorporated herein by reference to Exhibit 3.2 of the Registrant's Registration Statement on Form S-1 (File No. 33-45762) filed with the Commission on February 24, 1992.
4.1	Certificate of Trust of WSFS Capital Trust I, incorporated herein by reference to Exhibit 4.2 to the Registration Statement on Form S-3, Registration Nos. 333-56015, 333-56015-01 and 333-56015-02 filed by WSFS Financial Corporation, WSFS Capital Trust I and WSFS Capital Trust II (the "Registration Statement").
4.2	Trust Agreement of WSFS Capital Trust I, incorporated herein by reference to Exhibit 4.4 to the Registration Statement.
4.3	Amended and Restated Trust Agreement of WSFS Capital I, incorporated herein by reference to Exhibit 4.1 to WSFS Financial Corporation's Current Report on Form 8-K/A, filed with the Securities and Exchange Commission on November 20, 1998 ("Form 8-K/A").
4.4	Form of Trust Preferred Security Certificate of WSFS Capital Trust I, incorporated herein by reference from Form 8-K/A.
4.5	Trust Preferred Securities Guarantee Agreement, incorporated herein by reference to the Form 8-K/A filed with the Securities and Exchange Commission on November 20, 1998.

4.6	Form of Junior Subordinated Indenture between WSFS Financial Corporation and Wilmington Trust Company, as trustee, incorporated herein by reference to Exhibit 4.1 to the Registration Statement.
4.7	Officers' Certificate and Company Order for Floating Rate Junior Subordinated Debentures due December 1, 2028, incorporated herein by reference to Exhibit 4.2 to the Form 8-K/A.
4.8	Form of Floating Rate Junior Subordinated Debenture, incorporated herein by reference to Exhibit 4.5 of the Form 8-K/A.
4.9	First Amendment to the Amended and Restated Trust Agreement of WSFS Capital Trust I.
10.1	Wilmington Savings Fund Society, Federal Savings Bank 1986 Stock Option Plan, as amended is incorporated herein by reference to Exhibit 4.1 of Registrant's Registration Statement on Form S-8 (File No. 33-56108) filed with the Commission on December 21, 1992.
10.2	WSFS Financial Corporation, 1994 Short Term Management Incentive Plan Summary Plan Description is incorporated herein by reference to Exhibit 10.7 of the Registrant's Annual Report on Form 10-K for the year ended December 31, 1994.
10.3	Wilmington Savings Fund Society, Federal Savings Bank 1997 Stock Option Plan is incorporated herein by reference to the Registrant's Registration Statement on Form S-8 (File No. 333-26099) filed with the Commission on April 29, 1997.

10.4	Attachment A	2000 Stock Option and Temporary Service Agreement among Wilmington Savings Fund Society, Federal Savings Bank, WSFS Financial Corporation and Marvin N. Schoenhals on February 24, 2000.
10.5	Attachment B	Severance Policy among Wilmington Savings Fund Society, Federal Savings Bank and certain Executive Vice Presidents dated March 13, 2001.
21	Attachment C	Subsidiaries of Registrant.
23	Attachment D	Consent of KPMG LLP.

Exhibits 10.1 through 10.5 represent management contracts or compensatory plan arrangements.

(b) No reports on Form 8K were filed during the fourth quarter 2000.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

WSFS FINANCIAL CORPORATION

Date: March 29, 2001 BY: /S/ MARVIN N. SCHOENHALS

Marvin N. Schoenhals
Chairman, President and Chief Executive Officer

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Date: March 29, 2001 BY: /S/ MARVIN N. SCHOENHALS

Marvin N. Schoenhals
Chairman, President and Chief Executive Officer

Date: March 29, 2001 BY: /S/ CHARLES G. CHELEDEN

Charles G. Cheleden
Vice Chairman and Director

Date: March 29, 2001 BY: /S/ JOHN F. DOWNEY

John F. Downey
Director

Date: March 29, 2001 BY: /S/ LINDA C. DRAKE

Linda C. Drake
Director

Date: March 29, 2001 BY: /S/ DAVID E. HOLLOWELL

David E. Hollowell
Director

Date: March 29, 2001 BY: /S/ JOSEPH R. JULIAN

Joseph R. Julian
Director

Date: March 29, 2001 BY: /S/ THOMAS P. PRESTON

Thomas P. Preston
Director

Date: March 29, 2001 BY: /S/ CLAIBOURNE D. SMITH

Claibourne D. Smith
Director

Date: March 29, 2001 BY: /S/ EUGENE W. WEAVER

Eugene W. Weaver
Director

Date: March 29, 2001 BY: /S/ R. TED WESCHLER

R. Ted Weschler
Director

Date: March 29, 2001 BY: /S/ DALE E. WOLF

Dale E. Wolf
Director

Date: March 29, 2001 BY: /S/ MARK A. TURNER

Mark A. Turner
Executive Vice President and
Chief Financial Officer

Date: March 29, 2001 BY: /S/ ROBERT F. MACK

Robert F. Mack
Managing Vice President and Controller

ATTACHMENT A

2000 STOCK AND TEMPORARY SEVERANCE AGREEMENT

WSFS FINANCIAL CORPORATION

2000 STOCK OPTION AND TEMPORARY SEVERANCE AGREEMENT

This 2000 Stock Option and Temporary Severance Agreement (the "2000 Agreement") is made and entered into by and among Wilmington Savings Fund Society, Federal Savings Bank (the "Bank"), WSFS Financial Corporation (the "Company") and Marvin N. Schoenhals (the "Associate") on this 24th day of February, 2000 (the "Effective Date")

WHEREAS, WSFS, the Company and the Associate entered into an Employment Agreement (the "Employment Agreement") dated May 1, 1993; and

WHEREAS, the Associate is employed as the president and chief executive officer of the Company and WSFS and the Boards of Directors of the Company and WSFS wish to retain the Associate in such capacity; and

WHEREAS, the Board of Directors of the Company, the Board of Directors of WSFS and the Associate have determined that it is in the best interests of the Company, WSFS and the Associate to terminate the Employment Agreement in exchange for a one-time stock option grant to the Associate, pursuant to the WSFS Financial Corporation 1997 Stock Option Plan, as amended (the "Plan"); and

WHEREAS, in order to partially protect the Associate during the vesting period of the stock option grant, the Associate, the Company and WSFS will enter into a transitional severance arrangement, for a term of two years beginning on the Effective Date and ending two years after the Effective Date, as described in this 2000 Stock Option and Temporary Severance Agreement (the "2000 Agreement"); and

WHEREAS, pursuant to Section 17 of the Employment Agreement, the Employment Agreement may be amended in writing by all involved parties and the parties desire to amend the Employment Agreement so that it is terminated and completely superseded by this 2000 Agreement; and

WHEREAS, the parties desire to set forth the terms of this 2000 Agreement.

NOW, THEREFORE, it is AGREED as follows:

1. Transitional Severance Arrangement.

(a) Involuntary Termination. In the event that the employment of the Associate is involuntarily terminated by the Company or WSFS, during the two-year period starting on the Effective Date of this 2000 Agreement and for a reason other than Just Cause, the Company and WSFS shall be jointly and severally responsible for making a lump-sum cash payment to the Associate, within ten days after such termination, determined according to the following formula:

$$\text{Payment} = 2 \times A \times .00137 \times (730 - D)$$

where A equals the Associate's highest annual salary within three years of his date of termination and D equals the number of days between the Effective Date and the date of the Associate's termination. For the purposes of this paragraph, "Just Cause" shall mean termination because of, in the good faith determination of the Company's or WSFS' Board, the Associate's personal dishonesty, incompetence, willful misconduct, breach of fiduciary duty involving personal profit, intentional failure to perform stated duties, continuing material failure to achieve stated employment objectives after reasonable notification

(which shall be stated in writing and given at least fifteen 15 days prior to termination) by the Board of WSFS or the Company of such failure, willful violation of any law, rule or regulation (other than traffic violations or similar offenses) or final cease-and-desist order, or material breach of any provision of this Agreement. Notwithstanding the foregoing, the Associate shall not be deemed to have been terminated for Just Cause unless there shall have been delivered to the Associate a copy of a resolution certified by the Secretary as having been duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board of WSFS or the Company at a meeting of the Board called and held for the purpose (after reasonable notice to the Associate and an opportunity for the Associate to be heard before the Board), finding that in the good faith opinion of the Board the Associate was guilty of conduct described above and specifying the particulars thereof.

(b) Constructive Termination. The Associate may, within two years after the Effective Date and within 90 days following an event constituting Good Reason, voluntarily terminate employment and be entitled to the lump sum payment described in Section 1(a) hereof. For this purpose, "Good Reason" shall mean the occurrence of any of the following events, which have not been consented to in advance by the Associate in writing: (i) the requirement that the Associate move his personal residence, or perform his principal executive functions, more than thirty-five (35) miles from his primary office as of the Effective Date; (ii) a significant reduction in the Associate's compensation and benefits, taken as a whole; (iii) the assignment to the Associate of duties and responsibilities substantially inconsistent with those normally associated with his position; (iv) a failure of the Associate to be elected or reelected to the Board of Directors of WSFS or the Company; or (v) a material reduction in the Associate's responsibilities or authority (including reporting responsibilities) in connection with his employment with WSFS or the Company.

(c) Reimbursement of Golden Parachute Excise Taxes. In the event that accelerated vesting of stock options granted pursuant to this 2000 Agreement, taken together with any other payments or benefits received by the Associate (including, but not limited to, the value of accelerated vesting of stock options other than those granted pursuant to this 2000 Agreement), results in the Associate incurring liabilities for federal golden parachute excise taxes under section 4999 of the Internal Revenue Code, the Company and WSFS shall be jointly and severally liable for making a lump-sum cash payment to the Associate in an amount equal to such excise tax liability, upon the Associate's determination of the liability and WSFS' and the Company's agreement therewith, which shall not be unreasonably withheld.

(d) Limitations on Payment. The following sub-paragraphs have been included in this Agreement in order to comply with requirements of the Office of Thrift Supervision ("OTS") at 12 C.F.R. ss.563.39(b) in effect as of the date hereof or at the specific direction of OTS staff.

(i) If the Associate is removed and/or permanently prohibited from participating in the conduct of WSFS' affairs by an order issued under Sections 8(e)(4) or 8(g)(1) of the Federal Deposit Insurance Act ("FDIA") (12 U.S.C. ss.ss. 1818(e)(4) and (g)(1)), all obligations of WSFS to make cash payments under Section 1 of this 2000 Agreement shall terminate, as of the effective date of the order, but vested rights of the parties and the stock options granted pursuant to this 2000 Agreement shall not be affected.

(ii) If WSFS is in default (as defined in Section 3(x)(1) of FDIA), all obligations of WSFS to make cash payments under Section 1 of this 2000 Agreement shall terminate as of the date of default; however, this paragraph shall not affect the vested rights of the parties or the stock options granted pursuant to this 2000 Agreement.

(iii) All obligations of WSFS to make cash payments under Section 1 of this 2000 Agreement shall terminate, except to the extent that continuation of Section 1 of this Agreement is necessary for the continued operation of WSFS: (i) by the Director of the Office of Thrift Supervision ("Director of OTS"), or his or her designee, at the time that the Federal Deposit Insurance Corporation ("FDIC") enters into an agreement to provide assistance to or on behalf of WSFS under the authority contained in Section 13(c) of FDIA; or (ii) by the Director of the OTS, or his or her designee, at the time that the Director of the OTS, or his or her designee approves a supervisory merger to resolve problems related to operation of WSFS or when WSFS is determined by the Director of the OTS to be in an unsafe or unsound condition. Such action shall not affect any vested rights of the parties or the stock options granted pursuant to this 2000 Agreement.

(iv) If a notice served under Sections 8(e)(3) or (g)(1) of the FDIA (12 U.S.C.ss.ss.1818(e)(3) and (g)(1)) suspends and/or temporarily prohibits the Associate from participating in the conduct of WSFS' affairs, WSFS' obligations to make cash payments under Section 1 of this 2000 Agreement shall be suspended as of the date of such service, unless stayed by appropriate proceedings. If the charges in the notice are dismissed, WSFS may, in its discretion, (i) pay the Associate all or part of the compensation withheld while its contract obligations were suspended, and (ii) reinstate (in whole or in part) any of its obligations which were suspended.

(v) Any cash payments made to the Associate pursuant to this Agreement or otherwise, are subject to and conditioned upon their compliance with Section 18(k) of the FDIA (12 U.S.C. ss. 1828 (k), relating to "golden parachute" and indemnification payments and certain other benefits) and any regulations promulgated thereunder.

(vi) Notwithstanding anything herein to the contrary, total compensation paid out upon the termination of the Associate, including any payments of salary for the remaining term of the Agreement and any severance payments, may not exceed three times the average annual compensation paid to the Associate for the five calendar years ending on the December 31 which immediately preceded such termination. Compensation for purposes of this sub-paragraph 9(e)(6), only, shall include, without limitation, the provision or payment of base salary, commissions, bonuses, pension and profit sharing plans, severance payments, retirement benefits, director and committee fees, fringe benefits, and any expense items paid by WSFS or the Company without accountability of business purposes or that do not meet the IRS requirements for deduction by WSFS or the Company, but does not include the value of the grant or exercise of awards under the 1997 Stock Option Plan or any successor plan.

2. Stock Option Grant. A stock option for a total of 110,000 shares of Common Stock, par value $.01 per share, of the Company, is hereby granted to the Associate at the price set forth herein, and in all respects subject to the terms, definitions and provisions of the Plan which was adopted by the Company and which is incorporated by reference herein except as otherwise set forth in this 2000 Agreement, receipt of which is hereby acknowledged.

1. Tax Status of the Option. This Option shall be an incentive stock option ("ISO"), within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended (the "Code"), to the maximum extent permitted by law, and shall otherwise be a non-incentive stock option ("Non-ISO").

4. Option Price. The option price is $14.875 for each share, being in excess of 100% of the fair market value, as determined by the Company's Board of Directors, of the Common Stock on the date of grant of this Option.

5. Exercise of Option. This Option shall be exercisable in accordance with the provisions of the Plan. Notwithstanding the foregoing, this option shall remain exercisable after the Associate's termination of employment for a reason other than death, Disability, or Just Cause, for the longer of: (i) 30 days, or (ii) the period ending immediately after the twelfth business day following the Company's next release of quarterly or annual financial information occurring after the Associate's termination of employment.

(a) Schedule of rights to exercise. The Option will become exercisable according to the following schedule:

Years of Continuous Employment After Date of Grant of Option	Percentage of Total Shares Subject to Option Which May Be Exercised
Upon Grant	0%
1 year but less than 2 years	20%
2 years but less than 3 years	40%
3 years but less than 4 years	60%
4 years but less than 5 years	80%
5 years or more	100%

(b) Method of Exercise. This Option shall be exercisable by a written notice by the Associate which shall:

(i) state the election to exercise the Option, the number of shares with respect to which it is being exercised, the person in whose name the stock certificate or certificates for such shares of Common Stock is to be registered, his address and Social Security Number (or if more than one, the names, addresses and Social Security Numbers of such persons);

(ii) contain such representations and agreements as to the holder's investment intent with respect to such shares of Common Stock as may be satisfactory to the Company's counsel;

(iii) be signed by the person or persons entitled to exercise the Option and, if the Option is being exercised by any person or persons other than the Associate, be accompanied by proof, satisfactory to counsel for the Company, of the right of such person or persons to exercise the Option; and

(iv) be in writing and delivered in person or by certified mail to the Treasurer of the Company.

Payment of the purchase price of any shares with respect to which the Option is being exercised shall be by cash, Common Stock owned for more than six months or such combination of cash and Common Stock owned for more than six months as the Associate elects. The certificate or certificates for shares of Common Stock owned for more than six months as to which the Option shall be exercised shall be registered in the name of the person or persons exercising the Option.

(c) Restrictions on Exercise. This Option may not be exercised if the issuance of the shares upon such exercise would constitute a violation of any applicable federal or state securities or other law or valid regulation. As a condition to the Associate's exercise of this Option, the Company may require the person exercising this Option to make any representation and warranty to the Company as may be required by any applicable law or regulation.

6. Withholding. The Associate hereby agrees that the exercise of the Option or any installment thereof will not be effective, and no shares will become transferable to the Associate, until the Associate makes appropriate arrangements with the Company for such tax withholding as may be required of the Company under federal, state, or local law on account of such exercise.

7. Limited Transferability of Options. The Associate may transfer Non-ISOs to his spouse, lineal ascendants, lineal descendants or to a duly established trust for their benefit or the benefit of the Associate, provided that such transferee shall be permitted to exercise Non-ISOs subject to all the same terms and conditions applicable to the Associate. Otherwise, this Option is not transferable other than by will and the laws of descent or distribution.

8. Term of Option. This Option may not be exercisable for more than ten* years from the date of grant of this Option, as stated below, and may be exercised during such term only in accordance with the Plan and the terms of this Option.

9. Amendments. No amendments or additions to this 2000 Agreement shall be binding unless made in writing and signed by all of the parties, except as herein otherwise specifically provided.

10. Applicable Law. Except to the extent preempted by federal law, the laws of the State of Delaware shall govern this 2000 Agreement in all respects, whether as to its validity, construction, capacity, performance or otherwise.

11. Severability. The provisions of this 2000 Agreement shall be deemed severable and the invalidity or unenforceability of any provision shall not affect the validity or enforceability of the other provisions hereof.

12. Headings. Headings contained herein are for convenience of reference only.

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*Five years in the case of an Associate who owns shares representing more than 10% of the outstanding common stock of the Company on the date of grant of this

Option.

13. Entire Agreement. This agreement shall supersede the Employment Agreement in its entirety and any other arrangement relating to cash severance compensation between the Associate, the Company or WSFS.

WSFS FINANCIAL CORPORATION

By /s/ DALE E. WOLF

Dale E. Wolf, Vice Chairman

Attest (Seal)

WILMINGTON SAVINGS FUND SOCIETY,
FEDERAL SAVINGS BANK

By /s/ DALE E. WOLF

Dale E. Wolf, Vice Chairman

Attest (Seal)

ASSOCIATE

/s/ MARVIN N. SCHOENHALS

Marvin N. Schoenhals

ATTACHMENT B

SEVERANCE POLICY

Organizational Functional Area:	Human Resources
Policy For:	Severance Policy, WSFS Executive Vice President(1)
Board Approved:	March 2001
Last Revision Date:	N/A
Department/Individual Responsible for Maintaining/Updating Policy:	Executive Vice President, Human Resources Director

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I. Release Without Cause(2)	In the event an Executive Vice President ("EVP") is released without cause, a minimum of six months severance and professional level outplacement will be offered. If the Associate has not found new full time employment on or before six months after termination, severance pay and outplacement would continue for another six months or until the Associate found employment, whichever occurred first. In the event the Associate found a job, but at a lower rate of pay than previously received at WSFS, then WSFS would make up the difference until the second six month period ended. Medical and dental benefits will be offered at the Associate rate through the severance period.
II. Change of Control	If EVP is released (without cause as defined in Attachment B) within one year after a of change of control or if offered a position that is not within 35 miles of current worksite and at current WSFS salary and bonus opportunity: EVP would receive 24 months base salary severance offset by the value arising from the acceleration of stock option vesting(3). Note that the value of previously vested options would not offset the 24 month minimum. However, value from the accelerated vesting would account for no more than 12 months of the 24 month minimum commitment. To clarify, irrespective of the value of the accelerated vesting, EVP would get 12 months severance pay plus the value of the accelerated vesting even if the value of this accelerated vesting exceeded 12 months of base pay. Associate would be eligible for medical and dental benefits at the Associate rate for the 24 month period. However, any excess flex may not spill to the 401(k) nor may contribution to the 401(k) occur during the severance period consistent with the 401(k) Summary Plan Description.

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(1) Specifically excluding Presidents or the equivalent of WSFS subsidiaries

(e.g. Cash Connect, Wilmington National Finance, Inc.)
(2) Definition of "cause" is contained in Attachment A.
(3) Under the terms of the WSFS Stock Option Plan, all unvested stock options become vested upon a change in control.

	Twelve months of Executive level outplacement will be offered.
	If EVP is offered same salary and bonus opportunity and position is within 35 miles of WSFS work location, but EVP decides to leave:
	Accelerated vesting of stock options and severance pay will equal at least 12 months base pay. If the value of the accelerated vesting is less than 12 months of base pay, then severance pay will be added to the value of the accelerated options to equal 12 months of base pay. If the value of accelerated vesting is greater than or equal to 12 months of base pay, then no additional severance would be paid. Six months of professional level outplacement will be offered with medical and dental benefits at Associate rate for 12 months in each case.
Receipt of Benefits	To receive any of the severance benefits outlined in this policy, with the exception of accelerated vesting of options, the executive must execute a release form acceptable to WSFS.
	The severance pay will be paid consistent with WSFS regular pay schedule.

Attachment A
Severance Policy; WSFS Executive Vice President
March 2001

(a) Cause. The Company may terminate Executive's employment during the Employment Period with or without Cause. For purposes of Section I of this Policy, "Cause" shall mean:

(i) the willful and continued failure of Executive to perform substantially Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Executive by the President or the Board of Directors of the Company which specifically identifies the manner in which such Chief Executive Officer or the Board believes that Executive has not substantially performed Executive's duties, or

(ii) the willful engaging by Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. The cessation of employment of Executive shall not be deemed to be for Cause [under paragraph (i) or (ii) above] unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose, finding that, in the good faith opinion of the Board, Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail, or

(iii) the consistent failure of Executive to meet reasonable performance expectations (other than any such failure resulting from incapacity due to physical or mental illness); provided, however, that termination of Executive's employment under this subparagraph (iii) shall not be effective unless at least 90 days prior to such termination Executive shall have received written notice from the Chief Executive Officer or the Board which specifically identifies the manner in which the Board or the Chief Executive Officer believes that Executive has consistently failed to meet reasonable performance expectations and Executive shall have failed after receipt of such notice to resume the diligent performance of his duties to the reasonable satisfaction of the Chief Executive Officer or the Board.

Attachment B
Severance Policy; WSFS Executive Vice President
March 2001

(a) Cause. The Company may terminate Executive's employment during the Employment Period with or without Cause. For purposes of Section I of this Policy, "Cause" shall mean:

(i) the willful and continued failure of Executive to perform substantially Executive's duties with the Company or one of its affiliates (other than any such failure resulting from incapacity due to physical or mental illness) after a written demand for substantial performance is delivered to Executive by the President or the Board of Directors of the Company which specifically identifies the manner in which such Chief Executive Officer or the Board believes that Executive has not substantially performed Executive's duties, or

(ii) the willful engaging by Executive in illegal conduct or gross misconduct which is materially and demonstrably injurious to the Company.

For purposes of this provision, no act or failure to act, on the part of Executive, shall be considered "willful" unless it is done, or omitted to be done, by Executive in bad faith or without reasonable belief that Executive's action or omission was in the best interests of the Company. The cessation of employment of Executive shall not be deemed to be for Cause [under paragraph (i) or (ii) above] unless and until there shall have been delivered to Executive a copy of a resolution duly adopted by the affirmative vote of not less than a majority of the entire membership of the Board at a meeting of the Board called and held for such purpose, finding that, in the good faith opinion of the Board, Executive is guilty of the conduct described in subparagraph (i) or (ii) above, and specifying the particulars thereof in detail.

ATTACHMENT C

SUBSIDIARIES OF THE REGISTRANT

Exhibit 21

Subsidiaries of the Registrant

Parent Company	Subsidiary	Percent Owned	State or Other Jurisdiction of Incorporation
WSFS Financial Corporation	Wilmington Savings Fund Society, Federal Savings Bank	100%	United States
	WSFS Capital Trust I	100%	Delaware
Wilmington Savings Fund Society, Federal Savings Bank	Star States Development Company	100%	Delaware
	838 Investment Group, Inc.	100%	Delaware
	WSFS Credit Corporation	100%	Delaware
	CustomerOne Financial Network, Inc.	29%	Delaware
	Wilmington National Finance, Inc.*	51%	Delaware

*Formerly Community Credit Corporation.

ATTACHMENT D

CONSENT OF KPMG LLP.

Consent of Independent Auditors

The Board of Directors
WSFS Financial Corporation:

We consent to incorporation by reference in the Registration Statements (No. 33-56108, No. 333-26099, 333-33713 and No. 333-40032) on Form S-8 of WSFS Financial Corporation of our report dated January 23, 2001, except as to Note 21 which is as of March 16, 2001, relating to the consolidated statement of condition of WSFS Financial Corporation and subsidiaries as of December 31, 2000, and 1999, and the related consolidated statements of operations, changes in stockholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2000, which report appears in the December 31, 2000 annual report on Form 10-K of WSFS Financial Corporation.

/s/ KPMG LLP

Philadelphia, Pennsylvania
March 28, 2001