Letter from Management

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Mark A. Turner
President & Chief Executive Officer

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

First I'd like to share the information you already likely know well. WSFS had a very good year in 2014. We earned $53.8 million or $5.78 in Earnings Per Share (EPS), which equates to 1.17% in Return on Average Assets (ROAA) and 13.80% in Return on Tangible Common Equity (ROTCE). These compared to $46.9 million, $5.06, 1.07% and 13.60% for 2013, respectively. These are our most important financial performance metrics, and clearly, taken as a whole, 2014 showed significant improvement over 2013. These standard industry metrics also compare very favorably to our peers, as do our total shareholder returns over the last three, five, seven and 10 year time frames. These peer comparisons are spelled out in more detail in the letter from the Board, which follows this letter. I encourage you to read both, which present two complementary views of our Company from its leadership.

So how have we managed to improve absolutely, and why do we compare so well to our peers over such a long period of time? There is a saying that "culture eats strategy for lunch." Culture represents many things, tangible and intangible including an organization's mission, values, ethos and organizational heritage. These help drive consistent Associate behaviors and therefore performance over the long term. Strategy is how we strive to be different and better in the marketplace with our products and services, which then drives Customers to us.

The truth of whether one is more important than the other is of course debatable. However, what is true for us is what has driven our long-term superior performance. That is, our culture and strategy are one. Our culture, as captured in our mission statement and brand in the marketplace, is simply *We Stand For Service®* (which is also a play on our local familiar nickname, our legal acronym and our stock symbol, "WSFS"). Our values, ethos and 183 years of Company history—the 7th longest in the history of U.S. banking—all support that simple statement of being. Our Strategy is *Engaged Associates delivering Stellar Service growing Customer Advocates and value for our Owners.*℠ So service, the people that deliver it and the people that benefit from it, are how we are demonstrably different and better in the market for financial services. Strategy underpins our culture and our culture gives life to our strategy every day; they are interwoven and as such, both our culture and strategy are critical to sustainable success.

When culture and strategy are truly, inextricably linked, as ours are, there is less tension, friction or misunderstanding in daily goals and behaviors. And as a result, there is more clarity of purpose, sharper focus, greater efficiency, higher integrity of outcomes and more sustainability in performance.

Of course, saying these things and doing them can often be, unfortunately, two different things. That is why for about 15 years now we have made Engaged Associates, Stellar Service, Customer Advocates as well as the accompanying financial performance and Shareholder Returns all a discipline, and I'd say even a science within WSFS. We consistently measure these things, then continually develop action plans which encourage strong, emotional, positive bonds with how our Associates feel about us as a place to work and how our Customers feel about us as a place that impacts their lives. We are also highly focused on our financial metrics and Shareholder Returns so our Owners are appropriately rewarded. We meet with and talk to our Owners frequently so we can establish mutual appreciation for objectives, and so we can help ensure we have the right Owners for the strategy and culture of the Company.

Of course we have other indispensable constituents, including our regulators, business partners and community partners. And we strive to serve them, and have the same level of mutual respect and appreciation for them as we do all our Associates, Customers and Owners.

Our near 15 years of working at these practices and values have shown up in our leading and lagging indicators of success, including being named a Top Workplace in our core market for the last nine years (among the top three for the last six years in a row), being recognized as the Best Bank for the last four years in Delaware, receiving numerous (too many to recount here) community partner and business leadership awards over the last generation and, as shown above, improving our absolute performance and providing shareholder returns that have outperformed peers over many, many years. Our story is a good one to tell and in the last few years, we have hosted business leaders, some from across the globe, who come to learn more about our strategy and culture.

There are, of course, several pillars that support the arch of our strategy and culture. These pillars change over time and the emphasis on each will shift year-to-year as is needed depending on the circumstances. The four pillars that we are focused on tactically now include: *growth, innovation, best practices and talent development.*

Over the cycle of mid-2008 to the end of 2014, while the U.S. economy has grown at only a little more than 2% per year, our deposits (an important measure of total Customers served), our revenue, our profits and our total company market value have all grown between 9% and 16% per year. We have clearly been taking market share in financial services, and then creating operating leverage and value during a difficult recession and slow recovery. These results for us are a telling and an important "proof of our strategy and culture." Our growth has come organically (one Associate and one Customer at a time) and through acquisition. In the current environment, more of our growth will likely come from acquisition, as there are many opportunities. We are strong, we have a business model and way of doing things that works and one which other organizations desire. We have announced five acquisitions over the cycle (four completed, one pending), including branch acquisitions, specialty finance companies and whole bank acquisitions. All have had very similar qualities. We know the businesses well. They are meaningful but manageable in size. They have similar cultures. They harbor no big problems to fix. As a result of all these qualities they are easily integrated into our platform without significant risk or disruption to what is working so well for us. And as importantly, we have been disciplined in their pricing and returns relative to the risk. Our future acquisitions will be similarly evaluated and executed.

Coming out of severe economic distress, innovation is inevitable and even desirable. Much of what worked before has been proven to no longer work, new technologies are available and investment and energy are brought to bear by the free markets and entrepreneurs to define the new paradigms. Creative destruction is at work. We are participating in this in our culture, infrastructure, people, products and services. Innovation has taken a special place in our strategic plan, budget and organizational structure. We now have a "WSFS Winnovation" Department, staffed with talented senior management, project management and creative staff members. The results can also be increasingly seen in our offerings. We have "winnovators" in partner departments throughout our organization and their collective results include: a new hi-tech branch, leading mobile banking, advanced-function ATMs, projects to improve Customer experiences and become more hassle-free and new products and services (some new for us, some new to the marketplace) which are

now coming out of our fee-generating, fast-growing, very profitable Wealth and Cash Connect® Divisions.

While being innovative in areas where it makes sense to be innovative, we also strive to incorporate best practices in areas that are clearly more process-oriented and policy-oriented. We are a highly regulated organization, one with millions of transactions per year and one with many things that need to be done over and over again routinely, efficiently and capably. One of our strengths as an organization (and this is also part of our culture) is that we are a learning organization. We read a lot, we listen a lot to others (especially our regulators), we survey our Associates and Customers, we use outside experts judiciously and we benchmark our productivity routinely with other organizations on what works best in these important process and policy-related activities. Then we implement, implement, implement with discipline, accountability and feedback loops to pursue constant improvement.

None of the above can be accomplished without great Associates, committed to the organization and its mission. Together we are constantly working on their personal and professional development. We invest a great deal of time on what we call Talentship. Talentship for us includes talent development, leadership development, building bench strength and succession planning. These topics are discussed routinely with our Board and are a topic of dialogue during our quarterly executive management offsite meetings and in weekly staff meetings. Talentship is a clear priority. This manifests itself in many ways, including: constantly updating our recruiting process, emphasizing performance sessions, coaching and mentoring, internal and external training, rotating positions for our Associates and defining succession plans and development programs for all key Associates. We understand that the only way to achieve our lofty goals, financial and other, and to sustain them is through talented, dedicated and flourishing Associates. We are proud that in 2014 we were recognized in the local marketplace with an award for our training and development initiatives.

Finally, entering 2015 we are on the cusp of achieving many of our goals, including sustainable high performance, which we define as, for our business model and the risks we take, at least a 1.20% Return on Average Assets (and the Return on Equity and Growth in Earnings Per Share that follow from this and prudent and active capital management). We have approximately 10 basis points of core ROAA to improve over the course of 2015 to get there. As you approach high performance in any endeavor, the last increments are the hardest to achieve. However, as summarized above, our momentum coming into the year, our tightly aligned arch of a strong culture and strategy and the pillars we are continually strengthening all put us in a great position to achieve success.

My sincere thanks and praise go to our many constituents that have helped us do good work and great things, so that we may continue to serve and be even more successful in our future endeavors.