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

FORM 10-Q

(Mark One)

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

For the quarterly period ended March 31, 1998

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

(Exact name of registrant as specified in its charter)

Delaware	22-2866913
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

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

(302) 792-6000

(Registrant's telephone number, including area code)

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 12 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 the number of shares outstanding of each of the issuer's classes of common stock, as of May 8, 1998:

Common Stock, par value $.01 per share	12,524,579
(Title of Class)	(Shares Outstanding)

WSFS FINANCIAL CORPORATION

FORM 10-Q

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PART I. Financial Information

PART II. Other Information

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF OPERATIONS

	Three Months Ended March 31, 1998	1997
	(Unaudited)	
Statement of Operations:		
Interest income:		
Interest and fees on loans..	$ 17,546	$ 17,512
Interest on mortgage-backed securities..	5,884	6,790
Interest and dividends on investment securities	1,066	538
Other interest income	2,566	1,853
	27,062	26,693
Interest expense:		
Interest on deposits	7,829	7,711
Interest on Federal Home Loan Bank advances	5,649	4,992
Interest on federal funds purchased and securities sold under agreements to repurchase..	2,935	2,936
Interest on senior notes	829	829
Interest on other borrowed funds..	78	82
	17,320	16,550
Net interest income	9,742	10,143
Provision for loan losses	577	309
Net interest income after provision for loan losses	9,165	9,834
Other income:		
Loan servicing fee income	894	770
Rental income on operating leases, net	2,880	1,767

Service charges on deposit accounts	1,185	1,101
Securities gains	39	2
Other income	999	557
	5,997	4,197
Other expenses:		
Salaries and other compensation	3,184	3,240
Employee benefits and other personnel expense	1,059	897
Equipment expense	428	312
Data processing and operations expenses	1,261	804
Occupancy expense	730	688
Marketing expense	272	278
Professional fees	415	362
Net costs of assets acquired through foreclosure	307	209
Other operating expense	1,518	1,344
	9,174	8,134
Income before taxes	5,988	5,897
Income tax provision	1,557	1,829
Net income	$ 4,431	$ 4,068
Earnings per share:		
Basic	$ .36	$ .32
Diluted	.35	.32
Other comprehensive income, net of tax:		
Net income	$ 4,431	$ 4,068
Net unrealized gains (losses) on securities available-for-sale	(183)	235
Comprehensive income	$ 4,248	$ 4,303

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

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CONDITION

	March 31, 1998	December 31, 1997
	(Unaudited)	
	(Dollars in thousands)	
Assets		
Cash and due from banks	$ 26,271	$ 27,467
Federal funds sold and securities purchased under agreements to resell	66,600	25,279
Interest-bearing deposits in other banks	20,901	28,992
Investment securities held-to-maturity	21,831	28,564
Investment securities available-for-sale	20,075	50,091
Mortgage-backed securities held-to-maturity	283,979	272,900
Mortgage-backed securities available-for-sale	104,282	57,374
Investment in reverse mortgages, net	32,281	32,109
Loans held-for-sale	4,103	2,183
Loans, net of allowance for loan losses of $25,013 at March 31, 1998 and $24,850 at December 31, 1997	726,760	762,280
Vehicles under operating leases, net	171,789	172,115
Stock in Federal Home Loan Bank of Pittsburgh, at cost	20,500	20,252
Assets acquired through foreclosure	3,876	3,826
Premises and equipment	9,516	9,001
Accrued interest and other assets	21,787	22,784
Total assets	$ 1,534,551	$1,515,217
Liabilities and Stockholders' Equity		
Liabilities:		
Deposits	$ 773,813	$ 766,966
Federal funds purchased and securities sold under agreements to repurchase	201,929	207,699
Federal Home Loan Bank advances	410,000	400,000
Senior notes	29,100	29,100
Other borrowed funds	7,445	7,879
Accrued expenses and other liabilities	21,172	16,814
Total liabilities	1,443,459	1,428,458
Commitments and contingencies		
Stockholders' Equity:		
Serial preferred stock $.01 par value, 7,500,000 shares authorized 10% Convertible Preferred Stock, Series 1, 2,000,000 shares authorized; issued and outstanding, none at March 31, 1998 and December 31, 1997		
Common stock $.01 par value, 20,000,000 shares authorized; Issued 14,622,588 at March 31, 1998 and December 31, 1997	146	146
Capital in excess of par	57,511	57,469
Net unrealized gains on securities available-for-sale, net of tax	196	379
Retained earnings	53,683	49,252
Treasury stock at cost, 2,158,109 shares at March 31, 1998 and 2,162,609 at December 31, 1997	(20,444)	(20,487)
Total stockholders' equity	91,092	86,759
Total liabilities and stockholders' equity	$ 1,534,551	$1,515,217

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

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENT OF CASH FLOWS

	Three Months Ended March 31, 1998	1997
	(in Thousands)	
Operating activities:		
Net income	$ 4,431	$ 4,068
Adjustments to reconcile net income to cash provided by operating activities:		
Provision for loan and lease losses	743	584
Depreciation, accretion and amortization	40	154
Increase in accrued interest receivable and other assets	1,017	2,053
Origination of loans held-for-sale	(12,304)	(3,708)
Proceeds from loans held-for-sale	10,557	3,275
Increase in accrued interest payable and other liabilities	4,308	6,192
Increase in reverse mortgage capitalized interest, net	(1,506)	(737)
Other, net	(261)	220
Net cash provided by operating activities	$ 7,025	$ 12,101
Investing activities:		
Net (increase) decrease in interest-bearing deposits in other banks	8,091	(5,475)
Maturities of investment securities	26,766	2,822
Sales of investment securities available for sale	20,059	
Purchases of investment securities held-to-maturity	(10,000)	
Purchases of investment securities available-for-sale		(29,956)
Repayments of mortgage-backed securities held-to-maturity	33,745	21,880
Repayments of mortgage-backed securities available-for-sale	7,078	1,629
Purchases of mortgage-backed securities held-to-maturity	(44,956)	(52,130)
Purchases of mortgage-backed securities available-for-sale	(54,285)	(17,593)
Repayments of reverse mortgages	3,944	3,999
Disbursements for reverse mortgages	(2,559)	(3,035)
Sale of loans	11,483	439
Purchase of loans	(2,059)	
Net decrease in loans	24,936	35,545
Net increase in operating leases	(1,828)	(65,238)
Net increase in stock of Federal Home Loan Bank of Pittsburgh	(248)	(2,131)
Sales of assets acquired through foreclosure, net	3,285	1,614
Premises and equipment, net	(921)	(365)
Net cash provided by (used for) for investing activities	22,531	(107,995)
Financing activities:		
Net increase in demand and savings deposits	11,165	8,048
Net increase (decrease) in certificates of deposit and time deposits	(4,827)	4,486
Receipts from FHLB borrowings	469,000	80,000
Repayments of FHLB borrowings	(459,000)	(37,387)
Receipts from reverse repurchase agreements	69,837	128,183
Repayments of reverse repurchase agreements	(75,606)	(69,304)
Issuance of common stock		6
Purchase treasury stock		(4,288)
Net cash provided by financing activities	10,569	109,744
Increase in cash and cash equivalents	40,125	13,850
Cash and cash equivalents at beginning of period	52,746	50,051
Cash and cash equivalents at end of period	$ 92,871	$ 63,901
Supplemental Disclosure of Cash Flow Information:		
Cash paid for interest during the year	$ 14,680	$ 12,386
Cash refunded for income taxes	(738)	(2,932)
Loans transferred to assets acquired through foreclosure	2,228	1,611
Net change in unrealized gains (losses) on securities available-for-sale, net of tax	(183)	235

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

WSFS FINANCIAL CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 1998
(UNAUDITED)

1. BASIS OF PRESENTATION

WSFS Financial Corporation (the Corporation) is the parent of Wilmington Savings Fund Society, FSB (the Bank or WSFS). The consolidated financial statements for the three months ended March 31, 1998 include the accounts of the parent company, the Bank and its wholly-owned subsidiaries, WSFS Credit Corporation, 838 Investment Group, Inc., Community Credit Corporation and Star States Development Company.

The consolidated statement of condition as of March 31, 1998, the consolidated statement of operations for the three months ended March 31, 1998 and 1997 and the consolidated statement of cash flows for the three months ended March 31, 1998 and 1997 are unaudited and include all adjustments solely of a normal recurring nature which management believes are necessary for a fair presentation. All significant intercompany transactions are eliminated in consolidation. Certain reclassifications have been made to prior period's financial statements to conform them to the March 31, 1998 presentation. The results of operations for the three month period ending March 31, 1998 are not necessarily indicative of the expected results for the full year ending December 31, 1998. The accompanying unaudited financial statements should be read in conjunction with the audited financial statements and notes thereto included in the Corporation's 1997 Annual Report.

2. EARNINGS PER SHARE

In February 1997, the Financial Accounting Standards Board issued Statement of Financial Accounting Standards (SFAS) No. 128, "Earnings per Share," which is required to be adopted in both interim and annual financial statements for periods ending after December 15, 1997. Accordingly, the Corporation has changed its methodology for computing earnings per share and restated all prior period amounts. SFAS No. 128 replaced "primary" and "fully" diluted earnings per share with "basic" and "diluted" earnings per share. Under the new requirements for calculating earnings per share, the dilutive effect of stock options will be excluded from basic earnings per share but included in the computation of diluted earnings per share.

The following table sets forth the computation of basic and diluted earnings per share (in thousands, except per share data):

	Three Months Ended March 31,	
	1998	1997
Numerator:		
Net income	$ 4,431	$ 4,068
Denominator:		
Denominator for basic earnings per share - weighted average shares	12,463	12,661
Effect of dilutive securities:		
Employee stock options	204	167
Denominator for diluted earnings per share - adjusted weighted average shares and assumed exercise of stock options	12,667	12,828
Basic earnings per share	$ .36	$ .32
Diluted earnings per share	$ .35	$ .32

WSFS FINANCIAL CORPORATION
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

GENERAL

WSFS Financial Corporation (the Corporation) is a savings and loan holding company headquartered in Wilmington, Delaware. Substantially, all of the

Corporation's assets are held by its subsidiary, Wilmington Savings Fund Society, FSB (the Bank or WSFS), the largest thrift institution headquartered in Delaware and among the four largest financial institutions in the state on the basis of total deposits acquired in-market. The Corporation's market area is the Mid-Atlantic region of the United States which is characterized by a diversified manufacturing and service economy. The banking operations of WSFS are presently conducted from 17 retail banking offices located in Northern Delaware and Southeastern Pennsylvania. The Bank provides residential real estate, commercial real estate, commercial and consumer lending services and funds these activities primarily by attracting retail deposits. Deposits are insured by the Federal Deposit Insurance Corporation.

Additional subsidiaries of the Bank include WSFS Credit Corporation (WCC), which is engaged primarily in indirect motor vehicle leasing and financing, and 838 Investment Group, Inc. which markets various insurance products and securities through the Bank's branch system; and Community Credit Corporation (CCC) specializes in consumer loans secured by first and second mortgages. An additional subsidiary, Star States Development Company (SSDC) is currently inactive with the exception of one remaining parcel of land which is expected to be sold in the second quarter of 1998.

FINANCIAL CONDITION, CAPITAL RESOURCES AND LIQUIDITY

Financial Condition

Total assets increased $19.3 million during the first three months of 1998. Asset growth included increases of $58.0 million in mortgage-backed securities and $41.3 million in federal funds sold and securities purchased under agreements to resell. The increase in mortgage-backed securities reflect the purchase of $69.0 million in collateralized mortgage obligations and $30.4 million in GNMA pass through securities, offset in part by principal repayments. Asset growth was partially offset by decreases of $36.7 million in investment securities and $35.5 million in net loans. The decline in investment securities included the sale of $20.0 million in U.S. Treasury notes, the maturity of $10.0 million in the notes issued by the Student Loan Marketing Association and the net reduction of $5.0 million in notes issued by the Federal Home Loan Bank. The decline in loans reflects a $21.3 million decrease in commercial mortgages and the sale of $10.5 million in residential mortgages.

Total liabilities increased $15.0 million between December 31, 1997 and March 31, 1998. During the first quarter, the Corporation added $10.0 million in FHLB advances. These borrowings were used to fund asset growth and replace $5.8 million in reverse repurchase agreements that matured during the quarter. In addition, deposits increased $6.8 million to $773.8 million at March 31, 1998. Interest credited to deposits totaled $3.5 million for a net deposit growth of $3.3 million.

Capital Resources

Stockholders' equity increased $4.3 million between December 31, 1997 and March 31, 1998. This increase reflects net income of $4.4 million for the quarter partially offset by $183,000 decrease in the net unrealized gains on securities available-for-sale. In addition, the Corporation reissued 4,500 shares of treasury stock to the Board of Directors as part of their annual retainer. At March 31, 1998, the Corporation held in its treasury 2,158,109 shares of its common stock at a cost of $20.4 million.

A table presenting the Bank's consolidated capital position relative to the minimum regulatory requirements as of March 31, 1998 (dollars in thousands):

	Consolidated Bank Capital		For Capital Adequacy Purposes		To be Well-capitalized Under Prompt Corrective Action Provisions	
	Amount	Percentage	Amount	Percentage	Assets	Percentage
Total Capital (to Risk-Weighted Assets).........	$115,128	11.77%	$78,260	8.00%	$97,825	10.00%

Core Capital (to Adjusted Tangible Assets)	109,410	7.15	61,243	4.00	76,554	5.00
Tangible Capital (to Tangible Assets)	108,904	7.12	22,959	1.50	N/A	N/A
Tier 1 Capital (to Risk-Weighted Assets)	109,410	11.18	N/A	N/A	58,695	6.00

Under Office of Thrift Supervision (OTS) capital regulations, savings institutions such as the Bank must maintain "tangible" capital equal to 1.5% of adjusted total assets, "core" capital equal to 4.0% of adjusted total assets and "total" or "risk-based" capital (a combination of core and "supplementary" capital) equal to 8.0% 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. At March 31, 1998 the Bank is classified as a "well capitalized" institution and is in compliance with all regulatory capital requirements. Management anticipates that the Bank will continue to be classified as well-capitalized.

Liquidity

The OTS requires institutions, such as the Bank, to maintain a 4.0% minimum liquidity ratio of cash and qualified assets to net withdrawable deposits and borrowings due within one year. At March 31, 1998, the Bank's liquidity ratio was 8.9% compared to 10.2% at December 31, 1997. Additionally, the Corporation is required to maintain a reserve of 100% of the aggregate interest expense for 12 full calendar months on the $29.1 million of senior notes. The interest reserve requirement on the senior notes at March 31, 1998 was approximately $3.2 million.

NONPERFORMING ASSETS

The following table sets forth the Corporation's nonperforming assets, restructured loans and past due loans at the dates indicated. Past due loans are loans contractually past due 90 days or more as to principal or interest payments but which remain on accrual status because they are considered well secured and in the process of collection.

	March 31, 1998	December 31, 1997
Nonaccruing loans:		
Commercial	$ 1,340	$ 1,216
Consumer	228	194
Commercial mortgages	3,538	3,919
Residential mortgages	3,616	3,710
Construction	38	38
Total nonaccruing loans	8,760	9,077
Nonperforming investments in real estate	989	989
Assets acquired through foreclosure	3,876	3,826
Total nonperforming assets	$ 13,625	$ 13,892
Restructured loans	$ 4,740	$ 4,740
Past due loans:		
Residential mortgages	$ 769	$ 315
Commercial and commercial mortgages	1,901	1,909
Consumer	164	261

Total past due loans	$ 2,834	$ 2,485
	============	============
Ratios:		
Nonperforming loans/leases to total loans/leases (1)	.95%	.95%
Allowance for loan/lease losses to total gross Loans/leases (1).....................................	2.72	2.61
Nonperforming assets to total assets	.89	.92
Loan loss/lease loss allowance to nonaccruing loans/leases (2)....................................	283.80	273.06
Loan/lease and foreclosed asset allowance to total Nonperforming assets (2)	183.29	178.50

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

Nonperforming assets decreased $267,000 between March 31, 1998 and December 31,1997. This decrease resulted primarily from a $381,000 reduction in nonaccruing commercial mortgages. An analysis of the change in the balance of nonperforming assets is presented on the following page.

	Three Months Ended March 31, 1998	Year Ended December 31, 1997
	(In Thousands)	
Beginning balance..	$ 13,892	$ 19,277
Additions	5,168	20,090
Collections	(4,525)	(23,337)
Transfers to accrual/restructured status	(699)	(2,122)
Provisions, charge-offs, other adjustments..........	(211)	(16)
Ending balance	$ 13,625	$ 13,892
	===========	===========

The timely identification of problem loans is a key element in the Corporation's strategy to manage its loan portfolios. Timely identification enables the Corporation to take appropriate action and, accordingly, minimize losses. An asset review system which was established to monitor the asset quality of the Corporation's loans and investments in real estate portfolios facilitates the identification of problem assets. In general, this system utilizes guidelines established by federal regulation; however, there can be no assurance that the levels or the categories of problem loans and assets established by the Bank are the same as those which would result from a regulatory examination.

INTEREST RATE SENSITIVITY

The matching of maturities or repricing periods of interest rate-sensitive assets and liabilities to ensure a favorable interest rate spread and mitigate exposure to fluctuations in interest rates is monitored by the Corporation in conjunction with its asset/liability management strategies. Interest rate-sensitive assets of the Corporation include cash flows that relate to the principal of the operating lease portfolio, which are interest-rate sensitive. Management regularly reviews interest-rate sensitivity of the Corporation and adjusts sensitivity within acceptable tolerance ranges established by management as needed. At March 31, 1998, interest-bearing liabilities exceeded interest-earning assets that mature within one year (interest-sensitivity gap) by $13.4 million. The Corporation's interest-sensitive assets as a percentage of interest-sensitive liabilities within the one-year window was 98.3% at March 31, 1998 compared to 99.6% at December 31, 1997. Likewise, the one-year sensitive gap as a percentage of total assets was a negative .87% as compared to a negative .18% at December 31, 1997. The change is the result of the Corporation's continuing effort to effectively manage interest rate risk and ensure a favorable interest rate spread.

COMPARISON FOR THE THREE MONTHS ENDED MARCH 31, 1998 AND 1997

Results of Operations

The Corporation reported net income of $4.4 million for the first three months of 1998 compared to $4.1 million for the same quarter last year. Basic and diluted earnings per share for the first quarter of 1998 were $.36 and $.35, respectively compared to $.32 for both basic and diluted earnings per share for the same quarter last year. This improvement in earnings resulted primarily from a 10% increase in net revenue (net interest income and other income) and a reduction in the effective tax rate.

Net Interest Income

The table on the following page, dollars expressed in thousands, provides information concerning the balances, yields and rates on interest-earning assets and interest-bearing liabilities during the periods indicated.

	Three Months Ended March 31,					
	1998			1997		
	Average Balance	Interest	Yield/ Rate(1)	Average Balance	Interest	Yield/ Rate(1)
Assets						
Interest-earning assets:						
Loans (2) (3):						
Real estate loans (4)...........	$ 524,017	$ 11,848	9.04%	$ 582,115	$ 13,348	9.17%
Commercial loans................	89,191	1,780	9.36	28,611	707	9.88
Consumer loans..................	160,139	3,876	9.82	139,641	3,433	9.97
Total loans.....................	773,347	17,504	9.21	750,367	17,488	9.32
Mortgage-backed securities (5)........	354,280	5,884	6.64	398,098	6,790	6.82
Loans held for sale (3)..............	1,901	42	8.84	1,108	24	8.66
Investment securities (5)............	66,810	1,066	6.38	35,670	538	6.03
Other interest-earning assets	98,506	2,566	10.42	92,969	1,853	7.97
Total interest-earning assets....	1,294,844	27,062	8.46	1,278,212	26,693	8.35
Allowance for loan losses............	(24,845)			(23,673)		
Cash and due from banks..............	21,565			16,637		
Vehicles under operating lease, net................................	173,468			110,597		
Other noninterest-earning assets......	32,978			38,169		
Total assets....................	$1,498,010			$1,419,942		
Liabilities and Stockholders' Equity						
Interest-bearing liabilities:						
Interest-bearing deposits:						
Money market and interest-bearing demand................	$ 59,695	381	2.59	$ 57,124	369	2.62
Savings.........................	172,411	1,304	3.07	157,144	1,047	2.70
Time............................	442,899	6,144	5.63	457,094	6,295	5.59
Total interest-bearing deposits	675,005	7,829	4.70	671,362	7,711	4.66
FHLB advances........................	403,055	5,649	5.68	346,592	4,992	5.84
Senior notes.........................	29,100	829	11.39	29,100	829	11.39
Other borrowed funds.................	206,323	3,013	5.84	213,575	3,018	5.65
Total interest-bearing liabilities	1,313,483	17,320	5.27	1,260,629	16,550	5.25
Noninterest-bearing demand deposits...	77,764			68,813		
Other noninterest-bearing liabilities.	16,650			13,948		
Stockholders' equity.................	90,113			76,552		
Total liabilities and stockholders' equity........................	$1,498,010			$1,419,942		
Excess of interest-earning assets over interest-bearing liabilities.....	$ (18,639)			$ 17,583		
Net interest and dividend income......		$ 9,742			$ 10,143	
Interest rate spread.................			3.19%			3.10%
Net interest margin..................			3.10%			3.17%
Net interest and dividend income to total average assets............			2.68%			2.86%

(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.

Net interest income decreased $401,000 between the three months ended March 31, 1998 and 1997. This decrease resulted from the growth in the operating lease portfolio between comparable periods. The income from these leases, which increased $1.1 million between periods, is reported in other income and not interest income while the costs of funding these assets is included in interest expense, therefore depressing the net interest margin. The interest rate margin decreased between both periods as a result of additional wholesale investment growth strategies in the first quarter of 1998, the growth in operating leases as well as the impact of a $35.5 million loan to refinance an employee stock ownership plan (ESOP) note of the Company, on pre-tax income.

The recent moderate changes in interest rates have not had, nor are expected to have, a material impact on the Corporation's earnings or financial position. In addition, a moderate increase or decrease in interest rates is not expected to have a material affect on net interest income.

Provision for Loan Losses

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

	Three Months Ended March 31, 1998	Year Ended December 31, 1997
	(Dollars in Thousands)	
Beginning balance	$24,850	$24,241
Provision for loan losses	577	1,533
Reclass to allowance for vehicles under operating lease		(259)
Reclass from allowance for ORE losses		848
Charge-offs:		
Residential real estate	52	193
Commercial real estate (1)	53	520
Commercial	15	169
Consumer	408	859
Total charge-offs	528	1,741
Recoveries:		
Residential real estate		2
Commercial real estate (1)	80	95
Commercial	12	22
Consumer	22	109
Total charge-offs	114	228
Net charge-offs	414	1,513
Ending balance	$25,013	$24,850
Net charge-offs to average gross loans outstanding, net of unearned income (2)	.21%	.19%

(1) Includes commercial mortgages and construction loans. Theoretically, there are none of these left for periods recently.
(2) Ratio for the three months ended March 31, 1998 is annualized.

The provision for loan losses increased by $268,000 between the three months ended March 31, 1997 and 1998. The increase was due in part to management's continuing review of the loan portfolio.

Other Income

Noninterest income grew $1.8 million, or 43%, between the three months ended March 31, 1997 and 1998. This increase resulted primarily in from net rental income on operating leases which increased $1.1 million between comparable quarters. This increase reflects strong growth in the operating lease portfolio.

Other Expenses

Noninterest expenses increased $1.0 million between the quarters ending March 31, 1997 and 1998. This increase reflects the Corporations commitment to invest in its profitable business lines and improve its technological capabilities. These commitments include increasing the Bank's presence in Southeastern Pennsylvania beginning in March 1998, expanding the Bank's ATM network and introducing a new state of the art PC-based cash management product for its business clients.

The comparability between periods of certain expenses line items has been affected by a five year strategic technology alliance entered into on March 1, 1997, between WSFS and ALLTEL, the company which has been managing WSFS data processing for nine years. This agreement calls for ALLTEL to employ certain on-site back office personnel, as well as manage deposit and loan operation functions. As a result, certain costs, most of which previously would have been classified as salaries, are now classified as data processing and operating expenses. Consequently, data processing expenses and operating expenses increased $457,000 between comparable periods.

Management continues to review existing operations as well as other income opportunities in order to enhance earnings. Accordingly, other income and expenses may fluctuate during the year.

Income Taxes

The Corporation and its subsidiaries file a consolidated federal income tax return and separate state income tax returns. Income taxes are accounted for in accordance with SFAS No. 109 which requires the recording of deferred income taxes for the tax consequences of "temporary differences". For the first quarter of 1998 the Corporation recorded an income tax expense of $1.6 million compared to $1.8 million for the same period in 1997. The effective tax rates for the first quarter of 1998 and 1997 were 26.0% and 31.0%, respectively. Increased tax benefits from the acquisition and subsequent merger of Providential Home Income Plan, Inc., a San Francisco, California based reverse mortgage lender, into the Bank and the 50% interest income exclusion of an ESOP loan made in the second quarter of 1997, contributed to this reduction in effective rates between periods.

The Corporation analyzes its projections of taxable income on an ongoing basis and makes adjustments to its provision for income taxes accordingly.

Item 3. Quantitative and Qualitative Disclosures About 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 and deposit taking 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. 13, "Interest Rate Risk Management." This test measures the impact on net interest income and on 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 assets, liabilities, and off-balance sheet contracts. The chart below is the estimated impacts of immediate changes in interest rates at the specified levels at March 31, 1998, calculated in compliance with Thrift Bulletin No. 13:

Change in Interest Rate (Basis Points)	Change in Net Interest Income (1)	Change in Net Portfolio Value (2)
+400	6%	-24%
+300	5	-19
+200	3	-13
+100	2	- 7
-100	-2	7
-200	-4	16
-300	-6	25
-400	-9	35

(1) This column represents the percentage difference between estimated net interest income for the succeeding 12 months in a stable interest rate environment and net interest income as projected by the various rate scenarios.

(2) This column represents the percentage difference between estimated net portfolio value of the Company in a stable interest rate environment and the net portfolio value as projected in the various rate scenarios.

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 structuring the Company's asset/liability structure to obtain the maximum yield/cost spread on that structure. The Company relies primarily on its asset/liability structure to control interest rate risk.

Part II. OTHER INFORMATION

Item 4. Submission of Matters to a Vote of Security Holders

At the Corporation's Annual Stockholders' Meeting held on April 23, 1998, ("Annual Meeting") all of the nominees for director proposed by the Corporation were elected. The votes cast for each such nominee were as follows:

	For	Withheld
Thomas P. Preston	11,013,114	30,079
Marvin N. Schoenhals	11,010,758	32,435
R. Ted Weschler	11,010,884	32,309

Item 6. Exhibits and Reports on Form 8-K

(a) None.
(b) The following was reported under other events on Form 8-K, filed on April 28, 1998.

On April 26, 1998, the registrant announced that it will resume paying quarterly cash dividends to holders of common stock. The Board of Directors declared a regular quarterly cash dividend of $.03 per share of common stock. This dividend is payable on May 20, 1998 to common stockholders of record on May 6, 1998.

SIGNATURES

Pursuant to the requirements 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: May 12, 1997 /s/ MARVIN N. SCHOENHALS

Marvin N. Schoenhals
Chairman, President and Chief Executive Officer

Date: May 12, 1997 /s/ MARK A. TURNER

Mark A. Turner
Senior Vice President and
Chief Financial Officer

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