

## PRESS RELEASE

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### WSFS ANNOUNCES 4Q '05 EPS OF \$1.09

WSFS Financial Corporation (NASDAQ/NMS: WSFS), the parent company of Wilmington Savings Fund Society, FSB, reported quarterly net income of \$7.5 million, or \$1.09 per diluted share. This compares to net income of \$6.9 million, or \$0.92 per share for the fourth quarter of 2004, or income from continuing operations (excluding income related to a discontinued business unit) of \$6.8 million, or \$0.90 per share, during that quarter. Earnings per share from continuing operations for the fourth quarter of 2005 improved \$0.19, or 21% over the same quarter last year. Income from continuing operations for the full year of 2005 was \$28.3 million, or \$3.95 per share, an improvement of \$0.56, or 17% over 2004.

Highlights for the fourth quarter of 2005 include: (i) an increase in total retail deposits of \$43.5 million, or 4%, over balances at September 30, 2005; (ii) growth in net loans of \$76.2 million, or 4%, over balances at September 30, 2005; and (iii) continued strong asset quality with the ratio of nonperforming assets (NPA) to total assets of 12 basis points at December 31, 2005.

Marvin N. Schoenhals, Chairman and President of WSFS, said, "We are very proud of our fourth quarter and full-year results because they reflect the continued success of our strategic focus on growing and strengthening our banking franchise. We recently completed the renovation of one of our branch offices, and look forward to opening and renovating several banking offices during 2006." Mr. Schoenhals went on to say, "the benefits from our increased focus on our core banking franchise is apparent in our 16% increase in core deposits and 16% year-over-year loan growth."

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The following is a brief discussion of the fourth quarter 2005 results.

### **Net Interest Income**

Net interest income for the fourth quarter of 2005 was \$19.2 million. This compares to \$18.3 million reported for the same quarter in 2004 and \$19.2 million reported for the third quarter of 2005. The net interest margin percentage of 3.16% for the fourth quarter of 2005 declined from 3.22% for the third quarter of 2005. During the fourth quarter of 2005, the net interest margin was negatively affected by increased funding costs as well as a one-time \$420,000 (pre-tax) charge related to a correction of interest rates on a certain class of savings accounts. Additionally, WSFS recorded income on reverse mortgages of \$477,000, which was \$286,000 more than the third quarter 2005.

Overall portfolio yields on loans have continued to trend upward due to higher prevailing rates combined with the Company's continued focus on growth of variable rate loans. Additionally, the gross yield on the Company's mortgage-backed securities (MBS) portfolio was 4.63% in the fourth quarter of 2005 versus 4.47% in the third quarter of 2005. The weighted average duration of the MBS portfolio was 3.1 years at December 31, 2005 compared to 3.0 years at September 30, 2005.

### **Loans and Asset Quality**

Net loans grew \$76.2 million, or 4%, during the fourth quarter of 2005 to \$1.8 billion at December 31, 2005. Net loans grew \$242.6 million, or 16%, compared to balances at December 31, 2004. The following table summarizes the current loan balances and composition as well as recent changes in balances and composition.

(More)

(Dollars in thousands)	At <u>Dec. 31, 2005</u>		At <u>Sep. 30, 2005</u>		At <u>Dec. 31, 2004</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Commercial and CRE	\$1,094,913	61%	\$1,053,168	62%	\$ 902,880	59%
Residential	459,680	26	439,975	26	441,839	29
Consumer	245,646	14	230,424	13	211,741	14
Allowance for loan losses	<u>(25,381)</u>	<u>(1)</u>	<u>(24,933)</u>	<u>(1)</u>	<u>(24,222)</u>	<u>(2)</u>
Net Loans	<u>\$1,774,858</u>	<u>100%</u>	<u>\$1,698,634</u>	<u>100%</u>	<u>\$1,532,238</u>	<u>100%</u>

The Company's provision for loan losses was \$1.0 million in the fourth quarter of 2005, compared to \$847,000 in the same period last year. This increased provision is the result of growth in the Company's loan portfolio. The ratio of loan loss reserves to total loans was 1.41%, compared to 1.45% at September 30, 2005.

Asset quality statistics continued at historically strong levels. NPA totaled \$3.5 million as of December 31, 2005, down from \$4.4 million as of September 30, 2005 and \$4.6 million as of December 31, 2004. NPA as a percentage of assets improved to 0.12% as of December 31, 2005 versus 0.16% as of September 30, 2005 and 0.18% as of December 31, 2004. Annualized net charge-offs in the fourth quarter of 2005 were 0.13% of average loans compared to 0.05% for the third quarter of 2005 and 0.18% for the fourth quarter of 2004.

## Deposits

Total retail deposits (core deposits and retail time deposits) increased \$43.5 million, or 4%, during the fourth quarter to \$1.2 billion at December 31, 2005 and increased \$141.7 million, or 13% over December 31, 2004. Core deposit relationships (demand deposits, money market and savings accounts) increased \$22.5 million, or 3% during the quarter and increased \$122.6 million, or 16% over the same period last year. The following table summarizes the current retail deposit balances and composition as well as recent changes in balances and composition.

(Dollars in thousands)	At <u>Dec. 31, 2005</u>		At <u>Sep. 30, 2005</u>		At <u>Dec. 31, 2004</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Non-interest demand	\$ 279,415	23%	\$ 266,598	23%	\$ 246,592	23%
Interest bearing demand	141,378	12	122,870	11	100,098	9
Savings	251,675	21	257,082	22	289,041	28
Money market	<u>209,398</u>	<u>18</u>	<u>212,794</u>	<u>19</u>	<u>123,523</u>	<u>12</u>
Total core deposits	881,866	74	859,344	75	759,254	72
Retail time	<u>312,065</u>	<u>26</u>	<u>291,053</u>	<u>25</u>	<u>292,928</u>	<u>28</u>
Total retail deposits	<u>\$1,193,931</u>	<u>100%</u>	<u>\$1,150,397</u>	<u>100%</u>	<u>\$1,052,182</u>	<u>100%</u>

### Noninterest Income

During the fourth quarter of 2005, the Company recorded noninterest income of \$9.5 million, which was \$1.5 million, or 19% greater than the fourth quarter of 2004 and \$915,000, or 11% greater than the third quarter of 2005. The increase over the fourth quarter of 2004 was primarily due to increases of \$1.1 million in card and ATM income during the quarter, the result of growth in ATM usage volumes, combined with increased prime-based bailment fees. In addition, deposit service charges increased \$377,000 over the fourth quarter 2004. The increase over the third quarter 2005 was mainly attributable to the sale of lower yielding agency investments in the third quarter, which resulted in \$609,000 in losses during that period. Consistent with the year-over-year trend, card and ATM income increased \$367,000 and deposit service charges increased \$74,000 in comparison to the third quarter of 2005.

### Noninterest Expenses

Noninterest expenses for the fourth quarter of 2005 totaled \$16.2 million, which was \$1.0 million, or 7% more than the same quarter last year. Noninterest expense for the fourth quarter of 2005 was similar to the level of expense reported in the third quarter of 2005. The increase over the fourth quarter of 2004 was primarily due to increases in salaries, benefits and other compensation and other operating expenses. These increases were mainly the result of the Company's continued growth efforts.

## Capital Management

The Company did not repurchase any WSFS common stock during the fourth quarter of 2005. For the year, the Company repurchased 719,500 of its shares at an average price of \$55.94 per share. At December 31, 2005, the Company had 650,000 shares remaining under its current share repurchase authorization, or approximately 10% of its 6.6 million outstanding shares.

The ratio of tangible equity to assets was 6.33% at December 31, 2005. The Tier 1 capital ratio was 12.31%, which is more than double the 6.00% level required to be considered “well-capitalized” under regulatory definitions. Tangible book value per share was \$27.32 at December 31, 2005.

WSFS Financial Corporation is a \$2.8 billion financial services company. At December 31, 2005, its principal subsidiary, Wilmington Savings Fund Society, FSB, operated 24 retail banking offices in all three counties in Delaware, as well as Chester and Delaware Counties in Pennsylvania. Other continuing operating subsidiaries include: WSFS Investment Group, Inc., Montchanin Capital Management, Inc. and WSFS Reit, Inc. For more information, please visit the Bank’s website at [www.wsfsbank.com](http://www.wsfsbank.com).

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*Statements contained in this news release which are not historical facts, are forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties which could cause actual results to differ materially from those currently anticipated due to a number of factors, which include, but are not limited to, factors discussed in documents filed by WSFS Financial Corporation with the Securities and Exchange Commission from time to time. The Corporation does not undertake to update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Corporation.*

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**WSFS FINANCIAL CORPORATION**  
**FINANCIAL HIGHLIGHTS**  
**STATEMENT OF OPERATIONS**

(Dollars in thousands, except per share data)

(Unaudited)

	Three months ended			Twelve months ended	
	December 31, 2005	September 30, 2005	December 31, 2004	December 31, 2005	December 31, 2004
<b>Interest income:</b>					
Interest and fees on loans	\$ 29,616	\$ 27,419	\$ 21,897	\$ 105,639	\$ 78,101
Interest on mortgage-backed securities	6,924	6,445	5,442	25,687	20,326
Interest and dividends on investment securities	943	921	1,508	3,258	4,946
Other interest income	352	351	218	1,438	737
	<u>37,835</u>	<u>35,136</u>	<u>29,065</u>	<u>136,022</u>	<u>104,110</u>
<b>Interest expense:</b>					
Interest on deposits	7,267	5,674	3,450	21,690	9,395
Interest on Federal Home Loan Bank advances	9,254	7,955	5,978	30,659	23,430
Interest on federal funds purchased and securities sold under agreements to repurchase	861	1,125	690	4,089	2,064
Interest on trust preferred borrowings	1,044	954	634	4,677	2,184
Interest on other borrowings	258	213	57	650	173
	<u>18,684</u>	<u>15,921</u>	<u>10,809</u>	<u>61,765</u>	<u>37,246</u>
Net interest income	19,151	19,215	18,256	74,257	66,864
Provision for loan losses	1,006	225	847	2,582	3,217
Net interest income after provision for loan losses	<u>18,145</u>	<u>18,990</u>	<u>17,409</u>	<u>71,675</u>	<u>63,647</u>
<b>Noninterest income:</b>					
Credit/debit card and ATM income	4,274	3,907	3,220	15,049	12,137
Deposit service charges	2,750	2,676	2,373	10,091	9,389
Investment advisory income	641	651	591	2,519	2,262
Bank owned life insurance income	481	499	527	2,003	2,190
Loan fee income	488	516	506	1,999	2,182
Mortgage banking activities, net	104	106	(5)	391	439
Securities gains (losses)	4	(609)	40	(605)	249
Other income	757	838	760	3,206	3,102
	<u>9,499</u>	<u>8,584</u>	<u>8,012</u>	<u>34,653</u>	<u>31,950</u>
<b>Noninterest expenses:</b>					
Salaries, benefits and other compensation	8,795	9,061	8,019	35,172	30,723
Occupancy expense	1,339	1,290	1,244	5,168	4,666
Equipment expense	992	950	937	3,879	3,696
Data processing and operations expense	795	761	832	3,465	3,246
Marketing expense	703	689	803	2,745	2,329
Professional fees	755	610	1,058	2,416	2,496
Other operating expenses	2,775	2,789	2,212	10,032	8,543
	<u>16,154</u>	<u>16,150</u>	<u>15,105</u>	<u>62,877</u>	<u>55,699</u>
Income from continuing operations before minority interest and taxes	11,490	11,424	10,316	43,451	39,898
Less minority interest	11	48	32	133	190
Income from continuing operations before taxes	11,479	11,376	10,284	43,318	39,708
Income tax provision	3,986	3,969	3,528	15,062	13,951
Income from continuing operations	7,493	7,407	6,756	28,256	25,757
Income on wind-down of discontinued operations, net of taxes	-	-	143	-	143
<b>Net income</b>	<u>\$ 7,493</u>	<u>\$ 7,407</u>	<u>\$ 6,899</u>	<u>\$ 28,256</u>	<u>\$ 25,900</u>
<b>Diluted earnings per share:</b>					
Income from continuing operations	\$ 1.09	\$ 1.06	\$ 0.90	\$ 3.95	\$ 3.39
Income on wind-down of discontinued operations, net of taxes	-	-	0.02	-	0.02
<b>Net income</b>	<u>\$ 1.09</u>	<u>\$ 1.06</u>	<u>\$ 0.92</u>	<u>\$ 3.95</u>	<u>\$ 3.41</u>
Weighted average shares outstanding for diluted EPS	6,862,248	7,005,994	7,502,939	7,152,227	7,592,536
<b>Performance Ratios:</b>					
Return on average assets (a)	1.09 %	1.10 %	1.10 %	1.06 %	1.10 %
Return on average equity (a)	16.87	16.15	13.99	14.99	13.54
Net interest margin (a)(b)	3.16	3.22	3.38	3.16	3.24
Efficiency ratio (c)	55.83	57.51	56.89	57.14	55.73

See "Notes"

**WSFS FINANCIAL CORPORATION**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**SUMMARY STATEMENT OF CONDITION:**  
(Dollars in thousands)  
(Unaudited)

	<u>December 31,</u> <u>2005</u>	<u>September 30,</u> <u>2005</u>	<u>December 31,</u> <u>2004</u>
<b>Summary Statement of Condition:</b>			
<i>Assets:</i>			
Cash and due from banks	\$ 59,251	\$ 61,012	\$ 61,328
Cash in non-owned ATMs	174,527	143,289	131,150
Investment securities (d)(e)	57,489	57,699	97,376
Other investments	46,466	45,934	44,477
Mortgage-backed securities (d)	620,323	593,496	524,144
Net loans (f)(g)	1,774,858	1,698,634	1,532,238
Loans held for sale (f)	436	2,199	3,229
Bank owned life insurance	54,193	53,713	52,190
Other assets	59,175	55,300	55,736
Loans, operating leases and other assets of discontinued operations	34	5	1,088
Total assets	<u>\$ 2,846,752</u>	<u>\$ 2,711,281</u>	<u>\$ 2,502,956</u>
<i>Liabilities and Stockholders' Equity:</i>			
Noninterest-bearing deposits	\$ 279,415	\$ 266,598	\$ 246,592
Interest-bearing deposits	914,516	883,799	805,590
Total retail deposits	1,193,931	1,150,397	1,052,182
Jumbo CD's - non retail	40,567	44,433	44,903
Brokered CD's	211,738	207,340	137,877
Total deposits	1,446,236	1,402,170	1,234,962
Federal Home Loan Bank advances	1,008,721	917,882	837,063
Other borrowings	186,287	191,755	217,093
Other liabilities	23,327	25,903	17,296
Total liabilities	2,664,571	2,537,710	2,306,414
Minority interest	206	200	239
Stockholders' equity	181,975	173,371	196,303
Total liabilities, minority interest and stockholders' equity	<u>\$ 2,846,752</u>	<u>\$ 2,711,281</u>	<u>\$ 2,502,956</u>

**Capital Ratios:**

Equity to asset ratio	6.39 %	6.39 %	7.84 %
Tangible equity to asset ratio	6.33	6.33	7.80
Core capital (h) (required: 4.00%)	8.56	8.69	9.69
Tier 1 Capital (h) (required 4.00%)	12.31	12.46	14.41
Risk-based capital (h) (required: 8.00%)	13.38	13.64	15.34

**Asset Quality Indicators:**

<i>Nonperforming Assets:</i>			
Nonaccruing loans	\$ 3,410	\$ 4,271	\$ 4,396
Assets acquired through foreclosure	59	89	217
Total nonperforming assets	<u>\$ 3,469</u>	<u>\$ 4,360</u>	<u>\$ 4,613</u>
Past due loans (i)	\$ 386	\$ 207	\$ 807
Allowance for loan losses	\$ 25,381	\$ 24,933	\$ 24,222
Ratio of nonperforming assets to total assets	0.12 %	0.16 %	0.18 %
Ratio of allowance for loan losses to total gross loans (j)	1.41	1.45	1.56
Ratio of allowance for loan losses to nonaccruing loans (k)	709	556	524
Ratio of quarterly net charge-offs to average gross loans (a)(f)	0.13	0.05	0.18

**WSFS FINANCIAL CORPORATION**  
**FINANCIAL HIGHLIGHTS (Continued)**  
**AVERAGE BALANCE SHEET**  
 (Dollars in thousands)  
 (Unaudited)

	Three months ended								
	December 31, 2005			September 30, 2005			December 31, 2004		
	Average Balance	Interest	Yield/Rate (a)(b)	Average Balance	Interest	Yield/Rate (a)(b)	Average Balance	Interest	Yield/Rate (a)(b)
<b>Assets:</b>									
Interest-earning assets:									
Loans: (f) (l)									
Commercial real estate loans	\$ 580,554	\$ 10,951	7.55 %	\$ 589,703	\$ 10,450	7.09 %	\$ 508,948	\$ 7,716	6.06 %
Residential real estate loans	447,670	5,854	5.23	430,871	5,587	5.19	443,023	5,745	5.19
Commercial loans	485,242	8,632	7.19	451,532	7,554	6.79	370,370	4,971	5.55
Consumer loans	237,657	4,162	6.95	221,706	3,787	6.78	210,718	3,420	6.46
Total loans	1,751,123	29,599	6.83	1,693,812	27,378	6.53	1,533,059	21,852	5.78
Mortgage-backed securities (d)	598,171	6,924	4.63	576,779	6,445	4.47	515,276	5,442	4.22
Loans held-for-sale (f)	1,061	17	6.41	2,462	41	6.66	2,799	45	6.43
Investment securities (d)(e)	57,499	943	6.56	100,523	921	3.66	97,686	1,508	6.17
Other interest-earning assets	48,736	352	2.87	48,155	351	2.89	46,993	218	1.85
Total interest-earning assets	2,456,590	37,835	6.21	2,421,731	35,136	5.85	2,195,813	29,065	5.35
Allowance for loan losses	(25,190)			(25,215)			(24,403)		
Cash and due from banks	54,486			53,121			57,964		
Cash in non-owned ATMs	143,226			138,543			125,190		
Loans, operating leases and other assets of discontinued operations	203			367			1,422		
Bank owned life insurance	53,894			53,389			51,852		
Other noninterest-earning assets	59,046			54,235			50,663		
Total assets	\$ 2,742,255			\$ 2,696,171			\$ 2,458,501		
<b>Liabilities and Stockholders' Equity:</b>									
Interest-bearing liabilities:									
Interest bearing deposits:									
Interest-bearing demand	\$ 119,390	\$ 101	0.34	\$ 116,518	\$ 71	0.24	\$ 88,908	\$ 50	0.22
Money market	223,358	1,475	2.62	183,279	1,025	2.22	107,765	421	1.55
Savings	256,047	922	1.43	268,880	265	0.39	295,088	284	0.38
Retail time deposits	292,503	2,281	3.09	287,925	2,085	2.87	277,275	1,784	2.56
Total interest-bearing retail deposits	891,298	4,779	2.13	856,602	3,446	1.60	769,036	2,539	1.31
Jumbo certificates of deposit-nonretail	43,444	417	3.81	46,430	383	3.27	50,852	238	1.86
Brokered certificates of deposit	212,550	2,071	3.87	206,331	1,845	3.55	131,333	673	2.04
Total interest-bearing deposits	1,147,292	7,267	2.51	1,109,363	5,674	2.03	951,221	3,450	1.44
FHLB of Pittsburgh advances	946,375	9,257	3.83	894,331	7,958	3.48	849,734	5,989	2.76
Trust preferred borrowings	67,011	1,044	6.10	67,011	954	5.57	51,547	634	4.81
Other borrowed funds	124,810	1,119	3.59	166,268	1,338	3.22	167,681	747	1.78
Cost of funding discontinued operations		(3)			(3)			(11)	
Total interest-bearing liabilities	2,285,488	18,684	3.27	2,236,973	15,921	2.85	2,020,183	10,809	2.14
Noninterest-bearing demand deposits	254,542			254,807			227,369		
Other noninterest-bearing liabilities	24,372			20,691			17,477		
Minority interest	216			201			260		
Stockholders' equity	177,637			183,499			193,212		
Total liabilities and stockholders' equity	\$ 2,742,255			\$ 2,696,171			\$ 2,458,501		
Excess of interest-earning assets over interest-bearing liabilities	\$ 171,102			\$ 184,758			\$ 175,630		
Net interest and dividend income		\$ 19,151		\$ 19,215			\$ 18,256		
Interest rate spread			2.94%			3.00%			3.21%
Net interest margin			3.16%			3.22%			3.38%

See "Notes"



**WSFS FINANCIAL CORPORATION  
FINANCIAL HIGHLIGHTS (Continued)**

 (Dollars in thousands, except per share data)  
(Unaudited)

	Three months ended			Twelve months ended	
	December 31, 2005	September 30, 2005	December 31, 2004	December 31, 2005	December 31, 2004
<b>Stock Information:</b>					
Market price of common stock:					
High	\$ 64.65	\$ 59.26	\$ 62.26	\$ 64.65	\$ 62.26
Low	57.55	54.01	50.23	49.80	44.43
Close	61.25	58.89	60.00	61.25	60.00
Book value per share	27.59	26.80	27.70		
Tangible book value per share	27.32	26.53	27.55		
Number of shares outstanding (000s)	6,596	6,470	7,086		

**Other Financial Data:**

One-year repricing gap to total assets (m)	(0.57) %	(0.86) %	(0.81) %
Number of associates (FTEs) (n)	515	512	490
Number of branch offices	24	24	24

**Notes:**

- (a) Annualized.
- (b) Computed on a fully tax-equivalent basis.
- (c) Noninterest expense divided by (tax-equivalent) net interest income and other income.
- (d) Includes securities available-for-sale.
- (e) Includes reverse mortgages.
- (f) Net of unearned income.
- (g) Net of allowance for loan losses.
- (h) Represents capital ratios of Wilmington Savings Fund Society, FSB and subsidiaries.
- (i) Accruing loans which are contractually past due 90 days or more as to principal or interest.
- (j) Excludes loans held-for-sale.
- (k) Includes general reserves only.
- (l) Nonperforming loans are included in average balance computations.
- (m) The difference between projected amounts of interest-sensitive assets and interest-sensitive liabilities repricing within one year divided by total assets, based on a current interest rate scenario.
- (n) Includes the FTEs of WCC (discontinued operations) and Cypress Capital Management (controlled, but not wholly owned subsidiary).