

WSFS Financial Corporation



SM

and strengthening
our communities.

Stockholders or others seeking information regarding the Company may call or write:

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Forward-Looking Statements

This report contains estimates, predictions, opinions, projections and other statements that may be interpreted as “forward-looking statements” as that phrase is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, references to the Company’s financial goals, management’s plans and objectives for future operations, financial and business trends, business prospects, and management’s outlook or expectations for earnings, revenues, expenses, capital levels, liquidity levels, asset quality or other future financial or business performance, strategies or expectations. Such forward-looking statements are based on various assumptions (some of which may be beyond the Company’s control) and are subject to risks and uncertainties (which change over time) and other factors which could cause actual results to differ materially from those currently anticipated. Such risks and uncertainties include, but are not limited to, those related to the economic environment, particularly in the market areas in which the Company operates, including an increase in unemployment levels; the volatility of the financial and securities markets, including changes with respect to the market value of financial assets; changes in market interest rates may increase funding costs and reduce earning asset yields thus reducing margin; increases in benchmark rates would also increase debt service requirements for customers whose terms include a variable interest rate, which may negatively impact the ability of borrowers to pay as contractually obligated; changes in government regulation affecting financial institutions, including the Dodd-Frank Wall Street Reform and Consumer Protection Act and the rules being issued in accordance with this statute and potential expenses and elevated capital levels associated therewith; possible additional loan losses and impairment of the collectability of loans; possible changes in trade, monetary and fiscal policies, laws and regulations and other activities of governments, agencies, and similar organizations, may have an adverse effect on business; possible rules and regulations issued by the Consumer Financial Protection Bureau or other regulators which might adversely impact our business model or products and services; possible stresses in the real estate markets, including possible continued deterioration in property values that affect the collateral value of underlying real estate loans; the Company’s ability to expand into new markets, develop competitive new products and services in a timely manner and to maintain profit margins in the face of competitive pressures; possible changes in consumer and business spending and savings habits could affect the Company’s ability to increase assets and to attract deposits; the Company’s ability to effectively manage credit risk, interest rate risk market risk, operational risk, legal risk, liquidity risk, reputational risk, and regulatory and compliance risk; the effects of increased competition from both banks and non-banks; the effects of geopolitical instability and risks such as terrorist attacks; the effects of weather and natural disasters such as floods, droughts, wind, tornados and hurricanes, and the effects of man-made disasters; possible changes in the speed of loan prepayments by the Company’s customers and loan origination or sales volumes; possible acceleration of prepayments of mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on prepayments on mortgage-backed securities due to low interest rates, and the related acceleration of premium amortization on those securities; and the costs associated with resolving any problem loans, litigation and other risks and uncertainties, discussed in documents filed by the Company with the Securities and Exchange Commission from time to time. Forward looking statements are as of the date they are made, and the Company 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 Company.

Review of 1Q 2013 Results

- **1Q 2013 results reflect the success of strategies and initiatives undertaken in 2012**
 - \$1.02 per share; 55% increase over 1Q 2012
 - ROA increased to 0.91%
 - Components
 - Net interest margin increased seven basis points to 3.46% compared to 4Q 2012
 - Fee income increased 8% over 1Q 2012
 - Investment management and fiduciary income increased 23% over 1Q 2012
 - Commercial loan growth was 5% annualized over 4Q 2012
 - Customer funding mix continued to improve
 - Core customer funding represents a full 80% of total customer funding
 - Asset quality metrics showed continued steady improvement
 - Net Charge-offs, nonperforming loans, delinquencies and problem loans all improved over 4Q 2012 and substantially improved over 1Q 2012 levels

- **Asset quality continues to fundamentally improve**

- Classified assets declined to 36.8% of Tier 1 capital + ALLL
- NPAs were \$63.0 million at March 31, 2013, down from \$89.6 million at March 31, 2012
- Delinquency stands at 1.40% of loans (includes nonperforming loans) – performing delinquency remaining at only 0.22%
- Total credit costs (provision for loan losses, loan workout expenses, OREO expenses and other credit reserves), were only \$2.3 million, decreasing meaningfully from both prior year and prior quarter levels
- Released from MOU in February 2013

- **Capital levels remain strong**

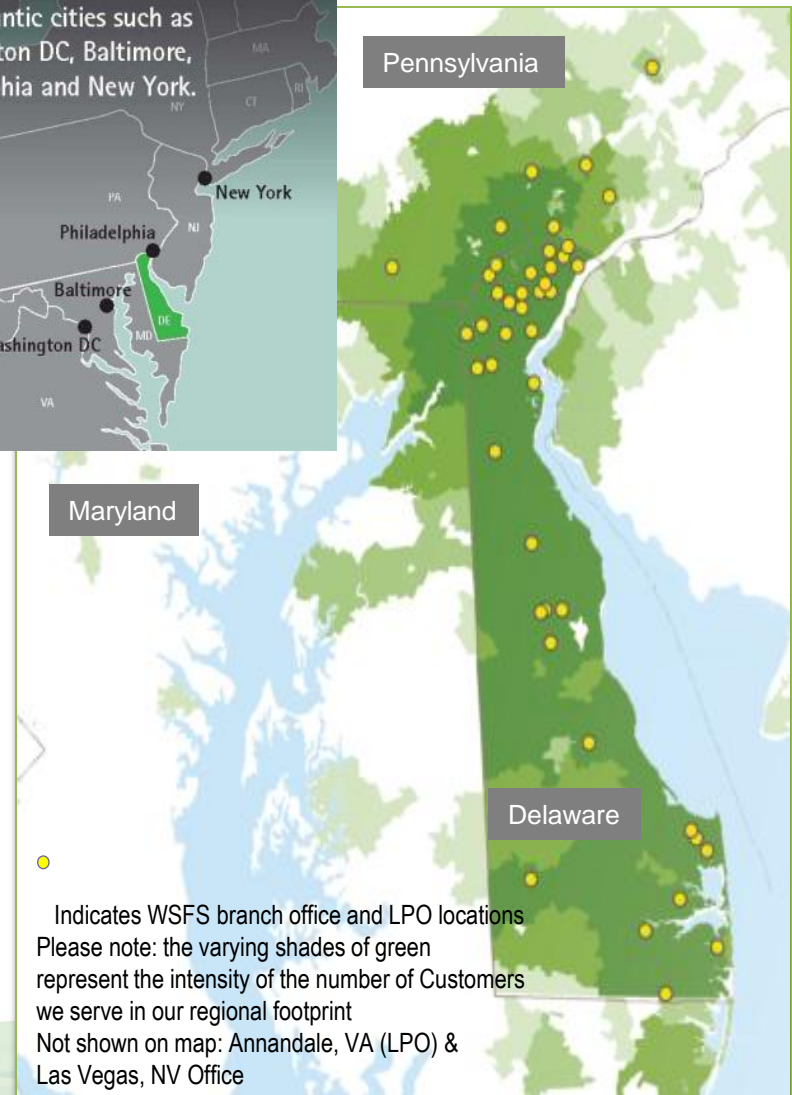
- Tier 1 leverage ratio was 10.12%, Tier 1 risk-based capital ratio was 13.27% and total risk-based capital ratio was 14.52% at year-end
 - All substantially above “well capitalized” levels
- Tangible common equity was 7.84%
- Holding Company cash of over \$61.0 million available for future business needs, including preferred stock redemption at the appropriate time

Repositioned for the Future

- **Second quarter 2012 “Asset Strategies” significantly improved credit quality**
 - Bulk sales of \$42 million helped lower criticized assets by \$150.3 million or 40% from the same period in 2012
 - Significantly improved asset quality and credit quality statistics
 - Lowering future credit costs
 - Freeing more of our resources to focus on new business generation
- **Late fourth quarter 2012 advance prepayment / MBS deleverage**
 - Prepaid \$125 million in FHLB Advances with an average rate of 2.63%
 - Remaining life 11 - 22 months
 - Recorded debt extinguishment costs of \$3.7 million
 - Offset by security gains taken in the quarter
 - Began \$125 million deleverage of MBS
 - \$55 million late December 2012
 - Completed January 2013 – focused on reducing duration and extension risk
 - Improving future margin, earnings, ROA
 - Enhancing capital ratios and reducing risk to rising rates

The WSFS Franchise

- **Largest independent bank headquartered in Delaware**
 - \$4.4 billion in assets
 - \$17.0 billion in fiduciary assets, includes \$1.1 billion in assets under management
 - 51 offices
- **Founded in 1832, WSFS is one of the ten oldest banks in the U.S.**
- **Major business lines**
 - Retail
 - Commercial
 - Wealth Management
 - Cash Connect® (ATM cash and related business)



Market opportunities from significant disruption/distraction among major competitors

Deposits of Traditional Banks in Delaware

June 30, 2012*

<u>Rank</u>	<u>Institution</u>	<u>Branch Count</u>	<u>Total Deposits in Market</u>	<u>Total Market Share</u>	<u>'11-'12 Growth</u>
1	M&T Bancorp (NY)	43	\$5,776,681	32.24%	-11.92%
2	PNC Financial Services Group (PA)	46	3,118,758	17.40%	-0.11%
3	WSFS (DE)	35	2,782,503	15.53%	4.23%
4	Wells Fargo & Company (CA)	18	2,079,207	11.60%	-0.89%
5	TD Bank (Canada) ¹	13	1,851,244	10.33%	11.78%
6	Royal Bank of Scotland Group/Citizens (Scotland)	25	968,178	5.40%	-8.87%
7	Artisan's Bank (DE)	13	448,349	2.50%	-14.15%
8	Fulton Financial Corp. (PA)	11	363,266	2.03%	-2.90%
9	County Bank (DE)	9	300,848	1.68%	-6.08%
10	First Wyoming Financial Corp. (DE)	<u>6</u>	<u>231,225</u>	<u>1.29%</u>	3.59%
Top 10		219	\$17,920,259	100%	-3.69%

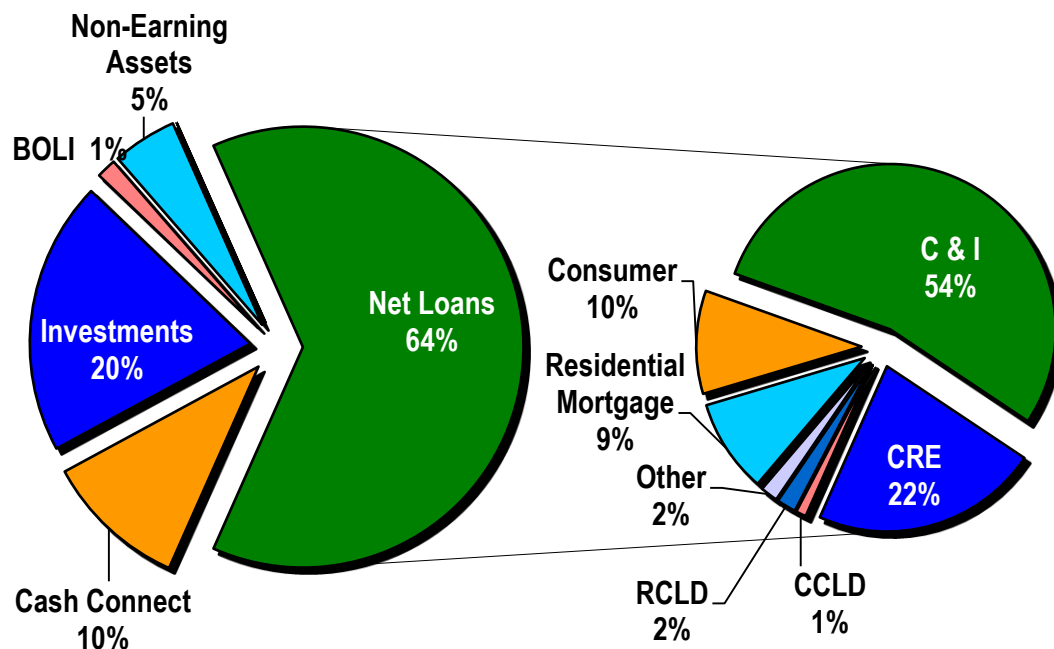
(1) Excludes estimated out-of-market deposits of TD Bank

*Most recently available FDIC data

Asset Composition – March 31, 2013

Assets - \$4.4 billion; Net Loans \$2.8 Billion

Comments



RCLD = Residential Construction & Land Development

CCLD = Commercial Construction & Land Development

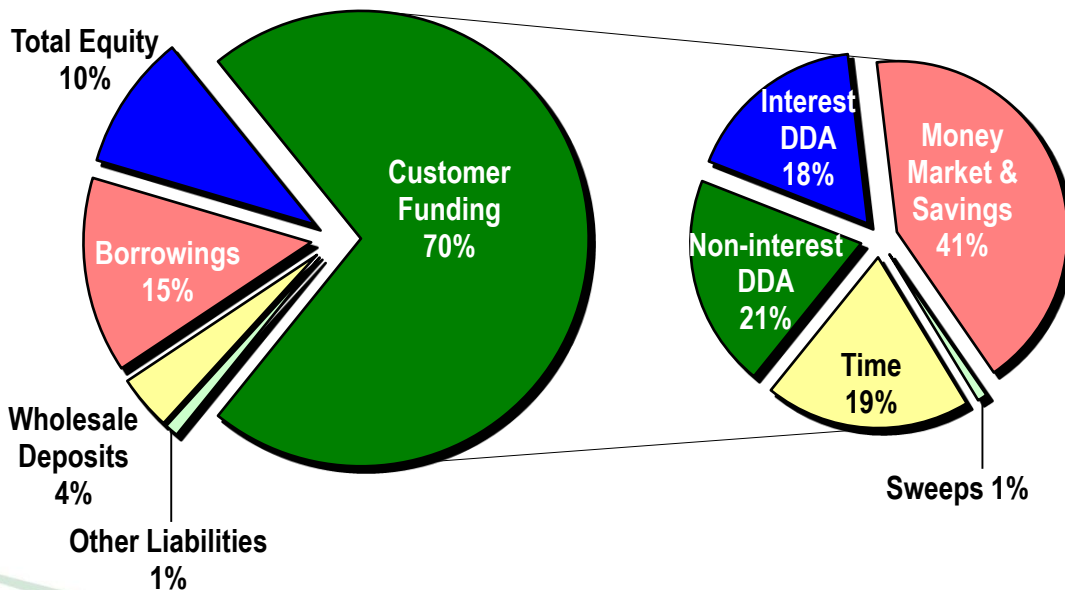
Commercial Bank Assets 1Q 2013:

- Commercial loans comprise 79% of the loan portfolio
 - C&I (including owner-occupied real estate), the largest component, makes up 54% of all loans
- Commercial loans grew 5% (annualized) compared to 4Q12

Funding Composition – March 31, 2013

Customer Funding - \$3.0 billion

Comments



Heavy Bias Towards Core:

- Core customer funding comprises 80% of total customer funding
 - Non-interest and very low interest DDA (WAC 6bps) stands at 39% of customer funding
- Loan to customer funding ratio is at 91%
 - Down from a high of 140% prior to the beginning of the economic cycle

WSFS Investment Group

- Offers primarily insurance and brokerage product
- Focus on retail banking clients
- \$560,000 revenue in Q1 - 14% increase from 2012



CYPRESS
CAPITAL MANAGEMENT, LLC

- Registered investment advisor offering a “balanced” investment style focused on preservation of capital and current income
- Focus on high net worth individuals
- \$600 million + assets under management
- Nearly \$800,000 revenue in Q1 - 7% increase from 2012

WSFS Private Banking

- Offers credit and deposit products
- Focus on high net worth individuals
- Partners/refers to other wealth units

Centers of Influence

- Serve as a referral source for WSFS business



CHRISTIANATrust

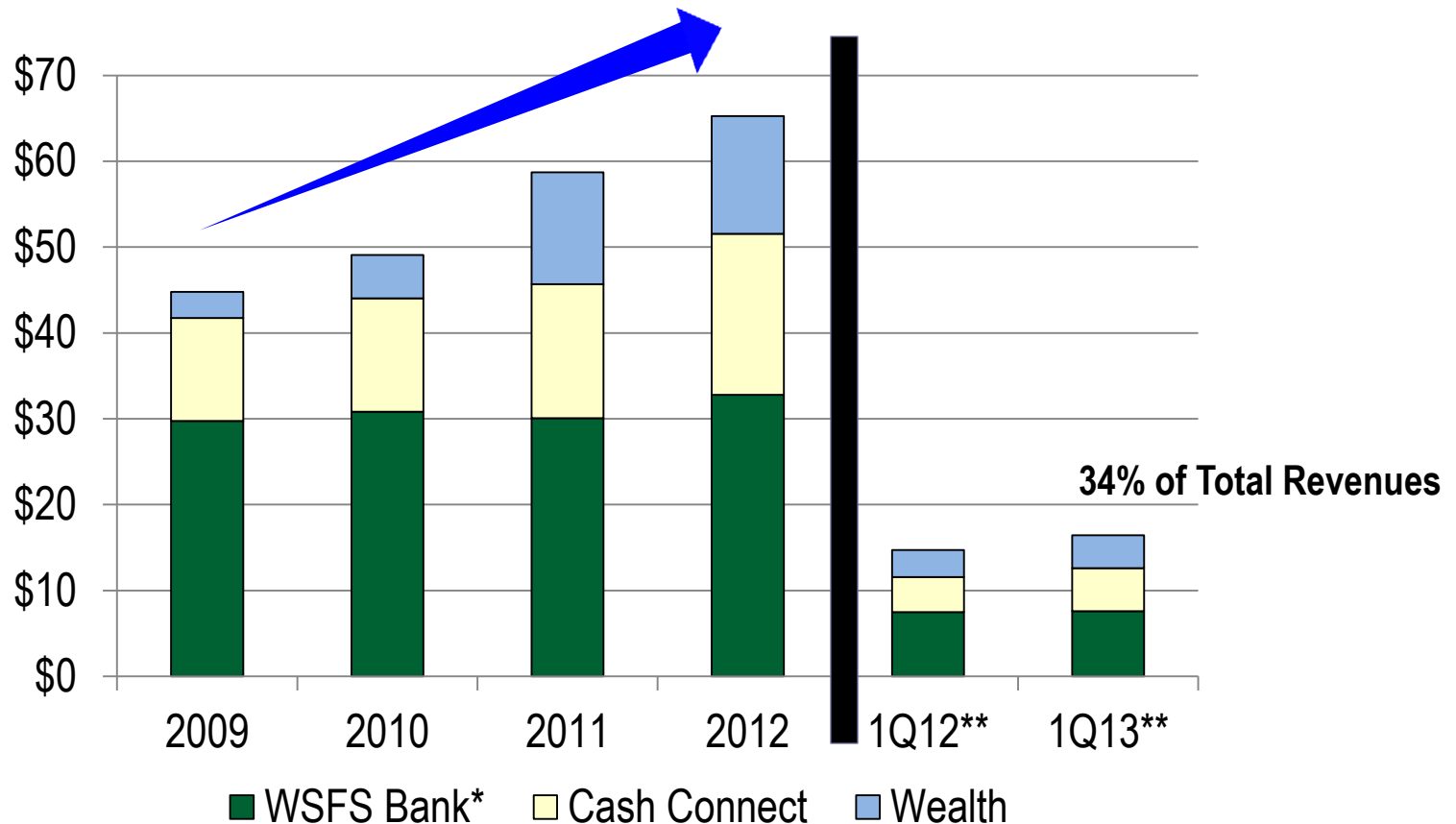
A DIVISION OF WSFS BANK

- Offers fiduciary and investment services
- Provides services to personal trust clients as well as trustee, agency, custodial and commercial domicile services to corporate and institutional clients
- \$2.3 million revenue in Q1 - 35% increase from 2012
- \$500 million in assets under management and \$14 billion assets under administration (much of which is billed annually, revenue deferred)



- **Leading provider of ATM vault cash, armored carrier management, cash forecasting services, insurance and equipment**
- **Services non-bank ATM owners**
 - More than \$520 million in vault cash
 - More than 14,000 non-bank ATMs nationwide
- **\$4.9 million revenue in Q1 and \$1.3 million in profitability in Q1 (normalized revenue growth of 8%)**
- **Also serves as an innovation center for the company, both expanding core ATM offerings and additional payment-, processing- and system-related ventures**
 - Operates nearly 450 ATMs for WSFS Bank; largest in-market ATM franchise

Significant Growth in Fee Businesses



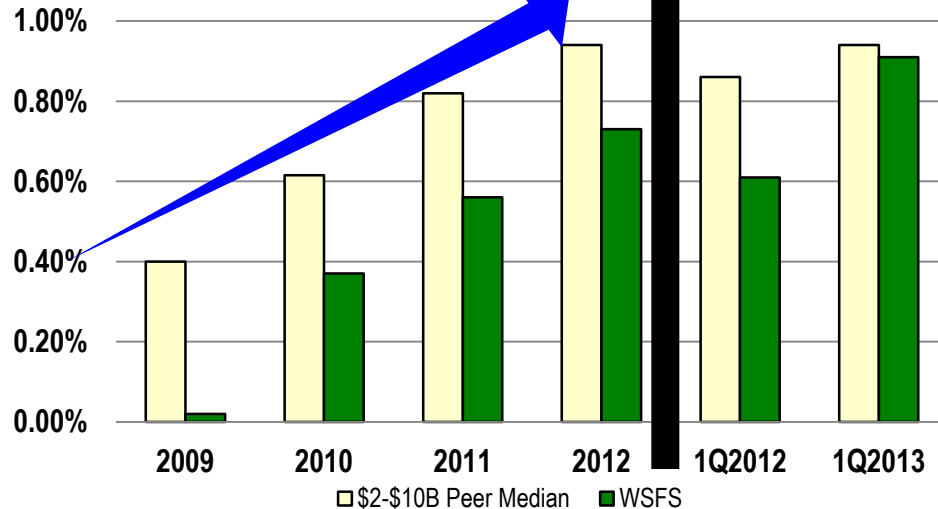
* Excludes security gains

** 1st quarter fee incomes are typically low due to seasonal factors

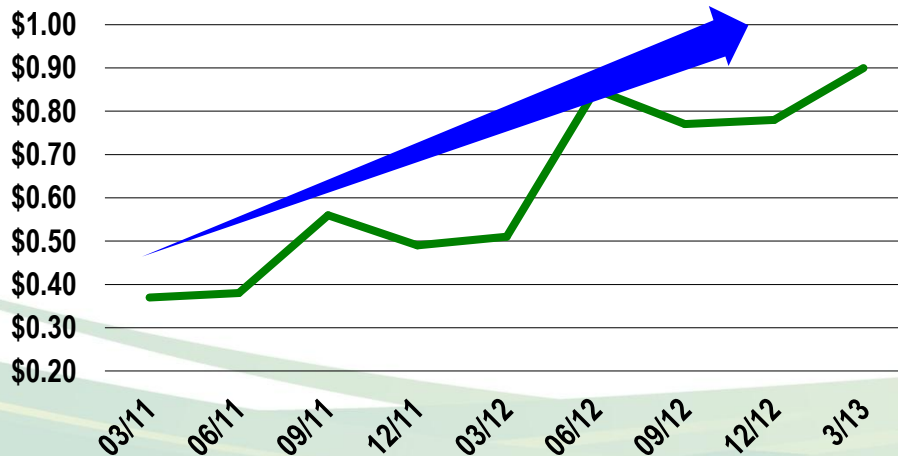
Organizational Focus

- **Focus on increasing operating earnings by harvesting investments made during prior several years ✓**
- **Continued credit quality improvement ✓**
- **Managing capital prudently and thoughtfully ✓**
- **Continuing strong alignment of management and owners ✓**
- **Goal – become solidly high performing (top quintile of peers in ROA)**
 - Identified path to high performing, see analysis on page 22

ROA Progression



Normalized EPS Trend¹



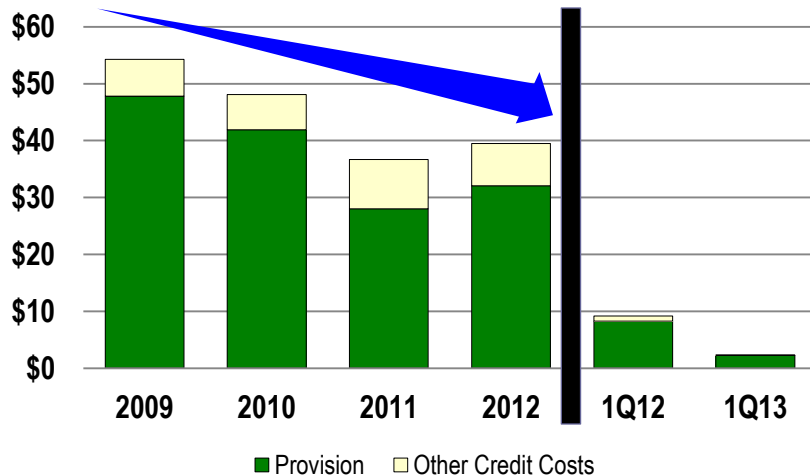
Comments

Building Bottom Line Performance:

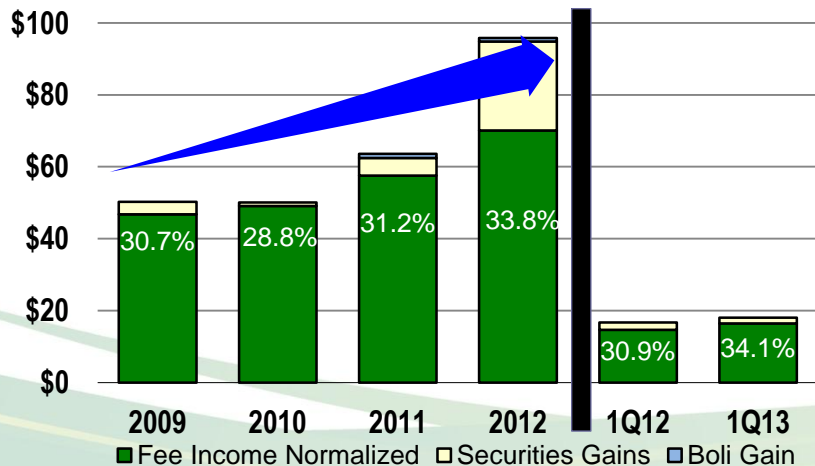
- ROA trend has consistently improved from a break-even year in 2009
 - 1st quarter is a seasonally lower period
- **Positive normalized EPS**
 - EPS increased 55% from 1Q 2012 reflecting success in building market share
 - In optimization phase of recent significant franchise investments
- **Quarterly trends indicate continued upward momentum**
 - Unevenness in credit costs and other items may add earnings volatility in any quarter

(1) Line represents normalization for ATM loss/recovery, securities gains/losses, non-routine BOLI income, bulk sale provision, OREO impact and debt extinguishment loss. Please see Appendix 3 – Non-GAAP Financial Information for detail.

... reflects improved credit costs,



improved fee income,



Comments

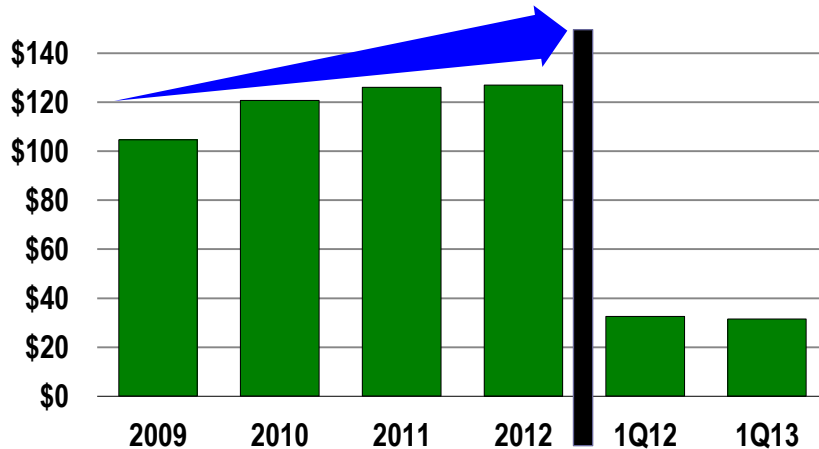
Total Credit Costs

- Decreased significantly, reflecting improved credit quality and the “Asset Strategies” impact in 2Q 2012
- Problem assets reduced significantly to 47.9%
- “Asset Strategies” impact from 2Q 2012 initiative lead to significantly improved statistics and improved credit costs

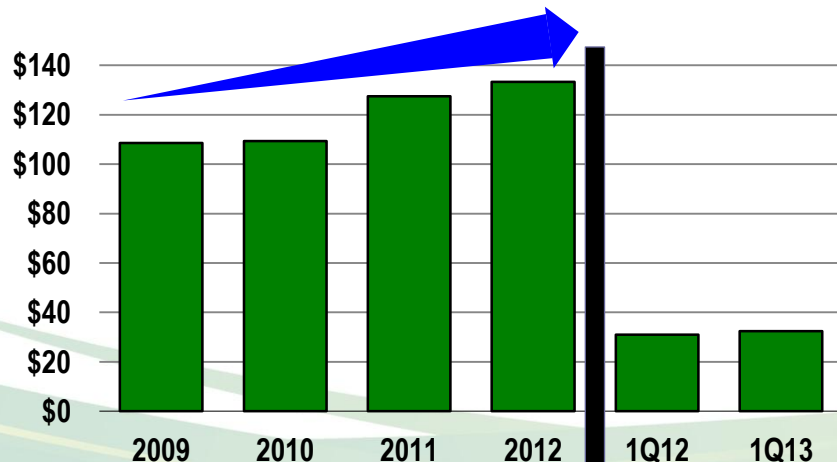
Fee Income

- Increased focus on fee income growth – now 34% of revenues (normalized)
- Fee income increased \$1.7 million or 12% from 1Q 2012 (excluding security gains) reflecting growth in all segments of the business
 - Investment management and fiduciary income increased 23%
 - Mortgage Banking Activities increased 43%
 - Cash Connect net revenue increased 8%
- 1st quarter fee income is impacted by seasonality

improved net interest income,



offset in part by expenses



■ Total Non-Int Expense

Comments

Net Interest Income

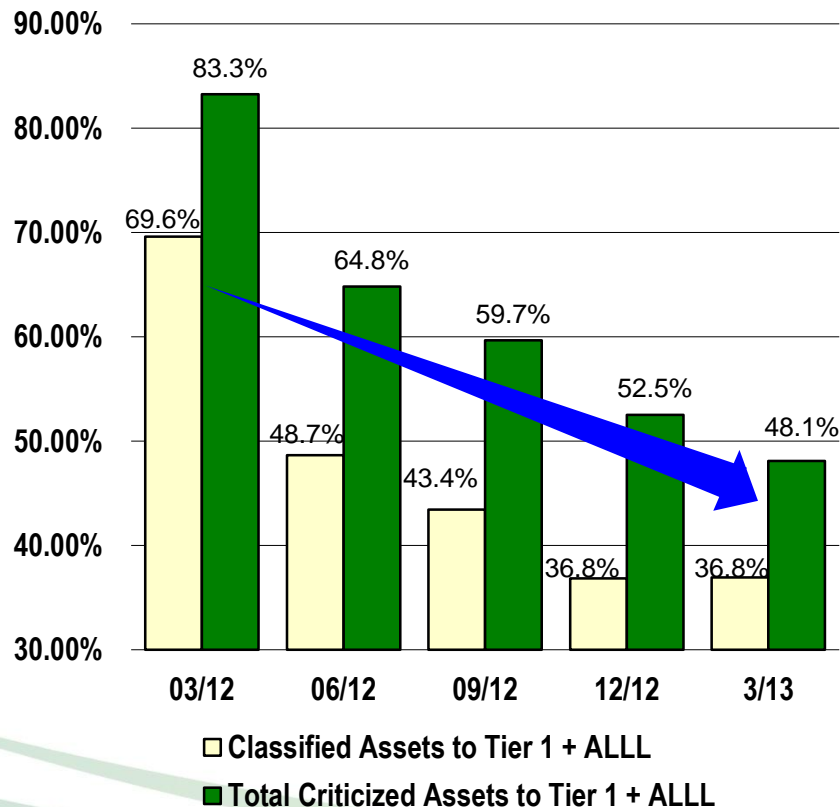
- **Significant growth as we built margin, dampened in 2012 by:**
 - Company's "Asset Strategies" sales
 - Issuance of \$55 million of 6.25% senior notes
 - Low, flat interest rate environment impact, particularly on securities yields
 - Initiatives good for bottom line, negative for margin
- **Immediate benefit from FHLB prepayment / deleverage**
- **Future opportunity for margin growth based on balance sheet mix management and continued pricing focus**

Expenses

- **Significant investment in franchise from 2009 - 2011**
- **Current focus on harvesting investments**
- **Noninterest expenses increased by \$1.4million or 4% from 1Q 2012**
 - Mainly due to amount and timing of annual performance based awards

Asset Quality Metrics

Problem Loan Key Ratios

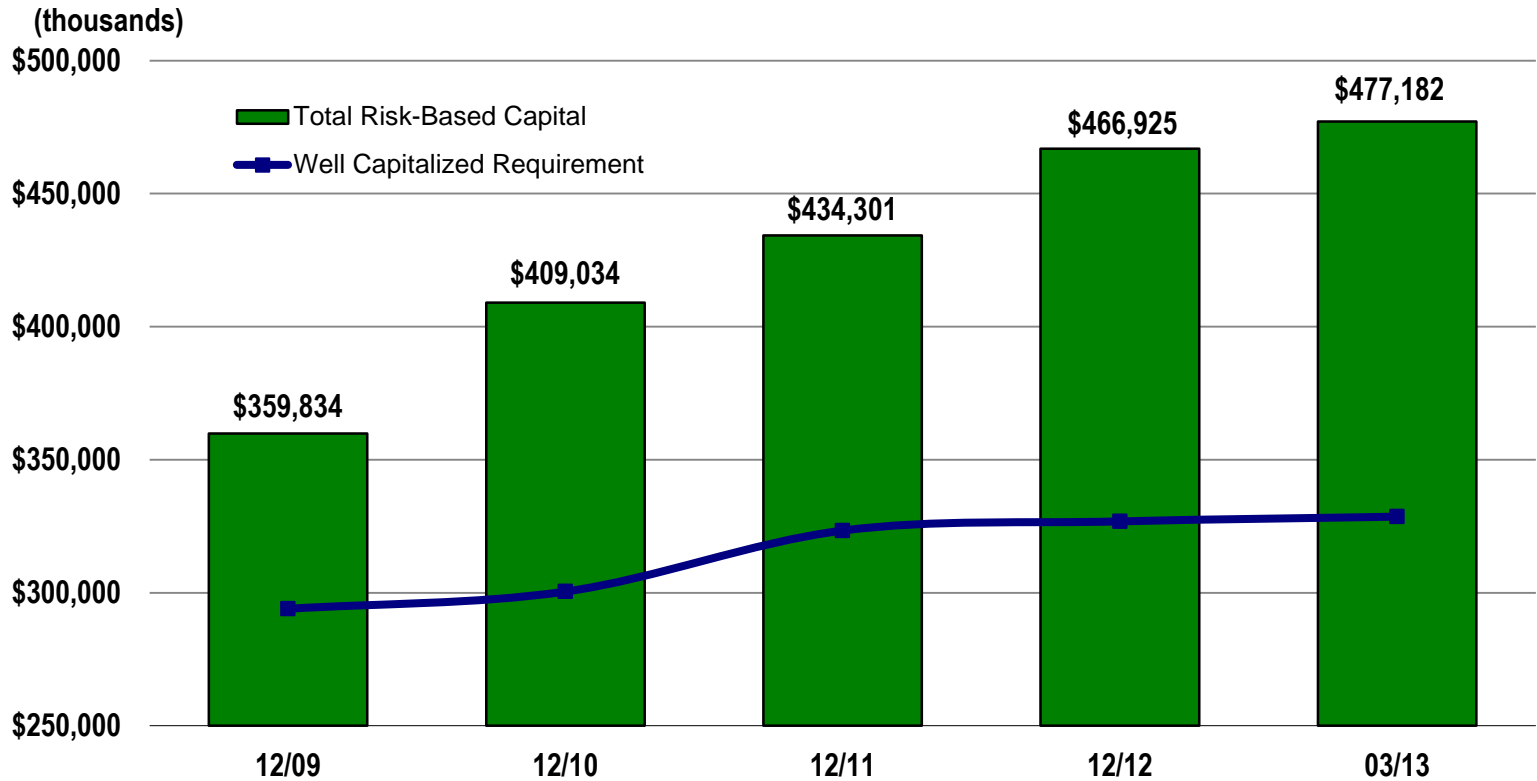


Comments

Improving credit quality trends:

- **Classified loans decreased to less than 37% of Tier 1 Capital + ALLL**
 - From a cycle – high of over 70%
- **ALLL remains at a strong 1.54% of loans**
- **Coverage ratio stands at 94% of non-performing loans in 1Q 2013**
 - Improved from 25% for the same period of 2012
- **NPAs were only 1.45% of total assets at March 31, 2013.**

Bank-Level Capital Ratios



Total Risk-Based Capital	12.24%	13.62%	13.43%	14.29%	14.52%
Tier 1 Capital	11.02%	12.36%	12.18%	13.04%	13.27%
Excess RBC (above 10%)	\$65,881	\$108,611	\$110,940	\$140,117	\$148,591
Tangible Common Equity	6.31%	7.18%	7.18%	7.72%	7.84%

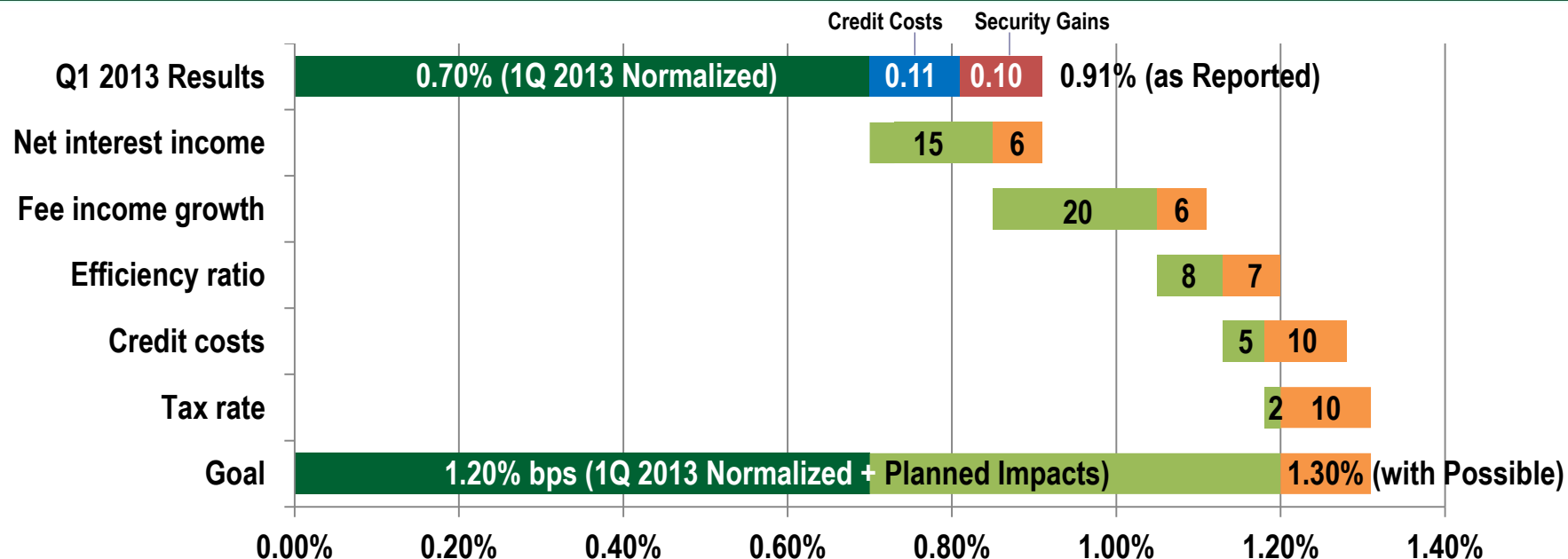
Holding Company Capital

- **Significant excess capital vs.**
 - Regulatory well capitalized
 - Internal targets
 - Stress test minimum
- **\$61.0 million in cash available at Holding Company**
- **Our continuing strong intention is to redeem the privately held preferred shares before the step-up rate in January 2014, and not by issuing more common stock.**

- **Insider ownership is nearly 8%***
 - Board of Directors and Executive Management ownership guidelines in place
- **Executive management bonuses and equity awards based on bottom-line performance**
 - ROA, ROE, EPS growth

* As defined in our most recent proxy, adjusted for R. Ted Weschler leaving the Board and the options approved by shareholders and awarded to the CEO and EVP's in April 2013.

Path to High Performing



Item	Action Plan	Planned Impact	Possible Impact
NII (Goal: 3.60 – 3.75)	Planned: 2012 deleverage strategy, municipal investment, fixed rate loan growth, balance sheet mix. Possible: Rate environment	15 bp	6 bp
Fee income (Goal: 36 – 40%)	Planned: Low double digit growth in Cash Connect, high single digit growth in Wealth Division fees, intro of new banking solutions	20 bp	0 bp
Efficiency ratio (Goal: low 60s)	Planned: Reduction in regulatory costs from release of MOU, higher 1Q seasonal costs. Possible: Contain expense growth to 2% in 2013, 5% in later year	8 bp	1 bp
Credit costs (Goal: 0.27%)	Planned: Reduced credit costs to industry median (35 bps of loans 2012). Possible: Further improvement possible in stronger economy	5 bp	3 bp
Tax rate	Planned: Tax impact of muni investment	2 bp	0 bp
Total		50 bp	10 bp

Appendices

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• Appendix 3 – Non-GAAP Financial Information	29-30

- **Mark A. Turner, 50**, has served as President and Chief Executive Officer since 2007. Mr. Turner was previously Chief Operating Officer and the Chief Financial Officer for WSFS. Prior to joining WSFS, his experience includes working at CoreStates Bank and Meridian Bancorp. Mr. Turner started his career at the international professional services firm of KPMG, LLP. He received his MBA from the Wharton School of the University of Pennsylvania, his Masters Degree in Executive Leadership from the University of Nebraska and his Bachelor's Degree in Accounting and Management from LaSalle University.
- **Peggy H. Eddens, 57**, Executive Vice President, Chief Human Capital Officer since 2007. From 2003 to 2007 she was Senior Vice President for Human Resources and Development for NexTier Bank, Butler PA. Ms. Eddens received a Master of Science Degree in Human Resource Management from La Roche College and her Bachelor of Science Degree in Business Administration with minors in Management and Psychology from Robert Morris University.
- **Stephen A. Fowle, 48**, Executive Vice President and Chief Financial Officer since 2005. From 2000 to 2004, he was Chief Financial Officer at Third Federal Savings and Loan Association of Cleveland. Mr. Fowle received his Masters of Management, Finance and Marketing from Northwestern University and his Bachelor's Degree in Chemistry from Stanford University.
- **Paul D. Geraghty, 59**, Executive Vice President and Chief Wealth Officer since 2011. From 2007 to 2010, he was Chief Executive Officer at Harleysville National Corporation, Harleysville, PA. Mr. Geraghty received his Bachelor of Science in Accounting from Villanova University and pursued graduate study in business at Lehigh University.

- **Thomas W. Kearney, 65**, Executive Vice President and Chief Risk Officer has been with WSFS since 1998. Mr. Kearney holds a Bachelor's degree in Business Administration (Finance and Accounting) from Drexel University. He also holds the professional designations of Certified Bank Auditor (CBA) and Certified Financial Services Auditor (CFSA). As Chief Risk Officer, Mr. Kearney's primary responsibility is to manage and direct the various oversight functions throughout the Company. These oversight functions include Enterprise Risk Management, Loan Review, In-house Counsel, Security/Fraud Investigations, Regulatory Compliance, Internal Control/Audit and Credit Administration.
- **Rodger Levenson, 51**, Executive Vice President and Chief Commercial Banking Officer since 2006. From 2003 to 2006, Mr. Levenson was Senior Vice President and Manager of the Specialized Banking and Business Banking Divisions of Citizens Bank. Mr. Levenson received his MBA in Finance from Drexel University and his Bachelor's Degree in Finance from Temple University.
- **S. James Mazarakis, 55**, Executive Vice President and Chief Technology Officer since 2010. Mr. Mazarakis served in a senior leadership role as Chief Information Officer for T. Rowe Price, and Managing Director and Divisional CIO at JP Morgan Investment Asset Management. He received his Master of Science degree in Management of Technology from Polytechnic Institute of New York University.
- **Thomas Stevenson, 59**, has served as President of Cash Connect Division since 2003. Mr. Stevenson joined WSFS in 1996 as Executive Vice President and Chief Information Officer. Prior to joining WSFS, Mr. Stevenson was the Manager of Quality Assurance at Electronic Payment Services. Mr. Stevenson attended Wayne State University and the Banking and Financial Services program at the University of Michigan's Graduate School of Business Administration.
- **Richard M. Wright, 60**, Executive Vice President and Chief Retail Banking Officer since 2006. From 2003 to 2006, Mr. Wright was Executive Vice President, Retail Banking and Marketing for DNB First in Downingtown, PA. Mr. Wright received his MBA in Management Decision Systems from the University of Southern California and his Bachelor's Degree in Marketing and Economics from California State University.

Mission (Purpose):

- *We Stand for Service®*

Vision (View of the Future):

- *We envision a day when all our constituents say, "I can't imagine a world without WSFS."*

Strategy (Business Model):

- *Engaged Associates delivering Stellar Service growing Customer Advocates and value for our OwnersSM*

Values (Culture and Behaviors):

At WSFS we:

- *Do the right thing*
- *Serve others*
- *Are open and candid*
- *Grow and improve*

Focused Business Model



Engaged Associates

Delivering Stellar Service

Growing Customer Advocates

Building Shareholder Value

- Consistently ranked in the top quintile of all business units surveyed *
- WSFS has been recognized by The Wilmington News Journal as a “Top Workplace Award” winner seven years in a row; and **ranked #1 in 2009, 2010, AND 2011 and #2 in 2012**
- Gallup survey shows WSFS **best** among top players in market at delivering service *
- Customer advocacy survey places WSFS at the **95th percentile***, which is considered a world-class service level
- On a scale of 1-5, 48% of WSFS customers rated us a “5” (“strongly agree”) saying **“I can’t imagine a world without WSFS”** *
- Voted “Top Bank” in Delaware 2 years running (The News Journal)
- Builds sustainable real profit growth
- Leads to increased shareholder value

* Completed by the Gallup Organization

Proforma EPS

	EPS	Securities (Gains) Losses	Non-Routine BOLI Income	Bulk Sale	Debt Extinguishment Loss	Proforma EPS
1st Quarter 2011	0.40	(0.03)				0.37
2nd Quarter 2011	0.55	(0.04)	\$ (0.13)			0.38
3rd Quarter 2011	0.70	(0.14)				0.56
4th Quarter 2011	0.63	(0.14)				0.49
1st Quarter 2012	0.66	(0.15)				0.51
2nd Quarter 2012	0.76	(0.95)		\$ 1.04		0.85
3rd Quarter 2012	1.06	(0.18)	(0.11)			0.77
4th Quarter 2012	0.78	(0.27)			\$ 0.27	0.78
1st Quarter 2013	1.02	(0.12)				0.90