

**WSFS Financial Corporation**

**Moderator: Mark Turner**  
**June 25, 2010**  
**8:00 a.m. EDT**

Operator: Good day, ladies and gentlemen, and welcome to the WSFS Analyst webcast. If you would like to ask a question, you must be logged into the webcast to do so and you may submit your question at any time during today's webcast. Phone participants will be in a listen-only mode.

As a reminder, today's conference call is being recorded. I would now like to turn the conference over to your host, Mr. Mark Turner, President and CEO of WSFS Bank. Please go ahead, sir.

Mark Turner: Thank you very much and thank you everybody on the call for your time and attention. I'd first like to refer you to page two and ask you to take notice of our forward-looking statement caution and our Safe Harbor statement.

We're very excited about this announcement today because it: one, is highly strategic for us; two, offers compelling financial results; and three, has been structured to be clean of asset quality risk. Christiana is a very attractive franchise in Greenville, Delaware only minutes from our headquarters in downtown Wilmington.

It is strategic for us because Christiana has a strong and growing trust business. It has built up to \$6 billion in fiduciary assets as of May 31st, 2010 and has a national brand and presence. Trust and other non-interest revenues of \$6.5 million in 2009 were 52 percent of total revenue and have grown strongly in recent years.

Importantly, this combination advances WSFS's trust initiative by many years and provides us critical mass and scale. In fact, it more than triples our fiduciary revenues. Because of this, it results in WSFS now having strong and diversified revenue platforms in retail banking, commercial banking, and trust and wealth management.

In addition, Christiana has a traditional bank operation that is highly complementary with WSFS. It further builds our market share in the desirable Greenville, Delaware market and all three of Christiana's Delaware offices, trust and retail, are within a third of a mile of a WSFS office. And, given the relative size and operations of the geographic overlap, it offers us significant opportunity for synergies with minimal integration risk.

And because it's cleanly structured, that is, we're not acquiring any classified or non-accrual loans or OREO in this transaction, it is also attractive to us. We've done extensive due diligence with our senior people and outside resources, including a firm that consists of ex-examiners, on the remaining loan book and it is very clean. And, we know many of the borrowers.

Because of all these things, this transaction is very financially compelling to us. It's expected to be accretive to earnings starting in 2011 by four percent versus consensus estimates, and it has an expected internal rate of return of over 20 percent. It reduces our pro forma NPAs to total assets by 11 basis points as of March 31st.

So, a little more on the transaction. We're paying \$34.5 million in cash for 100 percent of the stock of the subsidiary. As mentioned, it's a clean balance sheet. To provide continuity, Christiana CEO Zissimos Frangopoulos will become a member of the WSFS board. We expect closing in the fourth quarter of 2010, subject to customary regulatory approvals. The map on page six depicts the significant common geography and overlap, and the table on the right shows how this transaction adds to our liquidity and also shows how half of the revenues of the business we're acquiring are in fiduciary services.

A little more on Christiana. While we have been emphasizing trust for only the last two or three years, Christiana started in 1994 and has been

emphasizing trust for 16 years. Because of that, they've built their trust business up to \$6 billion in assets under management and administration as of May 31st, and 2009 trust-related revenues and other non-interest income was \$6.5 million. Their products include personal trust, corporate trust, custody, commercial domicile, and investment management.

And as we mentioned, WSFS is not taking non-performing loans, problem loans, or OREO. This enables us to focus on integration and business execution with minimal disruption. As we've also mentioned on the road and in conference calls many times, this transaction is consistent with what we're trying to do as an organization right now; which is: one, manage our balance sheet closely and, two, selectively seek attractive opportunities to grow. The table at the bottom shows how non-performing assets to total assets ratio and other asset quality metrics will improve on a pro forma basis as a result of this transaction.

Some additional deal metrics, we expect to achieve \$3.4 million in pretax cost savings. Again, that's a result of the significant geographic and business overlap. Pretax transaction and transition costs are expected to be at about \$2.3 million. And, importantly, this will be treated by us as an asset purchase for tax purposes, allowing us to deduct goodwill and save cash taxes; the net present value of those savings are estimated at about \$3 million.

The premium to tangible book value on this transaction, about 190 percent, reflects three things; one, the attractiveness of the trust business, two, the fact that it's high ROE business and, three, the significant synergy opportunities. You can see at the bottom of the page the deal multiples on this. And, if you turn to page 10, while admittedly there haven't been many precedent transactions recently in the space because of the intervening recession, this transaction is priced attractively to us, especially based on a price to tangible book value basis reflecting current market realities.

Finally, because of the relative size and evaluation, if we did nothing, pro forma capital ratios would still be in excess of regulatory guidelines by quite a bit, and although it's modestly dilutive to tangible common equity on a pro forma basis, recall, as we said on the road and in conference calls, WSFS is

managing to over six percent tangible common equity to tangible assets and over 12 percent total risk base capital ratios--and that will be the case both before and after the close.

We have a number of alternatives to augment capital, if we believe that's the right thing to do. We currently have excess cash and capital at the holding company from a prior capital raise that we can infuse at the bank level as a ready alternative. Internally-generated capital through earnings is always an alternative, and recurring earnings were meaningful in the first quarter.

We also have ample liquid, high-quality, short duration investments, which will run off and can reduce capital needs. And lastly, as you know, we have filed a shelf registration statement, which is under review at the SEC right now. So, we legally cannot comment any more on that alternative right now.

However, we are fortunate to have several options to meet our capital goals. Importantly, the accretion measures mentioned here reflect scenarios to maintain capital around current levels. And those measures are four percent accretal to consensus earnings estimates accretive in 2011.

Again, that's consistent with a strong internal rate of return of over 20 percent expected on this transaction; and, of course, we also expect it to be accretive to return on assets and return on equity. With that, we'll conclude the call and I'll turn it back over to the moderator for questions.

Operator: Again ladies and gentlemen, if you would like to ask a question please submit your questions via the webcast at this time.

Jerry Vest: We have one question from (Brian Roman). And he asks, "What is the impact on TBV?"

Mark Turner: (Brian), the impact on tangible book value is about six percent. And that is if we did nothing – or excuse me, that's assuming that we would take measures to maintain our current capital ratios.

Steve Fowle: And to add to that – that tangible book value dilution is less than a year's pro-forma combined earnings. And so, we'd be earning that dilution back in the first year.

Mark Turner: Thank you, (Steve).

Jerry Vest: We have a second question from (Peter Carlin), "It appears you will need \$13 million to \$14 million of equity capital to reach six percent. Is this accurate? Please break down sources of cost savings."

Mark Turner: (Peter) that is accurate and as mentioned we have many ways to get to that number that you mentioned including cash we have at the holding company which will augment the regulatory capital ratios, our earnings, as well as being able to run off or sell liquid securities, and as mentioned we have a shelf registration out there right now. I'll turn it over to (Steve) to talk about the source of the cost savings.

Steve Fowle: Yes, thank you, the number of areas of cost savings for the deal, we're anticipating immediately at the first year to be able to get about a third of their expenses in cost savings, over time that will ramp up to just under 40 percent cost savings.

As Mark mentioned, there is significant overlap in locations and we anticipate consolidation of locations. We also have seen an opportunity in the staffing models. And, while there is an opportunity in staffing models, we also note that we do have more in the way of open positions at WSFS Bank than we have in head count reductions at the target. As in past acquisitions, we have been successful in incorporating the target's personnel into our workforce, so while there are savings we anticipate that a lot of good things happening with the Associate base.

Jerry vest: We have a question from Matt Schulteis, "Please explain the goodwill asset purchase treatment more thoroughly. Will there be goodwill? If so, how much?"

Mark Turner: (Matt) this is Mark. There will be goodwill from a GAAP perspective. That goodwill will be, as you know, roughly the difference between the purchase

price of \$34.5 million and the tangible book value at closing. The tangible book value right now is \$18.5 million, less any other intangibles that are created like core deposits in tangibles.

And so the goodwill that's created would be roughly in the range of \$14 or \$15 million. The mention made of goodwill with respect to tax was – because we're able to take a tax election, we're able to deduct Goodwill for tax purposes after we adjust the basis of these assets and liabilities for tax purposes. And, therefore, we'll be able to deduct them in our tax return over 15 years, saving about \$3 million in net present value in taxes if we did not make that election.

Jerry Vest: We have no further questions.

Mark Turner: Thank you very much for your time and attention today. Again, we are very excited about this transaction because it's strategic for us, financially compelling, and it is also structured to be clean of asset quality risks, allowing us to continue to manage our balance sheet closely. And again, this meets our desire during this time to seek attractively priced opportunities for growth.

As always, (Steve) and I are available if you have additional questions and follow-up and look forward to talking to you in the future. Thank you again.

Operator: Ladies and gentlemen, that does conclude our conference for today. As a reminder, this conference will be available for replay. Thank you for participating and have a wonderful day.

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