

# WSFS Financial Corporation

Follow-on Offering of Common Shares

\$40,000,000

August 2010

NASDAQ: WSFS



and strengthening  
our communities.

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

**WSFS Financial Corporation**

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*Statements contained in this report 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, which are based on various assumptions (some of which may be beyond the Company's control) are subject to risks and uncertainties 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; the volatility of the financial and securities markets, including changes with respect to the market value of our financial assets; that Christiana Bank & Trust Company's (CBT) business will not be integrated successfully or such integration may be more difficult, time-consuming or costly than expected; expected revenue synergies and cost savings from the proposed acquisition of CBT may not be fully realized or realized within the expected time frame; revenues following the proposed acquisition of CBT may be lower than expected; customer and employee relationships and business operations may be disrupted by the proposed acquisition; the ability to obtain required governmental approvals, and the ability to complete the proposed acquisition of CBT on the expected timeframe; changes in government regulation affecting financial institutions, including the Dodd-Frank Wall Street Reform and Consumer Protection Act which, among other things, eliminates the OTS as our primary regulator and as a result our new regulator will be the Board of Governors of the Federal Reserve System, and WSFS Bank's new primary banking regulator will be the Office of the Comptroller of the Currency, and potential expenses associated therewith; changes resulting from our participation in the CPP including additional conditions that may be imposed in the future on participating companies; and the costs associated with resolving any problem loans and other risks and uncertainties, discussed in documents filed by WSFS Financial Corporation with the Securities and Exchange Commission from time to time. 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.*

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# Offering Details

# Offering Details

Issuer:	WSFS Financial Corporation (“WSFS” or the “Company”)
Ticker/Exchange:	WSFS / NASDAQ
Offering:	Follow-on Public Common Stock Offering
Transaction Size:	\$40 million
Over-Allotment Option:	15%
Use of Proceeds:	General corporate purposes including: <ul style="list-style-type: none"><li>- Support of organic growth arising in the Company’s market place and resulting from the current market environment</li><li>- Acquisition-based growth in the Company’s target markets, including the recently-announced acquisition of Christiana Bank &amp; Trust Company</li><li>- The potential repurchase of TARP preferred stock and the associated warrants, when deemed prudent</li></ul>
Lead Manager:	Sandler O’Neill + Partners, L.P.
Co-Manager:	Janney Montgomery Scott LLC

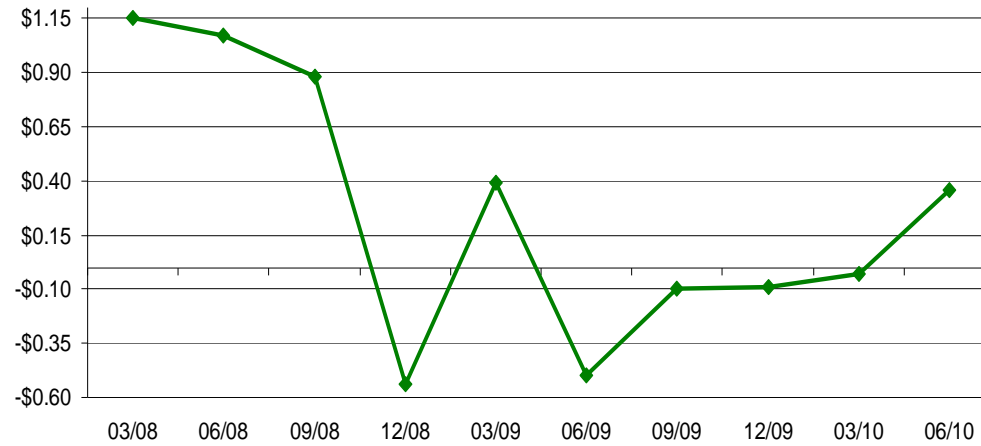
# Recent Results

## Review of 2Q 2010 Results (vs. 1Q 2010)

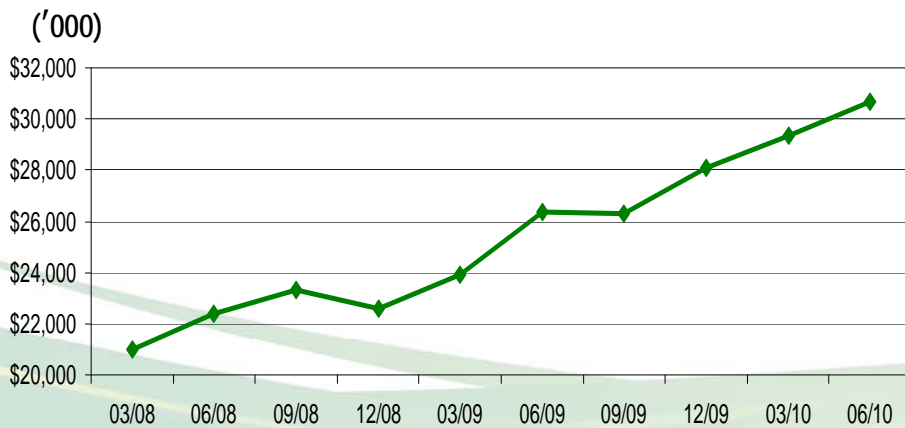
- Net Income \$3.3 million or, \$0.36 diluted EPS; vs 1Q 2010 loss of \$0.03 EPS and 2Q 09 loss of \$0.50 EPS
- Revenues of \$43.1 million continued strong growth trends, increasing \$2.7 million or 7% from 1Q 2010
  - Net interest margin increased \$1.4 million or 5%, and 9 bps to 3.66% from 1Q 2010
  - Fee income increased \$1.3 million, or 12%
  - Recent strong deposit growth has moderated but growth continues
  - Commercial loans continued growing despite intentional decrease in construction loan balances
- Credit continued to stabilize
  - Loan delinquency trend flat at \$71.2 million or 2.82% of loans from \$71.3 million or 2.80%
    - Early stage delinquency declined \$17.3 million, or 0.67%, to 0.98% of total loans
  - NPAs increased slightly to \$85.8 million from \$82.1 million in 1Q 2010
    - \$4 million of additional NPA sales were marked to contract sales price and awaiting closure at the end of the quarter; and NPAs up only \$5.9 million or 7% from 2Q 2009
  - WSFS continues allowance for loan loss build now at 2.48% of loans
  - NCOs decreased \$2.4 million to \$5.4 million; provision of \$10.6 million
- Capital grew from already strong levels
  - Tangible common book value per share increased \$1.15 or 3% to \$35.02 and the TCBV ratio increased 27 bps to 6.60%; and risk based capital increased 18 bps to 12.51%
  - All regulatory capital ratios remain well in excess of “well-capitalized”

# Recent Results

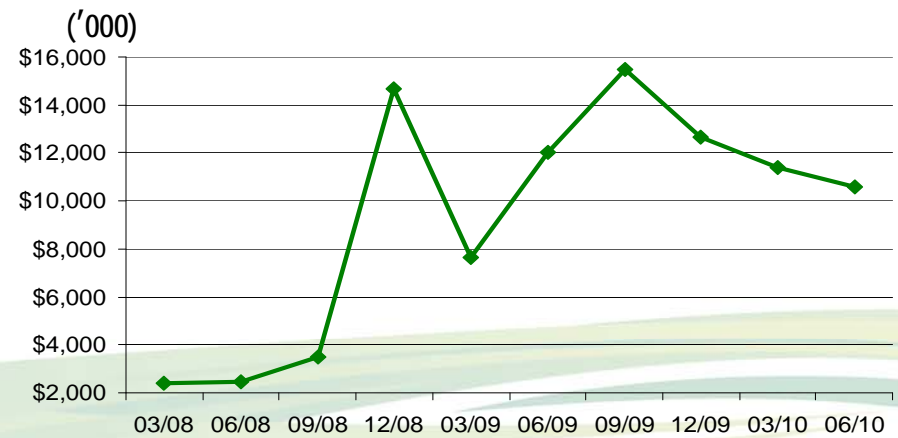
EPS Trend\*



Net Interest Income Trend\*



Provision for Loan Loss\*



\* Charts reflect quarterly results

# The WSFS Franchise and Opportunities

- Well-positioned community banking franchise with a strong and growing market share
- Managed risks coming into recession and addressed issues earlier in this credit cycle - which has improved credit position and helped to stabilize credit metrics recently
- Robust core earnings capability that will be improved by the recently announced acquisition of Christiana Bank & Trust
- WSFS will continue building its franchise value by taking advantage of dislocation in the local banking market

# The WSFS Franchise and Opportunities

- \$3.8 billion in assets
- 36 branches and 4 LPO's
- Founded in 1832, WSFS is one of the ten oldest banks in the U.S.
- Second largest independent bank in Delaware
- Major business lines
  - Retail
  - Commercial
  - Trust and Wealth Management
  - Cash Connect (ATM cash and related business)



# The WSFS Franchise and Opportunities



Market opportunities from significant disruption/distraction among major competitors

## Delaware Traditional Bank's Deposits

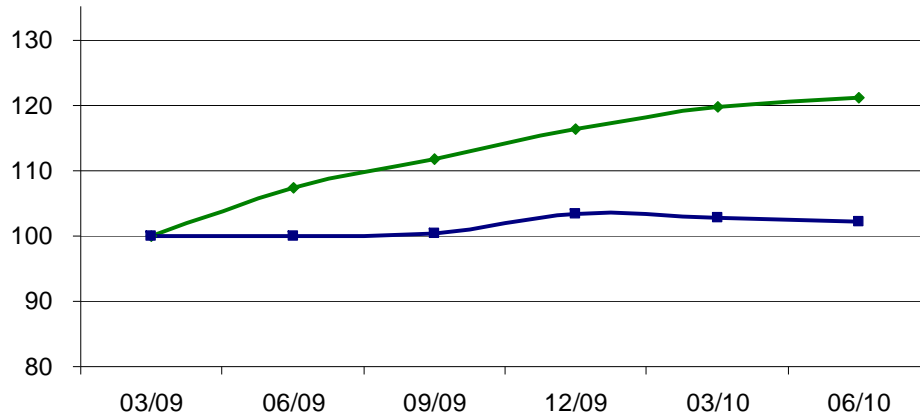
(June 30, 2009)

Rank	Institution	Branch Count	Total Deposits in Market	Total Market Share
1	Wilmington Trust Corp. (DE)	43	5,412,467	28.06%
2	Wachovia/Wells Fargo & Company (CA)	19	3,738,859	19.38%
3	PNC Financial Services Group (PA)	50	2,742,396	14.22%
4	<b>WSFS</b>	<b>37</b>	<b>2,045,533</b>	<b>10.60%</b>
5	TD Bank (formerly Commerce) (Canada)	13	1,565,871	8.12%
6	Royal Bank of Scotland Group/Citizens (Scotland)	27	1,147,287	5.95%
7	Artisan's Bank (DE)	14	585,166	3.03%
8	Fulton Financial Corp. (PA)	13	369,403	1.91%
9	County Bank (DE)	9	345,007	1.79%
10	First Wyoming Financial Corp. (DE)	6	231,063	1.20%
11	Christiana Bank & Trust Co. (DE)*	3	198,621	1.02%
	<b>Top 11</b>	<b>234</b>	<b>18,381,673</b>	<b>95.28%</b>

\*See pages 27-29 for planned acquisition

# The WSFS Franchise and Opportunities

## Deposit Growth

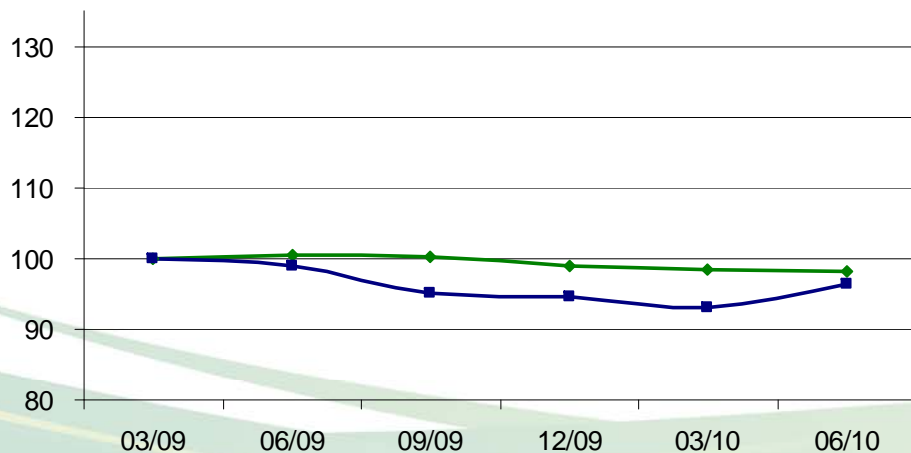


## Comments

### Customer Deposit Growth

- Increased \$26.6 million or 5% annualized from 1Q 2010
- Increased \$254.8 million or 13% from 2Q 2009
- Currently, core deposits are \$1.6 billion or 70% of customer deposits
- 33% of deposit base is in non-interest bearing or low rate DDA accounts

## Loan Growth



### Loan Growth

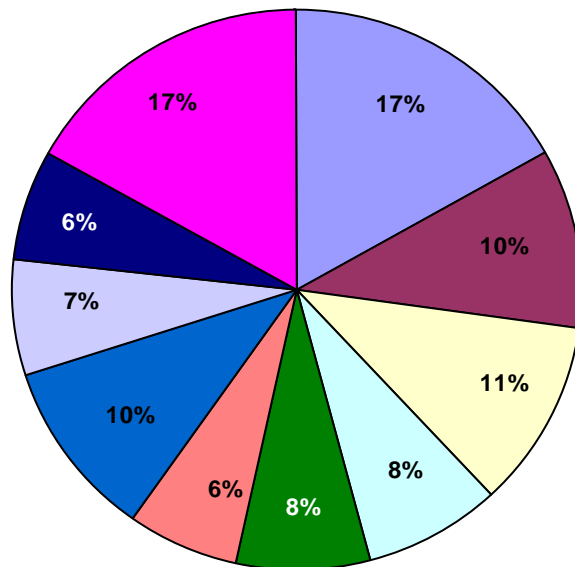
- Growth in WSFS C&I loans offsetting planned declines in construction and mortgage lending

—◆— WSFS    —■— Commercial Banks\*

\* Dates derived from FRB: H.8. Release dated January 15, 2010 and July 23, 2010

## Commercial & Industrial, \$1.1 billion or 45% of Loans

### Industry Diversification



- Other Services (\$190MM) \*
- Manufacturing (\$122MM)
- Professional & Tech Serv. (\$97MM)
- RE Dev./Holdings, Rents & Leasing (\$115MM)
- Hotels & Accommodations (\$69MM)
- Retail Trades (\$117MM)
- Healthcare Services (\$87MM)
- Construction (\$71MM)
- Wholesale Trade (\$76MM)
- Total of Industries less than 5% (\$192MM, 11 Ind.)

### Delinquency Trends

	2Q10	1Q10	4Q09
30-89 Delinquencies	0.66%	1.05%	0.66%
90+ Delinquencies	0.87%	0.55%	0.52%
Total Delinquencies	1.53%	1.60%	1.18%

### Comments

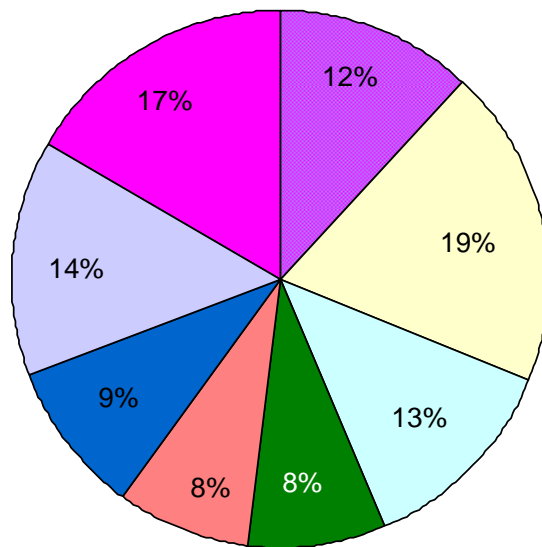
- In market; WSFS is primary bank / whole relationship focus
- Low overall delinquencies
- No one industry representing more than 11% of portfolio
- Weakness is in smaller C&I credits (most less than \$1 million)

\* Other services includes service oriented industries

# The WSFS Franchise and Opportunities

## Commercial Real Estate (excluding CLD), \$543 million or 21% of loans

### Industry Diversification



- Shopping Centers and Malls (\$92MM) \*
- Office (\$100MM)
- Residential 5 or more units (\$44MM)
- Flex (\$51MM)
- Retail (\$65MM) \*
- Residential 1-4 units (\$69MM)
- Hotels and Accomodations (\$45MM)
- Total of Industries less than 5% (\$77MM)

### Delinquency Trends

	2Q10	1Q10	4Q09
30-89 Delinquencies	0.46%	1.35%	0.34%
90+ Delinquencies	0.61%	0.14%	0.20%
Total Delinquencies	1.07%	1.49%	0.54%

### Comments

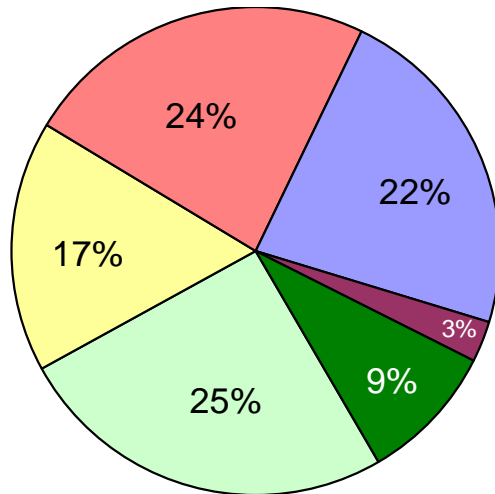
- Predominantly in-market to stable projects, local, long-term operators, "with recourse"
- Low overall delinquencies
- Largest property concentration in retail-related\* (\$157 million)

– Average loan size \$1.4 million, only 8 loans > \$5 million and none > \$10 million

# The WSFS Franchise and Opportunities

## Construction & Land Development (CLD), \$192 million or < 8% of loans\*

### Geographic Diversification



■ Sussex County, DE      ■ New Castle County, DE  
■ Kent County, DE      ■ Pennsylvania  
■ Maryland              ■ New Jersey

### Delinquency Trends

	2Q10	1Q10	4Q09
30-89 Delinquencies	2.19%	4.14%	0.75%
90+ Delinquencies	9.17%	5.89%	7.06%
Total Delinquencies	11.36%	10.03%	7.81%

### Comments

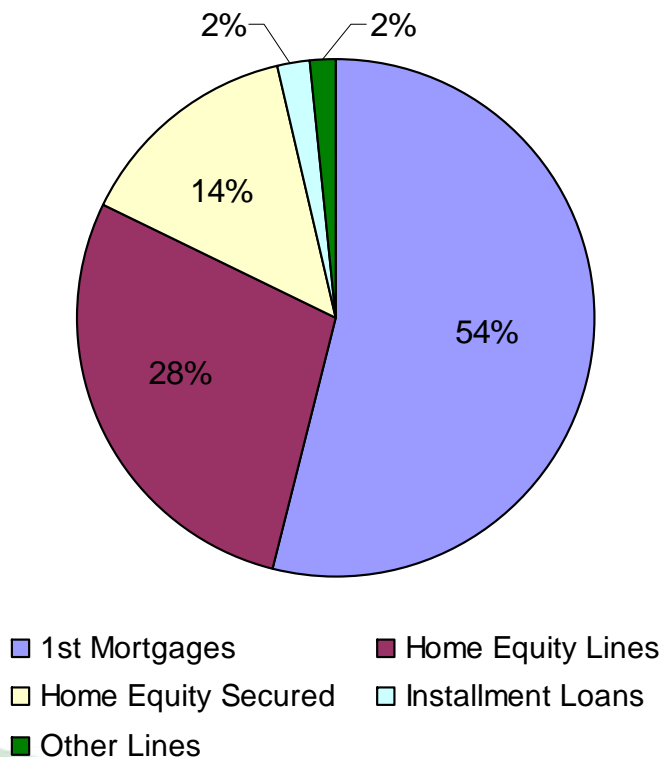
- Predominantly in-market; “with recourse”
- Residential CLD = \$91 million, now < 4% of loans
- Average RCLD loan size \$1.4 million, only 4 loans between \$5 and \$10 million
- Sussex County, DE residential concentration only \$33 million, < 2% of loans
- Land hold exposure \$47 million, < 2% of loans

\*Includes \$37.8 million of owner occupied construction

# The WSFS Franchise and Opportunities

## 1<sup>st</sup> Mortgage and Consumer Loans, \$640 million or 26% of loans

### Product Diversification



### Delinquency Trends

	2Q10	1Q10	4Q09
30-89 Delinquencies	1.68%	2.26%	1.62%
90+ Delinquencies	2.50%	1.62%	1.75%
Total Delinquencies	4.18%	3.88%	3.37%

### Comments

- Delinquency increasing, but better than national average
- Very little unsecured consumer loans
- Loss severities overall relatively low, due to collateral and underwriting

# Credit / Risk Management

## What We Didn't Have Coming Into This Down Cycle

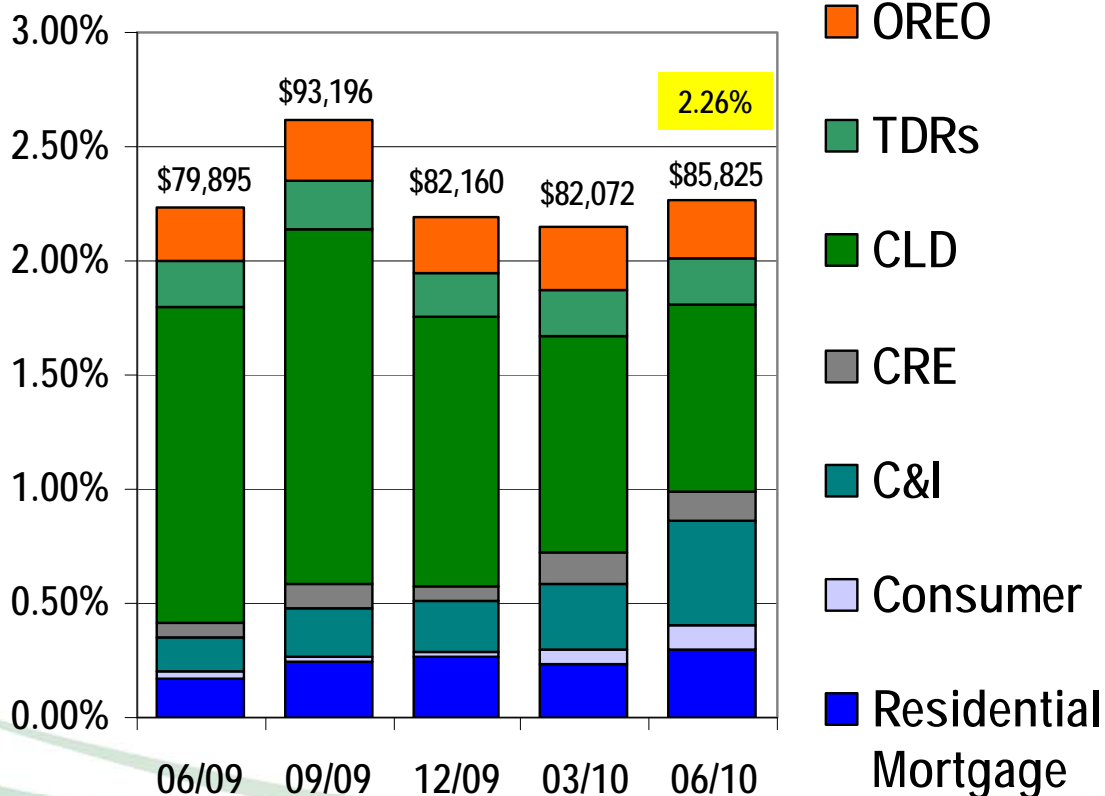
- ✓ Collateralized Debt Obligations (CDOs)
- ✓ Bank Trust Preferred Securities
- ✓ Fannie or Freddie stock or preferred securities
- ✓ Equity Securities in Other FDIC-Insured Banks or Thrifts
- ✓ Weak Non-Agency MBS - no meaningful OTTI
- ✓ BOLI insurance wrap issues
- ✓ Credit Card Portfolio
- ✓ Any meaningful sub-prime exposure
- ✓ Any meaningful unsecured loans
- ✓ Any significant concentration in residential construction lending
- ✓ Indirect auto financing
- ✓ Any sizeable goodwill
- ✓ Any deferred tax asset issues

## Proactively addressing credit environment

- **People**
  - Hired an experienced (over 30 years) head of Asset Recovery along with two seasoned recovery specialists
  - Highly skilled Asset Disposition function with dedicated SVP
  - Significantly enhanced Credit Administration team with seasoned professionals
- **Process**
  - Expanded Internal loan review augmented by a quarterly external loan review
  - Intensive Executive Management and Board involvement
  - Weekly NPA/ORE meetings
- **Policies**
  - Ongoing enhancements to credit policy
  - Periodic updates to portfolio limits
- **Plan**
  - Implemented loan-by-loan plan to aggressively address criticized assets

## Stabilization in Credit Statistics - Nonperforming Assets

### Nonperforming Assets to Total Assets



### Comments

#### During 2Q 2010:

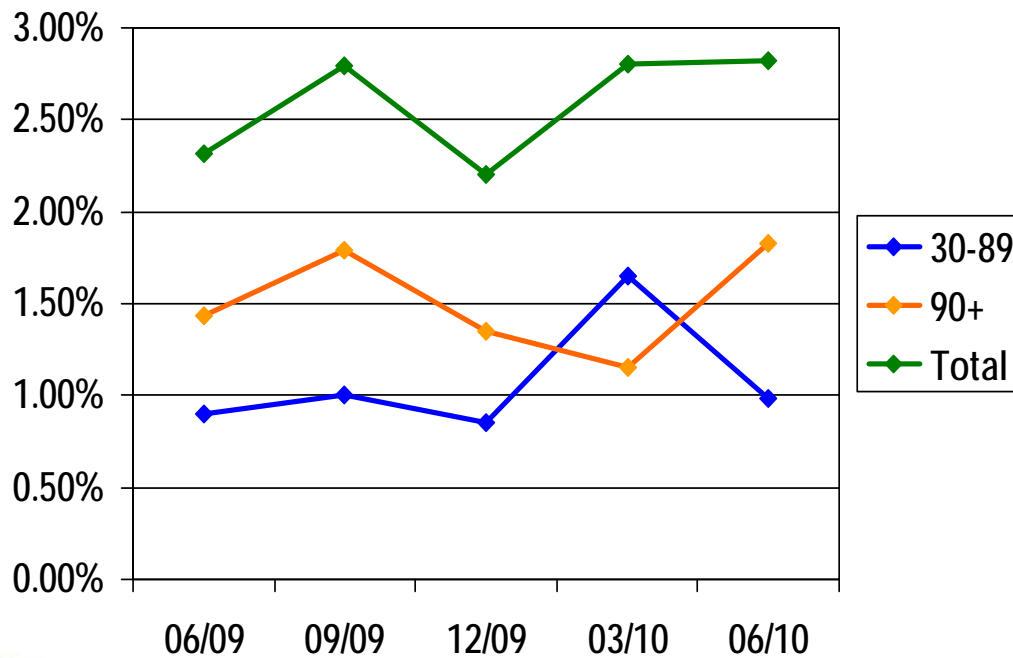
- \$18.4 million new non-performing asset inflows
  - Mostly small business and consumer credits (< \$1 million)
  - Lower expected loss severities vs. larger construction loans in prior periods

#### Offset by

- \$6.6 million of resolution/paydowns
- \$8.0 million of net charge-offs and REO write-downs
- Plus: \$4 million marked to sales price and awaiting closing at June 30, 2010

## Stabilization in Credit Statistics – Loan Delinquencies

### Loan Portfolio Delinquency Trends



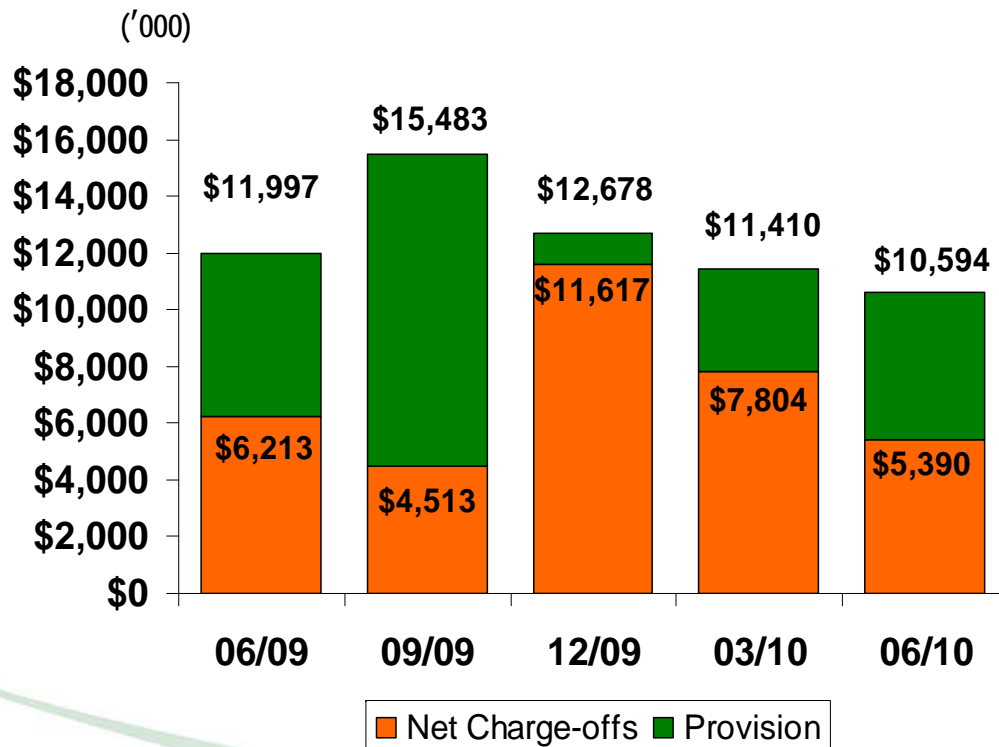
### Comments

#### During 2Q 2010:

- Total delinquency remained flat from 1<sup>st</sup> Quarter, and increased only modestly from June 2009
- Early-stage delinquencies decreased from \$42.1 million to \$24.8 million or 1.65% to 0.98%

## Stabilization in Credit Statistics – Loan Loss Provision

### Quarterly Provision Expense



- Allowance for loan losses to loans:

1.63%

2.05%

2.12%

2.27%

2.48%

### Comments

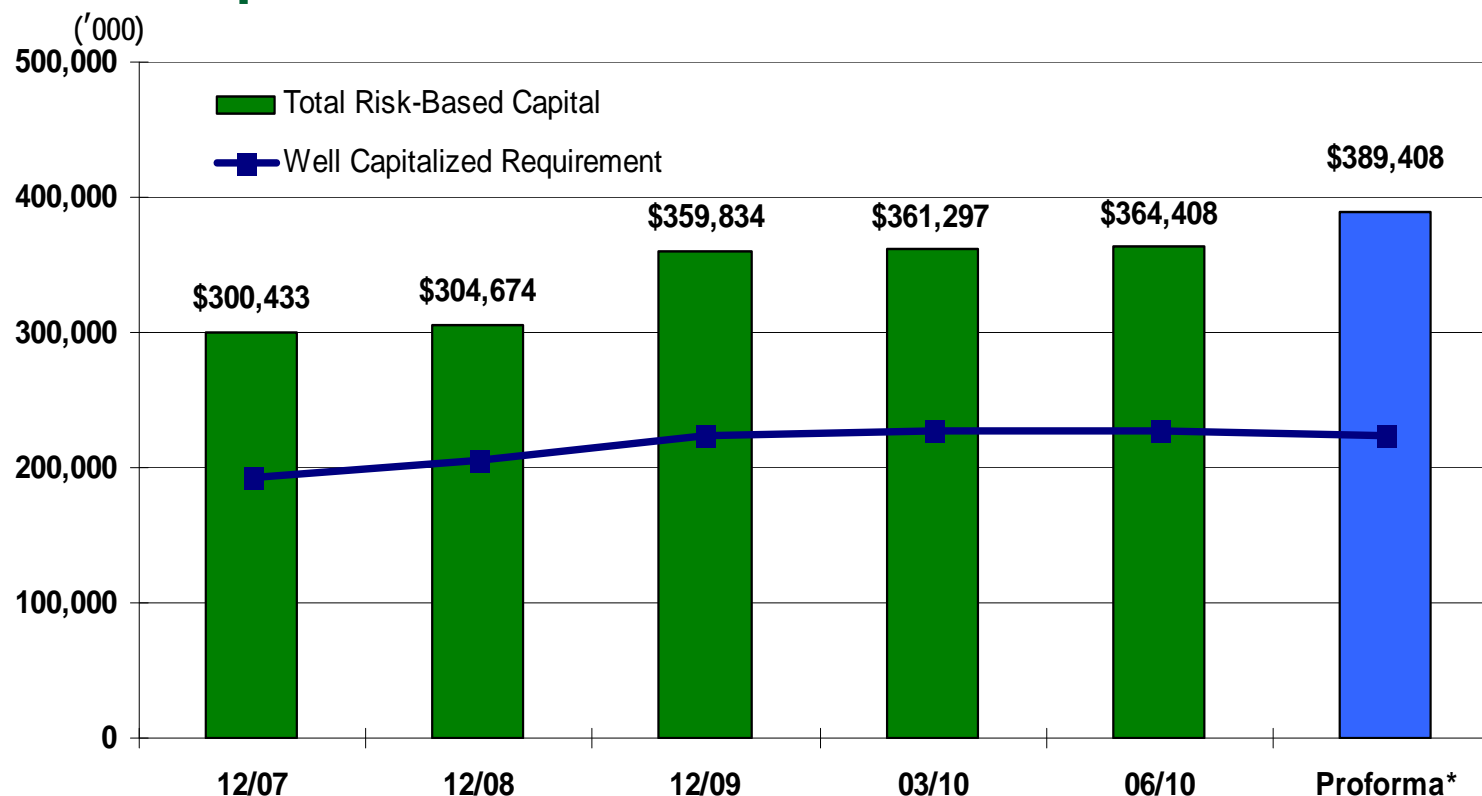
#### During 2Q 2010:

- ALLL continues to build as the provision well outpaces charge-offs
- Loan Loss Provision of \$10.6 million
- 2Q provision driven by continued deterioration of property values and to a lesser extent by migration of loans to higher risk ratings
- Also implemented a prudent change in estimate (\$1 million) relating to the expected credit losses in the consumer loan portfolio

# Capital Position

# Capital Position

## Risk-Based Capital



<b>Total Risk-Based Capital</b>	12.13%	11.00%	12.24%	12.33%	12.51%	13.37%
<b>Tier 1 Capital</b>	11.16%	9.90%	11.02%	11.07%	11.26%	12.12%
<b>Excess Risk Based Capital</b>	\$52,737	\$27,728	\$65,881	\$68,169	\$73,186	\$98,186
<b>Tangible Common Equity</b>	6.52%	5.88%	6.31%	6.33%	6.60%	6.60%

\*Proforma for 3Q 2009 \$25 million capital raise currently at Holding Company infused to the Bank

# CB&T Acquisition

## Christiana Bank & Trust Merger – Transaction Highlights

- A highly strategic transaction with compelling financial results
- Christiana has a strong and growing trust business and solid banking relationships
  - \$6.0 billion in fiduciary assets at May 31, 2010; national presence
  - Trust and other non-interest revenues of \$6.5 million in 2009 (52% of total revenue), grown from \$3.1 million five years earlier
  - Market presence built by strong management and business development team
  - Further builds WSFS' traditional market share in an attractive market
- Through the acquisition of Christiana, WSFS will meaningfully accelerate its position in the trust and custody businesses
  - Christiana will increase WSFS' non-interest income by approximately 14%\*
  - Advances WSFS' trust initiatives by several years and provides critical mass and scale
  - Results in WSFS now having a strong and diversified revenue platform in Retail Banking, Commercial Banking, AND Trust & Wealth Management
- Significant synergies; accretive in 2011 (est. 4%); > 20% IRR expected

# CB&T Acquisition

<b>Transaction:</b>	WSFS will acquire 100% of the stock of Christiana, which is currently a wholly-owned subsidiary of National Penn Bancshares, Inc.
<b>Purchase Price:</b>	\$34.5 million in cash
<b>Key Provisions:</b>	Clean balance sheet: all currently classified and non-accrual loans and OREO at Christiana will be retained by NPBC
<b>Board Roles:</b>	Christiana CEO to become member of WSFS Board; WSFS to establish Trust Advisory Board
<b>Due Diligence:</b>	Completed comprehensive due diligence, including detailed review of loans utilizing WSFS senior personnel and outside loan review firm
<b>Expected Closing:</b>	Fourth Quarter of 2010
<b>Conditions to Closing:</b>	Customary regulatory approvals

# Alignment of Insiders and Owners

- Near 33% insider ownership\*
- Executive Management bonuses and equity awards based on performance
  - ROA, ROE, EPS growth
  - No incentive payments of any kind made to executives for 2009, due to breakeven results

\* As defined in the proxy plus WSFS 401K

# Appendices

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# Appendix 1 – Management Team

- **Mark A. Turner, 47**, has served as President and Chief Executive Officer since 2007. Mr. Turner was previously both the 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, 54**, Executive Vice President, Human Capital Management since 2007. From 2003 to 2007 she was Senior Vice President for Human Resources and Development for NextTier 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, 45**, 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.
- **Richard Immesberger, 44**, Executive Vice President, Trust and Wealth Management since 2008. From 2003 to 2008, Mr. Immesberger was Senior Vice President, Private Client Advisor for Bank of America. Mr. Immesberger received his Bachelor's Degree in Finance and Investments from Baruch College, City University of New York.
- **Rodger Levenson, 49**, Executive Vice President/Director of Commercial Banking 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, 53**, Appointed Executive Vice President and Chief Technology Officer February 1, 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 and his Bachelor of Science degree from Rensselaer Polytechnic Institute.
- **Richard M. Wright, 57**, Executive Vice President/Director of Retail Banking and Marketing 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.

## Focused Business Model



- Consistently ranked in the top quartile of all companies surveyed \*
- WSFS has been recognized by The Wilmington News Journal as a "Best in the Business" company four years in a row; and ranked #1 in 2009

- Gallup survey shows WSFS **best** among top players in market at delivering service \*

- Customer advocacy survey places WSFS above the **92nd percentile**, which is considered a world-class service level \*
- On a scale of 1-5, 41% of WSFS customers gave us a "5" saying "**I can't imagine a world without WSFS**" \*

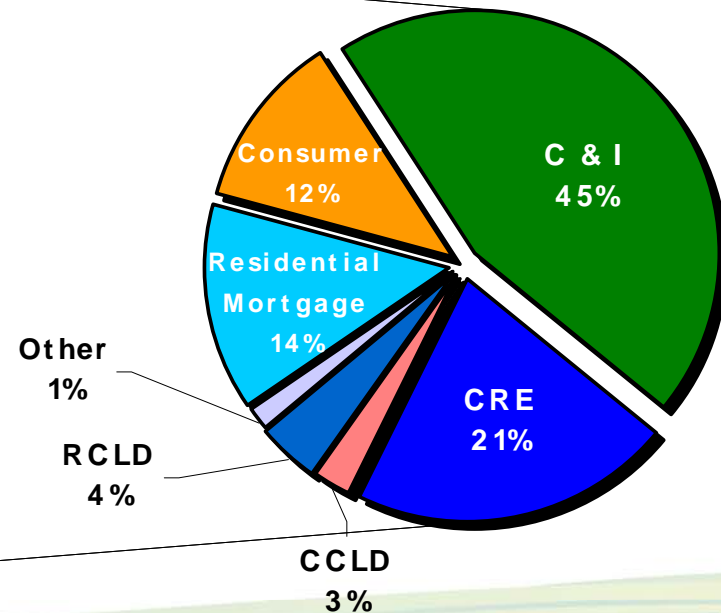
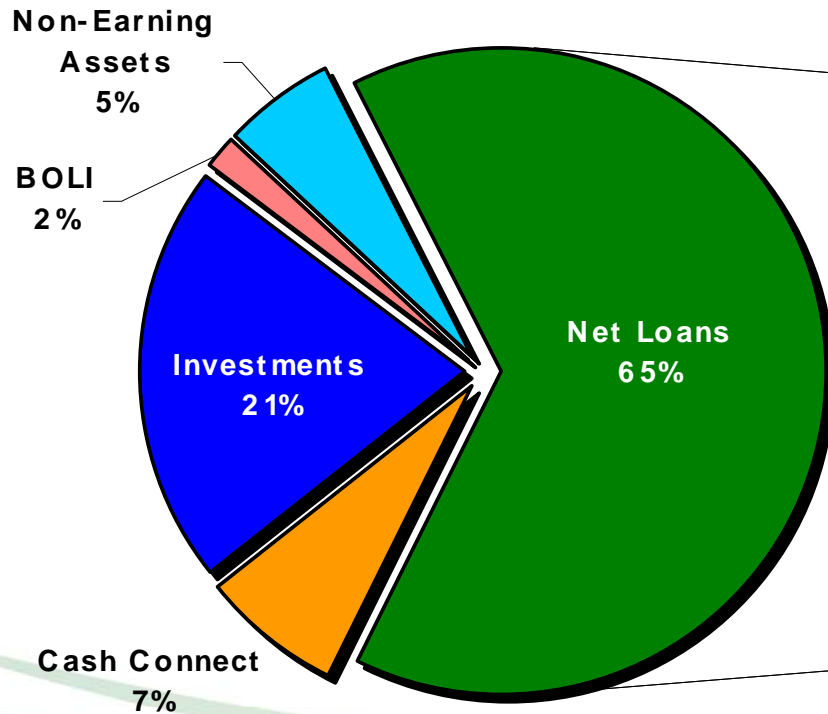
- Builds sustainable real profit growth
- Leads to increased shareholder value

\* Completed by the Gallup Organization

## Asset Composition – June 30, 2010

Assets - \$3.8 billion

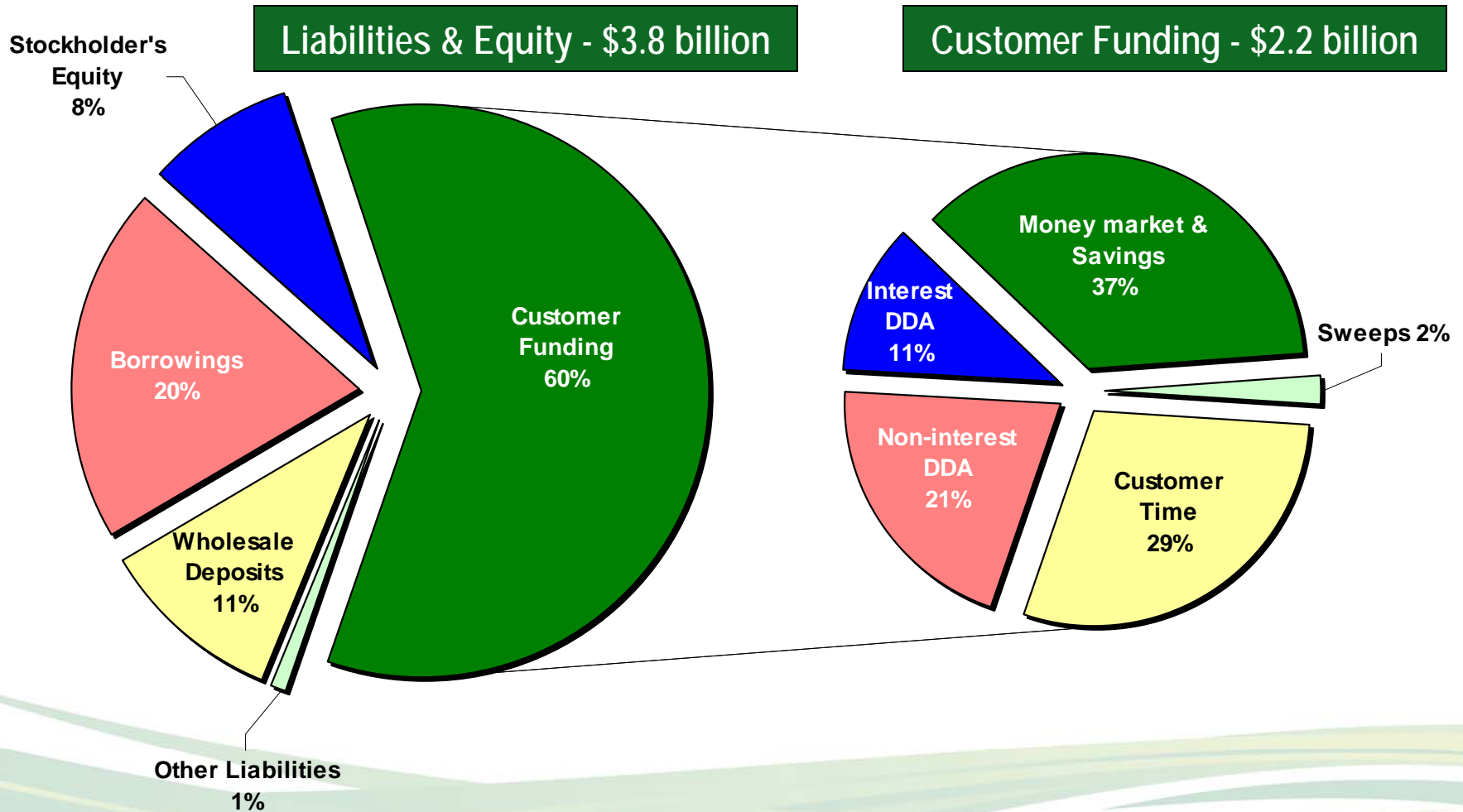
Loans - \$2.5 billion



RCLD = Residential Construction & Land Development

CCLD = Commercial Construction & Land Development

## Funding Composition

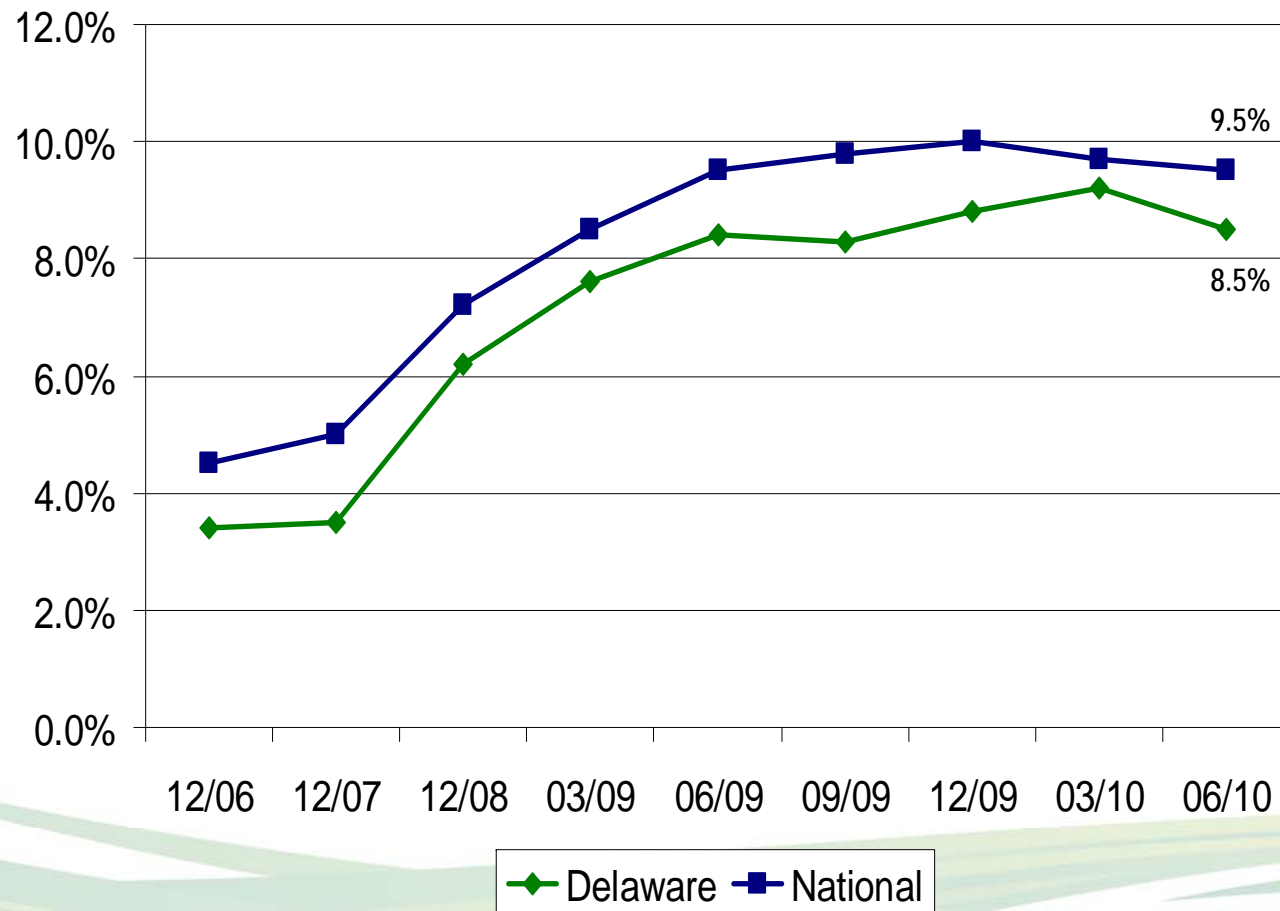


## Non-Agency MBS, \$462 million

- All AAA at purchase, significant internal pre-purchase due diligence
- 24 bonds downgraded at least one full grade (\$76.8 million par value); 8 Bonds, \$32.7 million book value downgraded below investment grade
  - Only one bond downgraded in 1<sup>st</sup> half of 2010
  - Independent stress tests project losses of only \$106,000 in a “housing depression” scenario
    - Assumes that an additional 10% decline in housing prices over the next 24 months
- Recorded no OTTI in 2Q 2010, only \$86 thousand cycle-to-date
- Unrealized gain/loss improvement of \$4.2 million in 2Q 2010

# Appendix 4 – Local Economic Trends

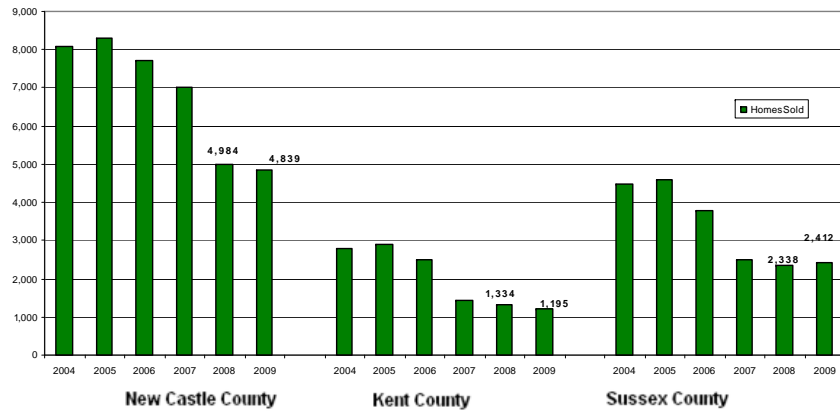
## Unemployment Rate



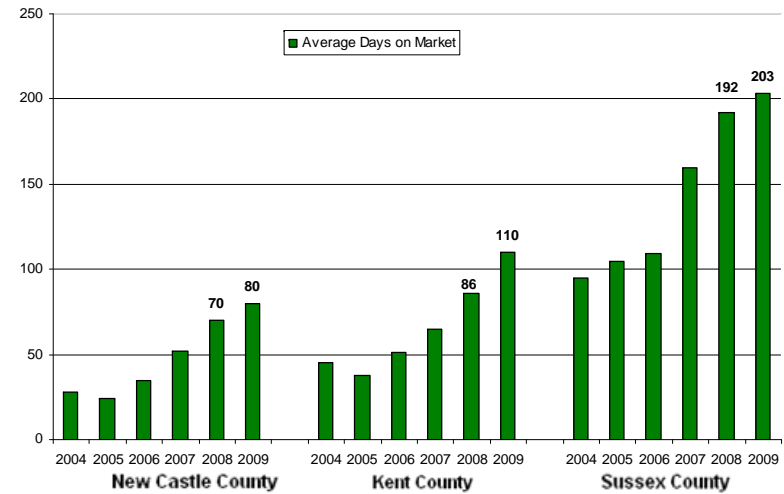
# Appendix 4 – Local Economic Trends

## Annual Home Sales in Delaware, by County

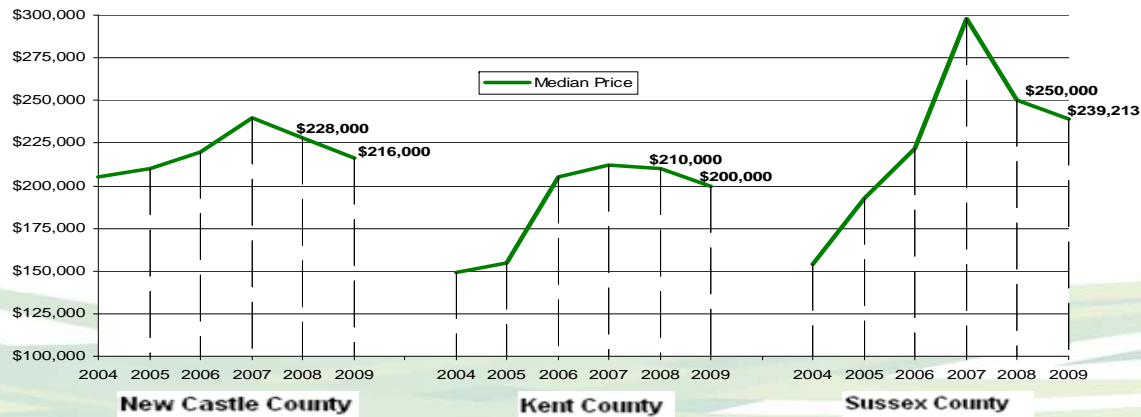
Homes Sold Per Year



Average Days on Market Per Year



Median Price Per Year

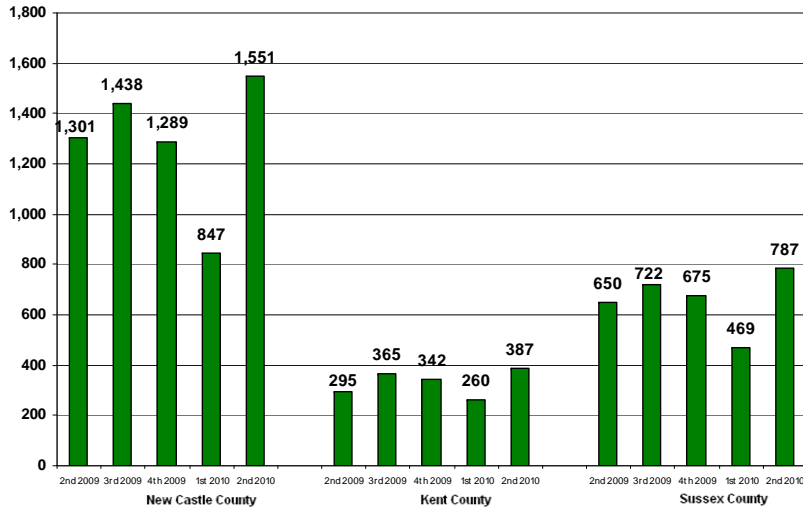


\*All figures were derived from the Sussex County Association of Realtors & TREND MLS 2009 quarterly reports.

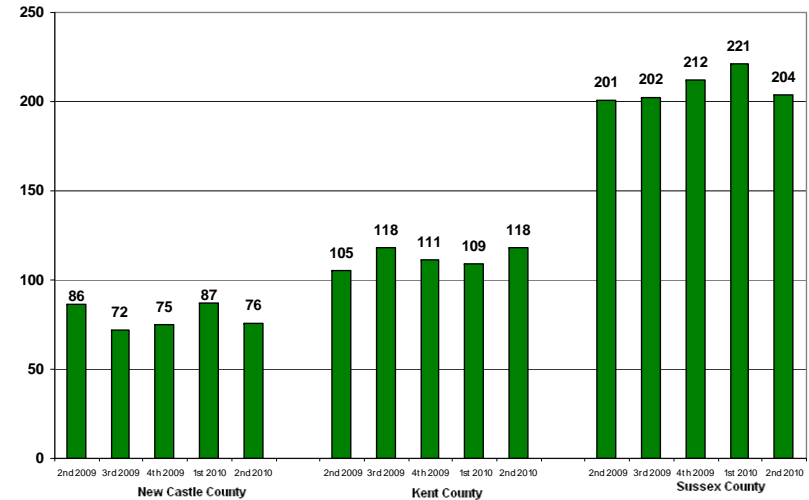
# Appendix 4 – Local Economic Trends

## 2009/10 Quarterly Home Sales in Delaware, by County

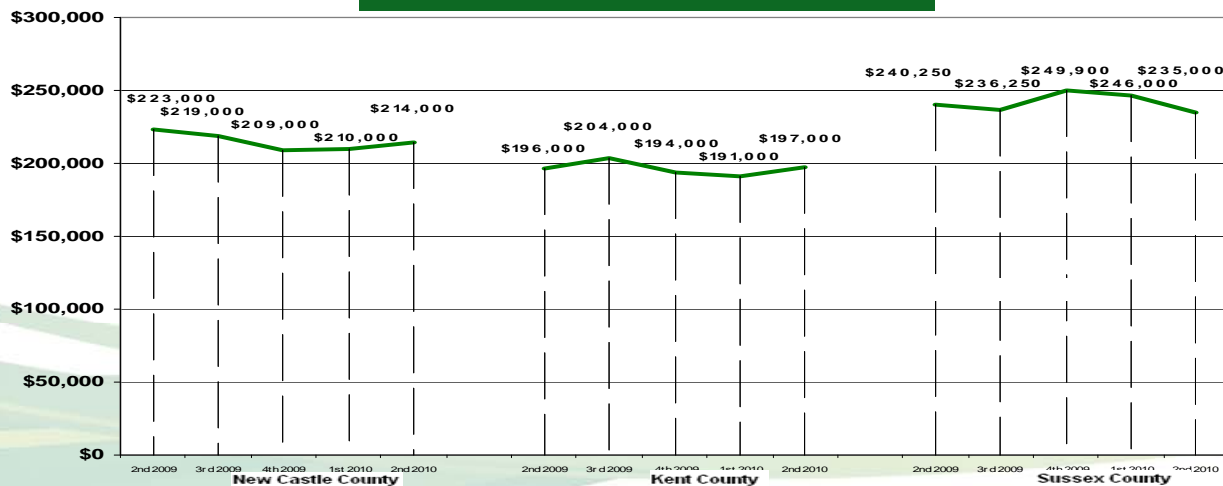
Homes Sold Per Quarter 2009/10



Average Days on Market Per Quarter 2009/10



Median Price Per Quarter 2009/10



\*All figures were derived from the Sussex County Association of Realtors & TREND MLS 2009/10 quarterly reports.