# WSFS Financial Corporation

Q3 2019 Investor Update

November 5, 2019

WSFS Financial Corporation

WSFS bank

We Stand For Service®

# *Forward Looking Statements*

WSFS Financial Corporation

This presentation contains estimates, predictions, opinions, projections and other "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 predictions or expectations of future business or financial performance as well as its goals 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. The words “believe,” “expect,” “anticipate,” “plan,” “estimate,” “target,” “project” and similar expressions, among others, generally identify forward-looking statements. 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 difficult market conditions and unfavorable economic trends in the United States generally, and particularly in the markets in which the Company operates and in which its loans are concentrated, including the effects of declines in housing markets, an increase in unemployment levels and slowdowns in economic growth; the Company's level of nonperforming assets and the costs associated with resolving problem loans including litigation and other costs; possible additional loan losses and impairment of the collectability of loans; changes in market interest rates which may increase funding costs and reduce earning asset yields and thus reduce margin; the impact of changes in interest rates and the credit quality and strength of underlying collateral and the effect of such changes on the market value of the Company's investment securities portfolio; the credit risk associated with the substantial amount of commercial real estate, construction and land development, and commercial and industrial loans in our loan portfolio; the extensive federal and state regulation, supervision and examination governing almost every aspect of the Company's operations including the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act) the Economic Growth, Regulatory Relief, and Consumer Protection Act (which amended the Dodd-Frank Act), and the rules and regulations issued in accordance therewith and potential expenses associated with complying with such regulations; the Company's ability to comply with applicable capital and liquidity requirements (including the finalized Basel III capital standards), including our ability to generate liquidity internally or raise capital on favorable terms; possible changes in trade, monetary and fiscal policies, laws and regulations and other activities of governments, agencies, and similar organizations; any impairment of the Company's goodwill or other intangible assets; failure of the financial and operational controls of the Company's Cash Connect® division; conditions in the financial markets that may limit the Company's access to additional funding to meet its liquidity needs; the success of the Company's growth plans, including the successful integration of past and future acquisitions; the Company's ability to fully realize the cost savings and other benefits of its acquisitions, manage risks related to business disruption following those acquisitions, and post-acquisition customer acceptance of the Company's products and services and related Customer disintermediation; negative perceptions or publicity with respect to the Company's trust and wealth management business; adverse judgments or other resolution of pending and future legal proceedings, and cost incurred in defending such proceedings; system failures or cybersecurity incidents or other breaches of the Company's network security; the Company's ability to recruit and retain key employees; the effects of problems encountered by other financial institutions that adversely affect the Company or the banking industry generally; the effects of weather and natural disasters such as floods, droughts, wind, tornadoes and hurricanes as well as effects from geopolitical instability and man-made disasters including terrorist attacks; possible changes in the speed of loan prepayments by the Company's customers and loan origination or sales volumes; possible changes in the speed of prepayments of mortgage-backed securities due to changes in the interest rate environment, and the related acceleration of premium amortization on prepayments in the event that prepayments accelerate; regulatory limits on the Company's ability to receive dividends from its subsidiaries and pay dividends to its stockholders; any reputation, credit, interest rate, market, operational, legal, liquidity, regulatory and compliance risk resulting from developments related to any of the risks discussed above; and the costs associated with resolving any problem loans, litigation, and other risks and uncertainties, including those discussed in the Company's Form 10-K for the year ended December 31, 2018 and other documents filed by the Company with the Securities and Exchange Commission from time to time.

We caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date on which they are made, and the Company disclaims any duty to revise or update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company for any reason, except as specifically required by law. As used in this presentation, the terms "WSFS", "the Company", "registrant", "we", "us", and "our" mean WSFS Financial Corporation and its subsidiaries, on a consolidated basis, unless the context indicates otherwise.

# Non-GAAP Information

This presentation contains financial information and performance measures determined by methods other than in accordance with accounting principles generally accepted in the United States ("GAAP"). The Company's management believes that these non-GAAP measures provide a greater understanding of ongoing operations, enhance comparability of results of operations with prior periods and show the effects of significant gains and charges in the periods presented. The Company's management believes that investors may use these non-GAAP measures to analyze the Company's financial performance without the impact of unusual items or events that may obscure trends in the Company's underlying performance. This non-GAAP data should be considered in addition to results prepared in accordance with GAAP, and is not a substitute for, or superior to, GAAP results. For a reconciliation of these non-GAAP measures to their comparable GAAP measures, see Appendix 2. The following are the non-GAAP measures used in this presentation:

- Adjusted net income (non-GAAP) is a non-GAAP measure that adjusts net income determined in accordance with GAAP to exclude the impact of securities gains, realized and unrealized gains on equity investments, recovery of/provision for fraud loss, recovery of/provision for legal settlement, and corporate development and restructuring costs
- Core noninterest income, also called core fee income, is a non-GAAP measure that adjusts noninterest income as determined in accordance with GAAP to exclude the impact of securities gains (losses) and realized and unrealized gains on equity investments
- Core earnings per share ("EPS") is a non-GAAP measure that divides (i) adjusted net income (non-GAAP) by (ii) weighted average shares of common stock outstanding for the applicable period
- Core net revenue is a non-GAAP measure that is determined by adding core net interest income plus core noninterest income
- Core noninterest expense is a non-GAAP measure that adjusts noninterest expense as determined in accordance with GAAP to exclude corporate development and restructuring costs, recovery of/provision for fraud loss, and recovery of/provision for legal settlement
- Core efficiency ratio is a non-GAAP measure that is determined by dividing core noninterest expense by the sum of core interest income and core noninterest income
- Core fee income to total revenue is a non-GAAP measure that divides (i) core non interest income by (ii) (tax equivalent) core net interest income and core noninterest income
- Core return on average assets ("ROA") is a non-GAAP measure that divides (i) adjusted net income (non-GAAP) by (ii) average assets for the applicable period
- Tangible common equity ("TCE") is a non-GAAP measure and is defined as total average stockholders' equity less goodwill, other intangible assets. Return on average tangible common equity ("ROTCE") is a non-GAAP measure and is defined as net income allocable to common stockholders excluding tax-effected amortization of intangible assets divided by tangible common equity
- Core return on average tangible common equity ("ROTCE") is a non-GAAP measure and is defined as adjusted net income allocable to common stockholders excluding tax-effected amortization of intangible assets divided by tangible common equity
- Tangible common book value per share is a non-GAAP measure that is equal to common equity less goodwill and intangible assets, divided by total shares outstanding

# *Table of Contents*

WSFS Financial Corporation


| | |
|---|---|
| 3Q 2019 Results | Page 5 |
| Net Interest Margin | Page 8 |
| Outlook | Page 9 |
| The WSFS Franchise | Page 12 |
| Selected Financial Information | Page 17 |
| Appendix 1 – Management Team | Page 29 |
| Appendix 2 – Non-GAAP Financial Information | Page 31 |
| Appendix 3 – Reconciliation of Conversion-related Reclassifications | Page 35 |

# 3Q 2019 Reported Financial Results

## 3Q 2019 Reported Results:

| | | | |
|---|---|---|---|
| • EPS | $1.02 | • NIM | 4.38% |
| • ROA | 1.72 % | • Fee Income / Total Revenue | 34.0% |
| • ROTCE (1) | 17.51% | • Efficiency Ratio | 59.7% |

- Net revenue (which includes net interest income and noninterest income) was $183.2 million for 3Q 2019, an increase of $78.2 million, or 74%, from 3Q 2018.
- Net interest income was $120.8 million, an increase of $57.7 million, or 92%, from 3Q 2018 and net interest margin for 3Q 2019 was 4.38%, a 27 bps increase compared to 3Q 2018.
- Fee income (noninterest income) was $62.3 million, an increase of $20.4 million, or 49%, from 3Q 2018, which included $21.3 million (pre-tax), or approximately $0.31 per share (after-tax), of unrealized gains on our investment in VISA Class B shares compared with $7.0 million, or approximately $0.17 per share, in realized and unrealized gains related to Visa Class B shares in 3Q 2018.
- Noninterest expenses were $109.6 million in 3Q 2019, an increase of $57.1 million, or 109%, from 3Q 2018, which included $18.9 million (pre-tax), or approximately $0.27 per share, of net corporate development and restructuring costs related to our acquisition of Beneficial Bancorp, Inc. (Beneficial), compared to $3.8 million, or approximately $0.11 per share, in 3Q 2018.
- In 3Q 2019, we repurchased 959,300 shares of common stock at an average price of $42.33 per share as part of our share buyback program approved by the Board in 4Q 2018. 1,906,338 shares, or approximately 4% of outstanding shares, remaining to repurchase under this authorization.

(1) This is a non-GAAP financial measure and should be considered along with results prepared in accordance with GAAP, and not as a substitute for GAAP results. See Appendix 2 for a reconciliation to GAAP financial information.

# 3Q 2019 Highlights

## 3Q 2019 Core [1] Results:

- EPS $0.98
- ROA 1.66%
- ROTCE 16.93%
- NIM 4.38%
- Fee Income / Total Revenue 25.3%
- Efficiency Ratio 55.9%

## Strong Operating Results:

| ($ in millions) | 3Q19 | 3Q18 | Change |
|---|---|---|---|
| Core[1] Net Revenue (tax-equivalent) | $162.1 | $98.3 | **+65%** |
| Net Interest Income | $120.8 | $63.1 | **+92%** |
| Net Interest Margin | 4.38% | 4.11% | **+27bps** |
| Core[1] Fee Income (noninterest Income) | $41.0 | $34.9 | **+18%** |
| Core[1] Efficiency Ratio | 55.7% | 59.6% | **(1.7%)** |

- Reflects strong organic and acquisition growth, including a $57.7 million, or 92% (annualized), increase in net interest income and a $6.1 million, or 18% (annualized), increase in core fee income
- NIM increase primarily due to higher purchase accounting accretion, partially offset by expected margin compression and the effect of a $2.0 billion short-term institutional trust deposit held during the quarter
- Includes increase of $4.3 million of traditional banking-related fee income, primarily related to Beneficial acquisition, and an increase of $1.6 million from our mortgage banking business
- Reflects cost discipline in support of the 65% increase in core net revenue described above

(1) These are non-GAAP financial measures and should be considered along with results prepared in accordance with GAAP, and not as a substitute for GAAP results. See Appendix 2 for a reconciliation to GAAP financial information.

# 3Q 2019 Loan and Deposit Growth

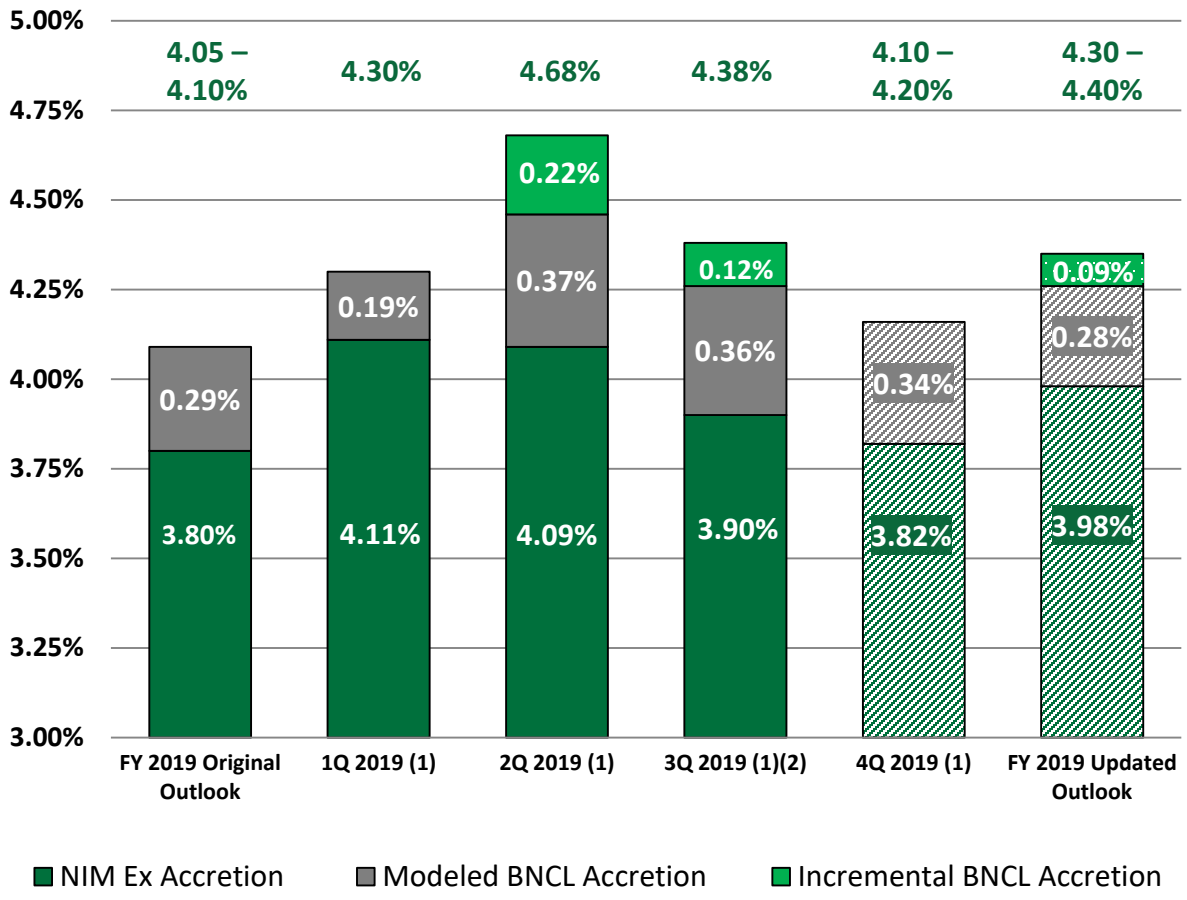
| | 3Q 2019 vs 2Q 2019 | | | | |
|---|---|---|---|---|---|
| Loans ($ in millions) | Sep 2019 | June 2019 (1) | $ Growth | % Growth | % Annlzd Growth |
| C & I Loans | $ 3,389 | $ 3,421 | (32) | -1% | -4% |
| Commercial Mortgages | 2,263 | 2,281 | (18) | -1% | -3% |
| Construction Loans | 512 | 539 | (27) | -5% | -20% |
| Commercial Leases | 171 | 157 | 14 | 9% | 35% |
| **Total Commercial Loans** | **6,335** | **6,398** | **(63)** | **-1%** | **-4%** |
| Residential Mortgage (HFS/HFI/Rev Mgt) | 1,117 | 1,135 | (18) | -2% | -6% |
| Consumer Loans | 1,144 | 1,132 | 12 | 1% | 4% |
| **Total Gross Loans** | **$ 8,596** | **$ 8,665** | **(69)** | **-1%** | **-3%** |
| **Run-Off Portfolios** | | | | | |
| Residential Mortgage (HFI) | 1,035 | 1,070 | (35) | -3% | -13% |
| Student Loans Acquired from BNCL | 129 | 133 | (4) | -3% | -12% |
| Auto Loans Acquired From BNCL | 58 | 69 | (11) | -16% | -63% |
| Participation portfolios (CRE) from BNCL | 247 | 253 | (6) | -2% | -9% |
| Leveraged Loans (C&I) from BNCL | 27 | 72 | (45) | -63% | -248% |
| **Total Run-Off Portfolios** | **1,496** | **1,597** | **(101)** | **-6%** | -25% |
| **Gross Loans ex Run-Off Portfolios** | **$ 7,100** | **$ 7,068** | **32** | **0%** | **2%** |

| Deposits ($ in millions) | Sep 2019 | June 2019 (1) | $ Growth | % Growth | % Annlzd Growth |
|---|---|---|---|---|---|
| Noninterest Demand | $ 2,269 | $ 2,190 | 79 | 4% | 14% |
| Interest Demand Deposits | 2,177 | 2,092 | 85 | 4% | 16% |
| Savings | 1,563 | 1,625 | (62) | -4% | -15% |
| Money Market | 1,952 | 2,005 | (53) | -3% | -10% |
| **Total Core Deposits** | **7,961** | **7,912** | **49** | **1%** | **2%** |
| Customer Time Deposits | 1,330 | 1,360 | (30) | -2% | -9% |
| **Total Customer Deposits** | **$ 9,291** | **$ 9,272** | **19** | **0%** | **1%** |

- Loan growth impacted by anticipated declines in run-off portfolios. We continue to show progress toward increasing relationship-based, higher yielding C&I loans.
- Deposit growth impacted by anticipated conversion-related attrition, partially offset by seasonal public funding and higher trust deposits.

(1) June 2019 balances reflect the effect of conversion-related reclassifications. For a reconciliation of conversion-related reclassifications, please refer to Appendix 3.

# Net Interest Margin

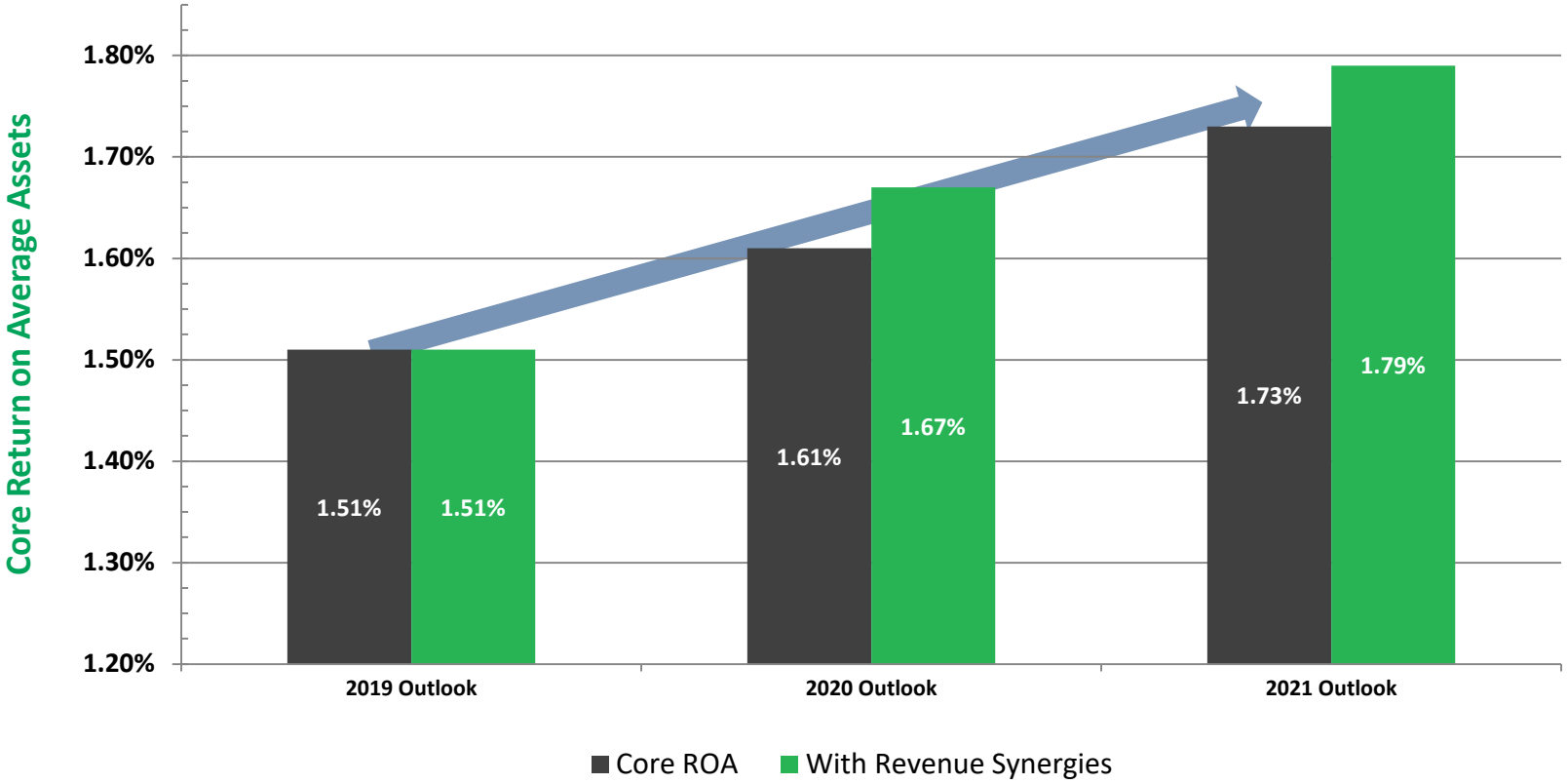



- 4Q 2019 NIM Outlook lower than 3Q 2019 due to anticipated additional 25bps fed funds rate decrease in October, or 75bps in total for 2019. Also, 4Q 2019 does not assume incremental Beneficial purchase accretion above modeled amounts.
- Full-year Outlook higher than Original Outlook due to higher base loan yields, lower deposit betas, successful balance sheet optimization, and incremental purchase accretion, partially offset by originally assumed 100 bps lower fed funds rate.
- FY 2019 Updated Outlook (4.30% - 4.40%) includes the impact of the $2B short-term institutional trust deposit and the 25bps fed funds rate decrease in October.

(1) 1Q 2019 includes only one month combined with Beneficial; 2Q through 4Q 2019 reflect full periods combined with Beneficial
(2) 3Q 2019 includes a 6bps negative impact from a $2B short-term institutional trust deposit held for 15 days during the quarter

# 2019-2021 Strategic Plan

## Core Return on Average Assets[1]




(1) Excludes one-time transaction costs; reflects Beneficial close 3/1/19

# Compelling Strategic Growth Opportunity

WSFS Financial Corporation

At $12.3 billion in assets at 9/30/19, WSFS fills a long-standing service gap in the Delaware Valley market between larger regional / national banks and smaller community banks

**MSA: Philadelphia-Camden-Wilmington (PA/NJ/DE/MD)**

| # | Institution Name | Total Deposits ($MM) | Market Share |
|---|---|---|---|
| 1 | Wells Fargo Bank NA | $30,865 | 18.75% |
| 2 | TD Bank NA | $28,192 | 17.13% |
| 3 | Bank of America NA | $15,805 | 9.60% |
| 4 | PNC Bank NA | $15,168 | 9.21% |
| 5 | Citizens Bank NA | $11,373 | 6.91% |
| ***6*** | ***WSFS Bank*** | **$8,697** | **5.28%** |
| 7 | M & T Bank | $8,204 | 4.98% |
| 8 | BB & T | $4,667 | 2.84% |
| 9 | Univest Bank and Trust Co. | $3,656 | 2.22% |
| 10 | Bryn Mawr Trust Co. | $3,483 | 2.12% |
| 11 | Santander Bank NA | $3,134 | 1.90% |
| 12 | Fulton Bank NA | $3,046 | 1.85% |
| 13 | Republic First Bank | $2,526 | 1.53% |
| 14 | Firstrust Savings Bank | $2,402 | 1.46% |
| 15 | KeyBank NA | $2,400 | 1.46% |
| 16 | Investors Bank | $1,576 | 0.96% |
| 17 | Penn Community Bank | $1,552 | 0.94% |
| 18 | Customers Bank | $1,289 | 0.78% |
| 19 | QNB Bank | $860 | 0.52% |
| 20 | First National Bank and Trust Co. of Newtown | $831 | 0.50% |

## Market Position

- 5th largest depository MSA in the U.S.
- 2x the market share of the next largest local community bank

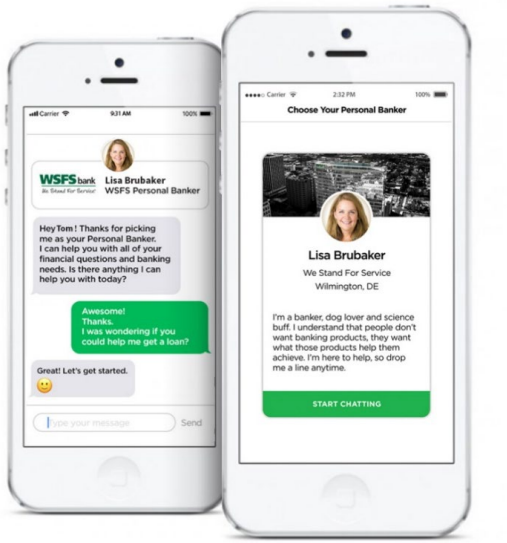


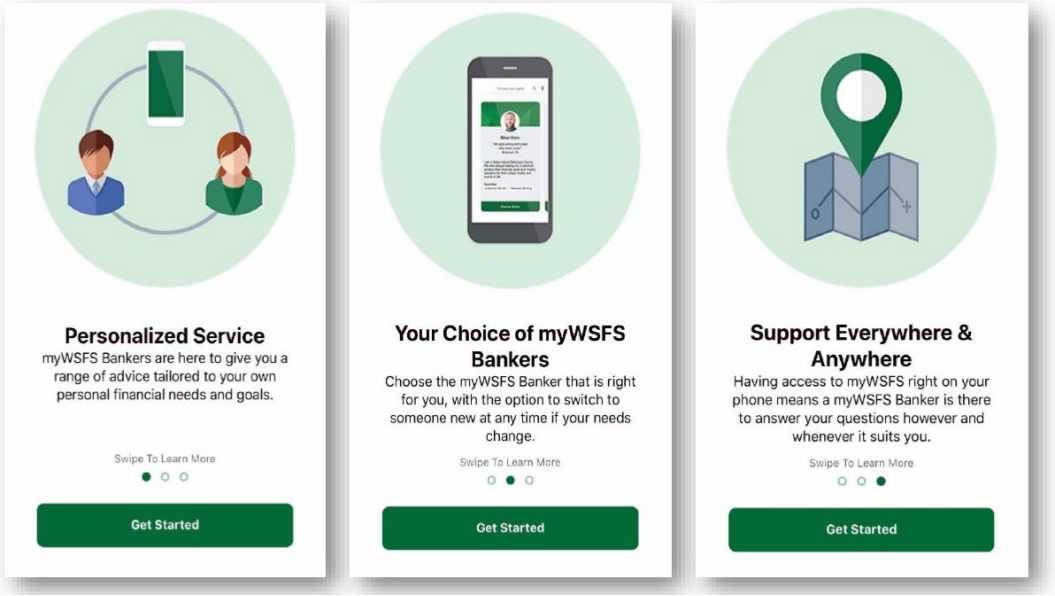

- WSFS is filling the service gap left by the acquisitions of former iconic local banks by larger out-of-market banks

Note: Market share data as of June 30, 2019; Source: FDIC
Market Share data excludes brokered deposits and non-traditional banks (e.g. credit card companies)

# Delivery Transformation

- Focused on melding physical and digital delivery, consistent with our brand, by enabling our Associates with the latest technology and actionable data to better serve our Customers
- ~50% of cost savings from branch consolidations to fund a Delivery Transformation – Minimum incremental investment of $32 million over the next 5 years
- Finalized Transformation Roadmap with prominent consulting firm. Focus areas include Customer acquisition, Customer experience & engagement, enhanced technological capabilities & analytics, and people & process management
- Recently launched pilot of myWSFS, a highly-personalized messaging application that securely connects WSFS Customers to their own live Personal Banker



# The WSFS Franchise

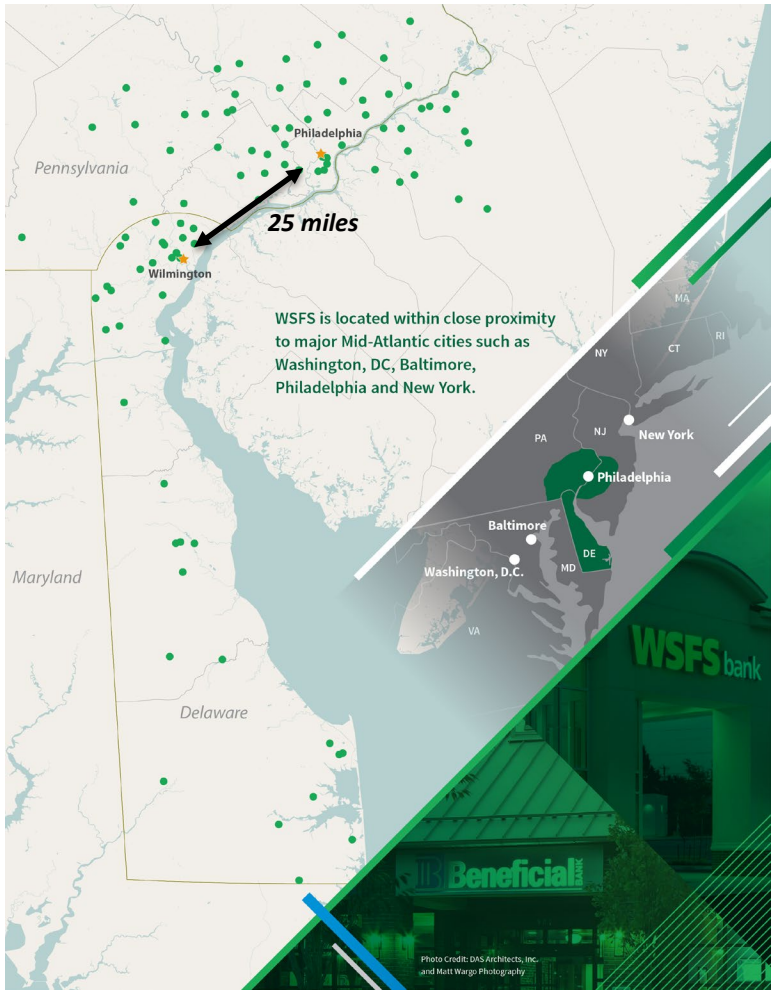
WSFS Financial Corporation

WSFS bank
We Stand For Service®

# *The WSFS Franchise*

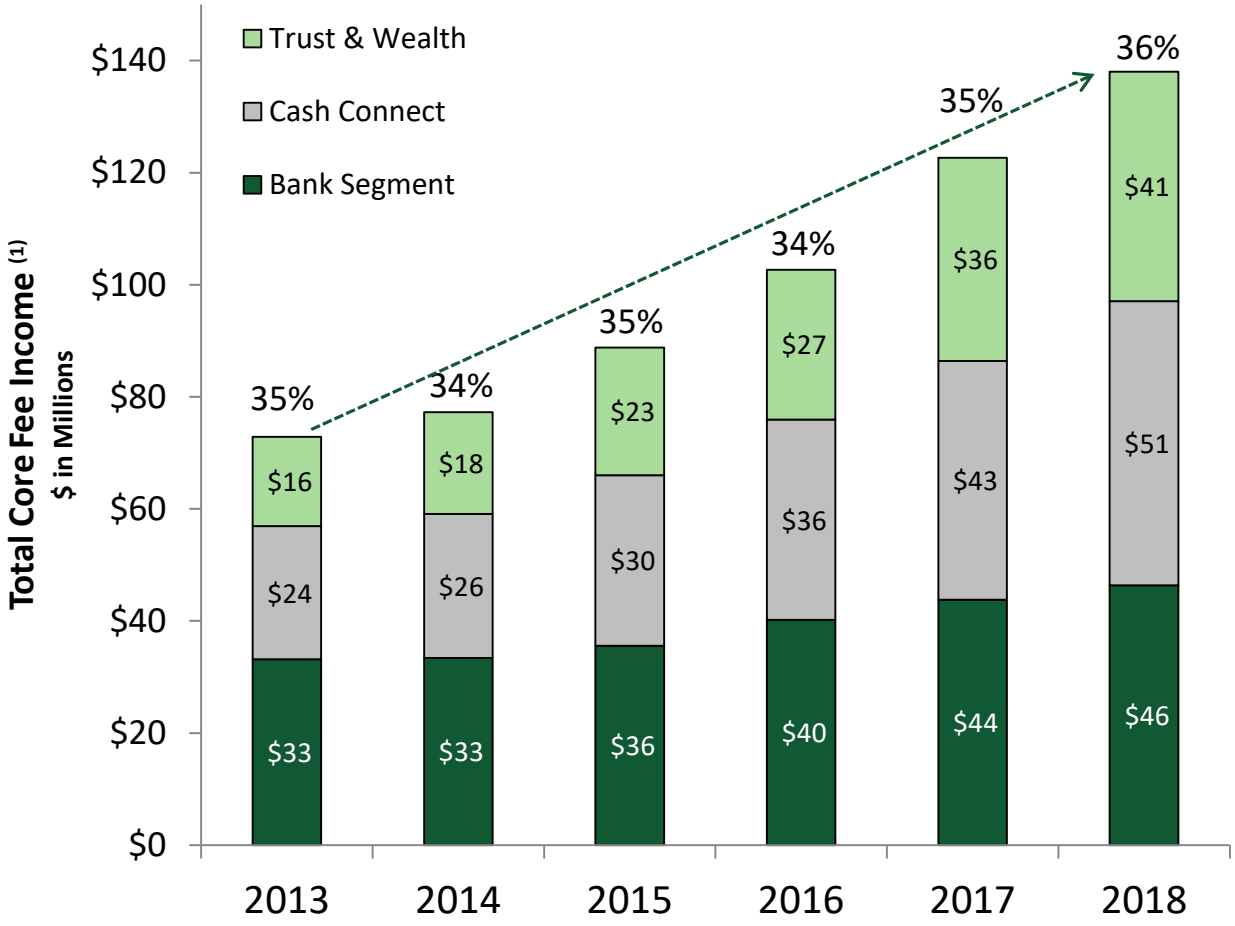
WSFS Financial Corporation

- **Largest independent bank and trust co. HQ in the Del. Valley [1]**
  - $12.3 billion in assets
  - $20.2 billion in fiduciary assets, including $2.6 billion in assets under management
  - 127 offices
- **Founded in 1832, WSFS is one of the ten oldest banks in the U.S.**
- **Major business lines [2]**
  - Retail
  - Commercial
  - Equipment Leasing
  - Wealth Management
  - Cash Connect® (ATM cash and related businesses)




(1) As of 9/30/19
(2) Leasing, Wealth and Cash Connect businesses conducted nationwide

# The WSFS Franchise – Diversified & Robust Fee Income




**%s represent fee (noninterest) income / total net revenue**

- Fee income is well diversified with over 20 discrete lines of business and products within our three segments
- Strong historical growth in each segment. 5-year CAGR:
  - **Trust & Wealth: 21%**
  - **Cash Connect: 16%**
  - **Bank: 7%**
- **Projected fee income / total net revenue of 26-28% in 2019**

(1) These are non-GAAP financial measures and should be considered along with results prepared in accordance with GAAP, and not as a substitute for GAAP results. See Appendix 2 for reconciliation to GAAP financial information.

# The WSFS Franchise – WSFS Wealth

*A Full-Service Wealth Management Offering*

WSFS Financial Corporation

**Net Revenue of $16.8 million in 3Q 2019**
**Pre-tax Income of $7.6 million**

**$20.2 billion in fiduciary assets, including $2.6 billion in assets under management**

— CLIENT —

INSTITUTIONAL & INDIVIDUAL | INDIVIDUAL

WSFS Wealth

## WSFS Institutional Services

Trustee, agency and bankruptcy services for corporations.

## West Capital Management

Offers fee-only and fully-customized investment, tax, and estate planning strategies to high net worth individuals and institutions with complex situations.

## WSFS Wealth Cypress Capital Management

A registered investment advisor offering a "balanced' investment style focused on preservation of capital and current income.

## WSFS Wealth Investments

Provides insurance, brokerage and investment advisory products primarily to our retail banking clients.

## WSFS Wealth Client Management

Working closely with clients and our WSFS Wealth businesses to develop customized solutions.

## WSFS Wealth Christiana Trust®

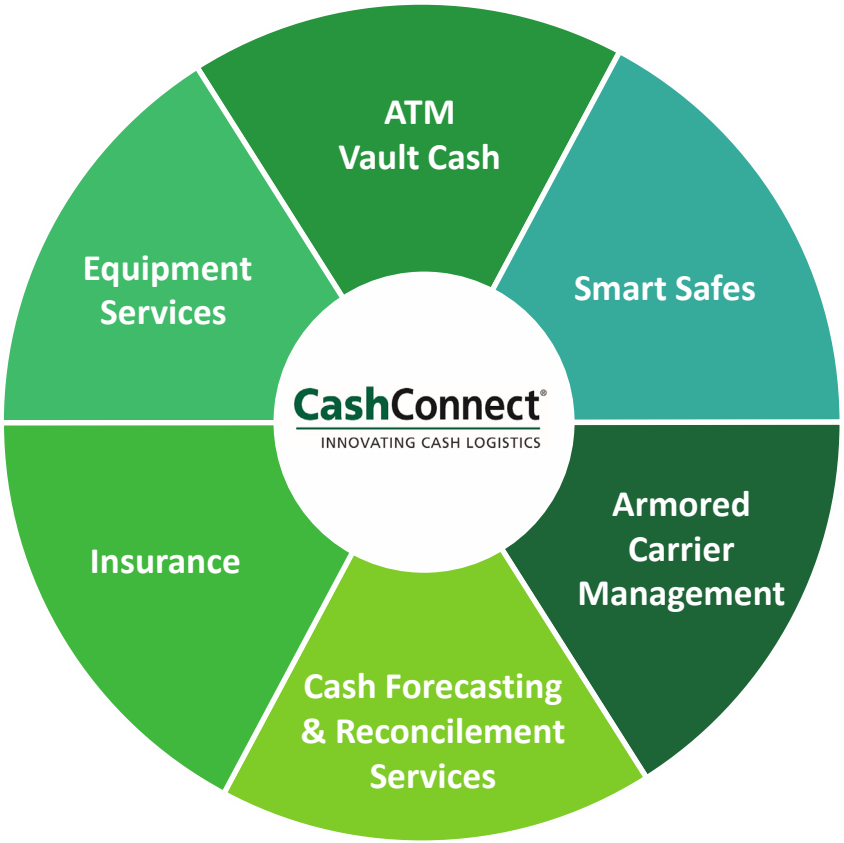
Personal trust and fiduciary services for families and individuals.

## Powdermill Financial Solutions

A WSFS Wealth Company

A boutique multi-family office for ultra-high net worth families, entrepreneurs and corporate executives.

# The WSFS Franchise – Cash Connect®(1)




## *Leading National Provider of Cash Logistics*

**$11.6 million in net revenue (fee income less funding costs) and $1.8 million in pre-tax income in 3Q 2019**

- **5 year CAGR(2) for net revenue is 13%**

**Over $1.1 billion in vault cash supplied or managed**

**Approximately 30,300 non-bank ATMs & retail safes in all 50 states**

**Operates 477 ATMs for WSFS Bank; one of the largest in-market ATM franchises**

**Also serves as an innovation center for the company, both expanding core ATM offerings and additional payment, processing and software-related activities; e.g., launched WSFS Mobile Cash**




(1) As of 9/30/2019
(2) 5 years ending 9/30/19

# Selected Financial Information

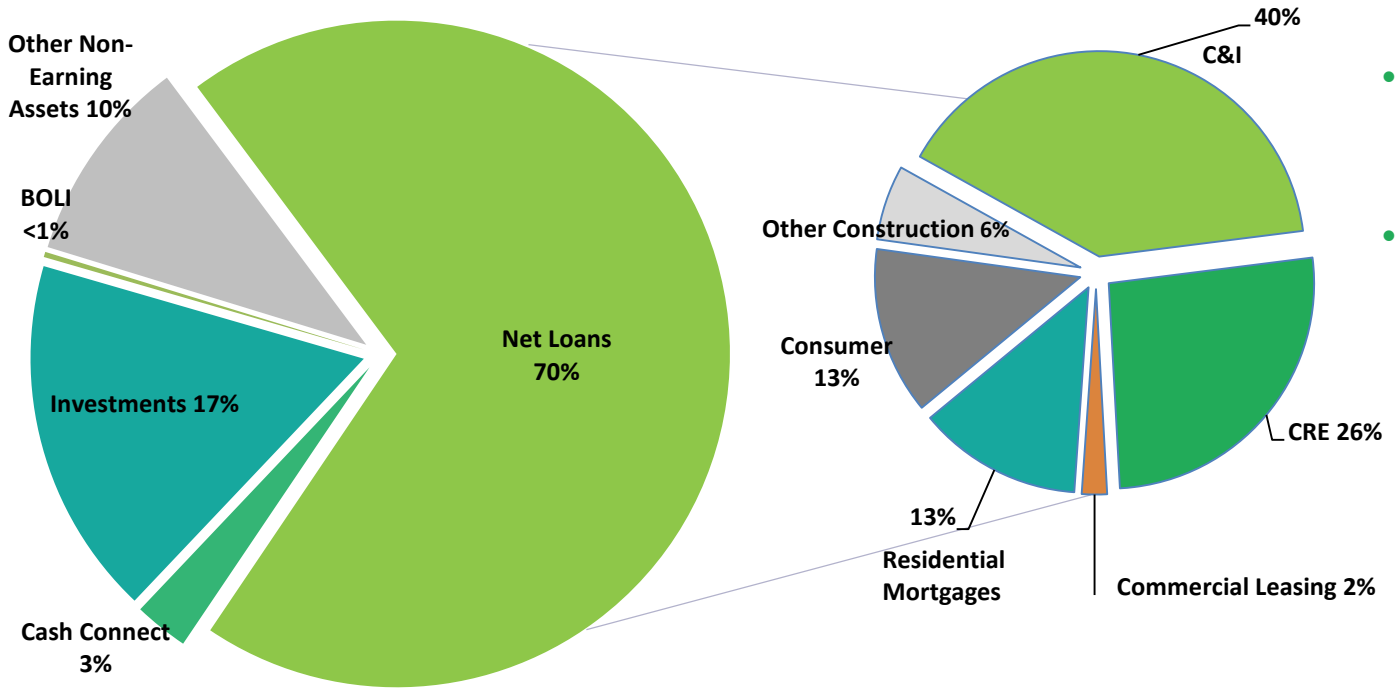
WSFS Financial Corporation

WSFS bank
We Stand For Service®

# The WSFS Franchise - WSFS Bank

## Asset Composition – September 30, 2019

**Assets $12.3 Billion; Net Loans $8.5 Billion**

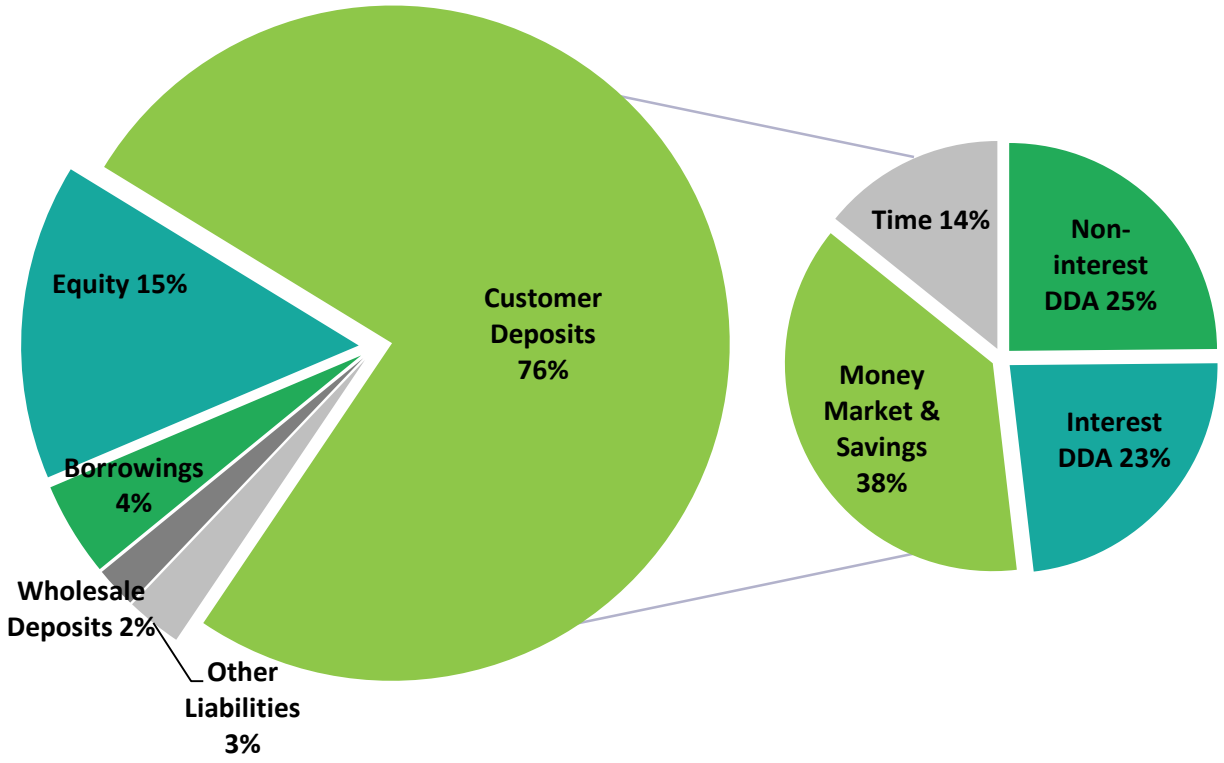



- **Commercial loans comprise 75% of the loan portfolio**
- C&I (including owner-occupied real estate), the largest component, makes up **40%** of the net loan portfolio

# The WSFS Franchise - WSFS Bank

## Funding Composition – September 30, 2019

**Total Funding – $12.3 Billion; Customer Deposits – $9.3 Billion**




- Core deposits represent **86%** of total customer deposits
- Non-interest and very low interest DDA (WAC 48bps) represent **48%** of customer funding

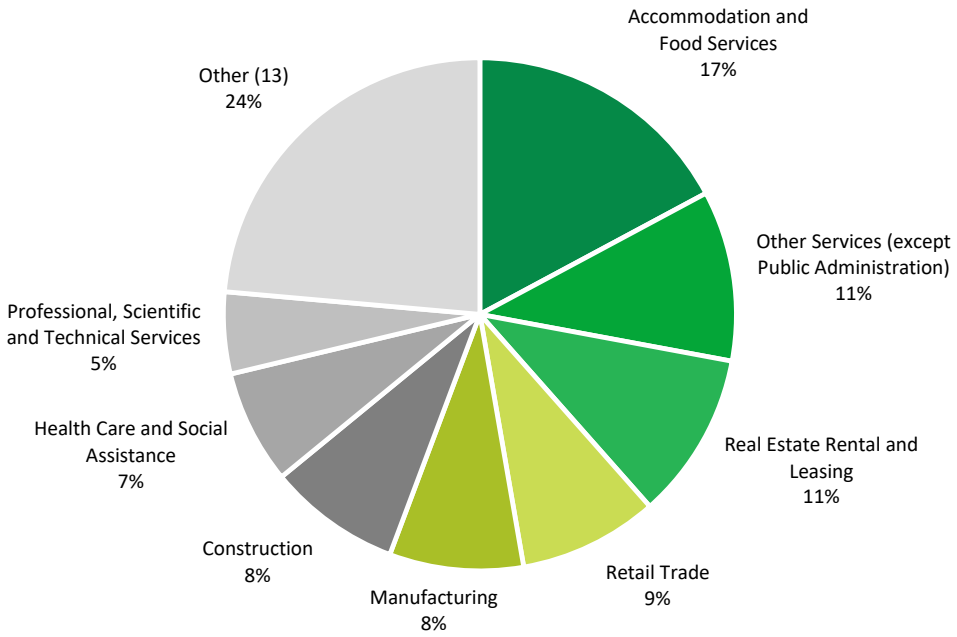
# Commercial Loan Portfolio Composition

*Outstanding Balances as 9/30/19*

WSFS Financial Corporation

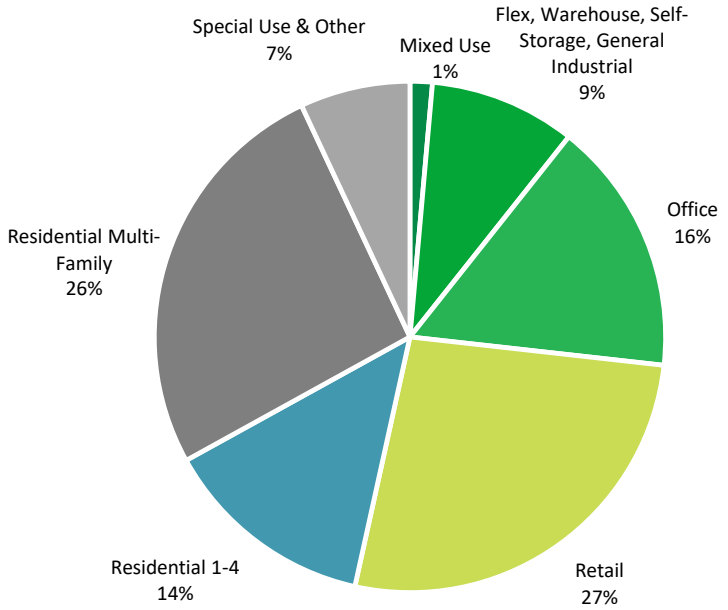
## No industry or CRE concentrations in the loan portfolio

### C&I & Owner Occupied CRE




| | |
|---|---|
| Commercial & Industrial: | $2.29 billion |
| Owner Occupied CRE: | $1.27 billion |
| Top 25 Relationships ($): | $659 million |
| Top 25 Relationships (% of C&I/OOCRE portfolio): | 19% |
| Top 25 Relationships (% of commercial loans): | 9% |

### CRE Investor & Construction




| | |
|---|---|
| Non Owner Occupied CRE | $2.26 billion |
| Construction | $512 million |
| Top 25 Relationships ($): | $674 million |
| Top 25 Relationships (% of CRE portfolio): | 24% |
| Top 25 Relationships (% of commercial loans): | 9% |

# *Interest Rate Risk*

***As of 9/30/19 (WSJ Prime @ 5.00%)***

| BPS Change[1] | 12 month NII % Impact | 12 month NII $ Impact |
|---|---|---|
| -100 | (2.0%) | -8.9mm |
| -50 | (0.9%) | -3.8mm |
| -25 | (0.5%) | -2.0mm |
| +25 | 0.5% | +2.1mm |
| +50 | 1.0% | +4.3mm |
| +100 | 2.0% | +8.6mm |

Balance Sheet Drivers

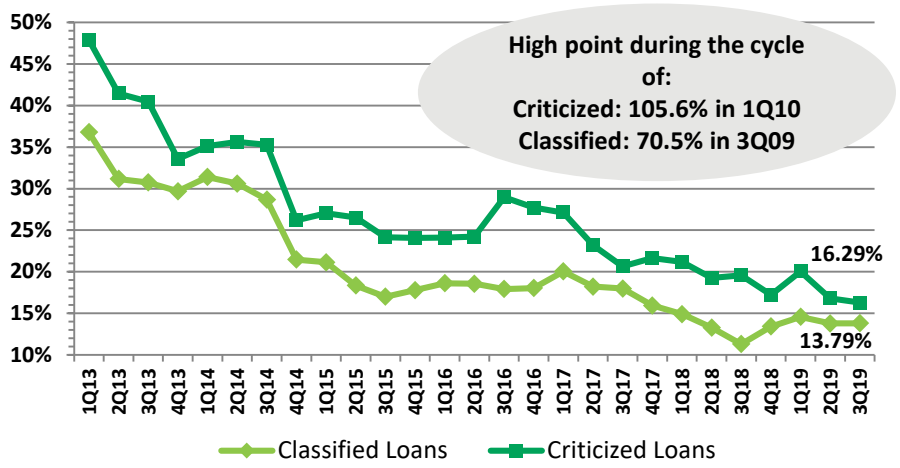
- High % of variable/adjustable rate to total loan portfolio: 50%
  - Approximately half of variable rate loans tied to 30-day LIBOR
- High % core deposits: 86%; high % non-interest bearing and low-interest DDA: 48%
- Solid brand and position / WSFS is a market “price leader”
- Assumes long-term historical deposit beta of approximately 50%

(1) WSFS IRR model estimates: Static Balance Sheet / Instantaneous Rate Shocks

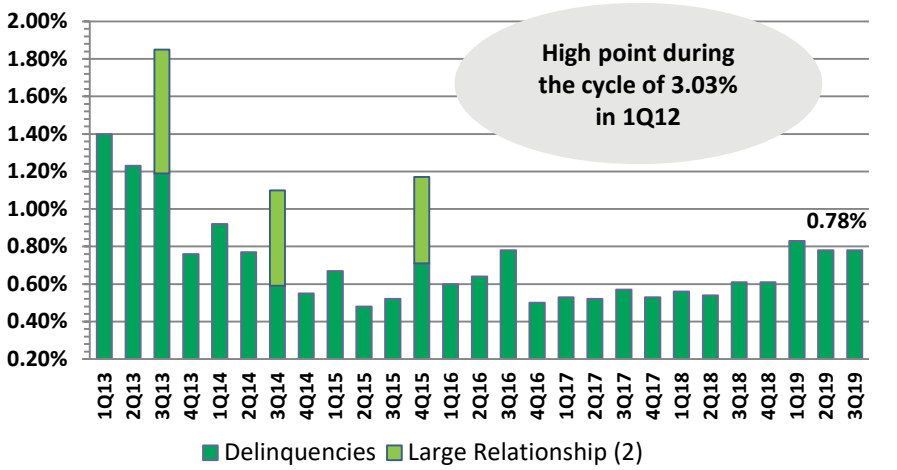
# *Overall Credit Trends Remain Stable*

WSFS Financial Corporation

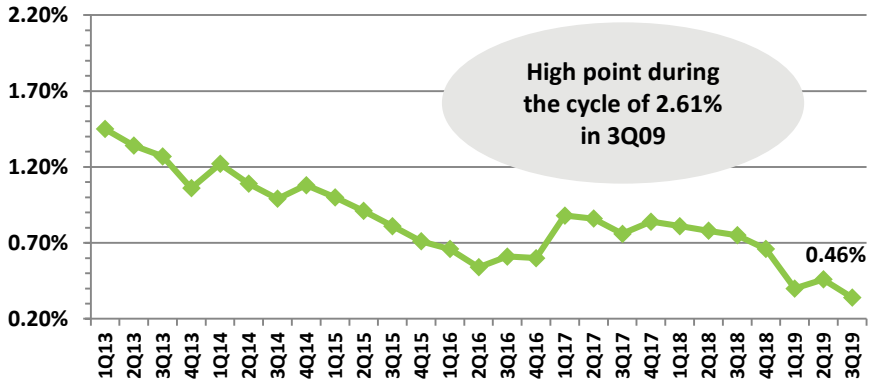
## Criticized & Classified Loans / Tier-1 + ALLL



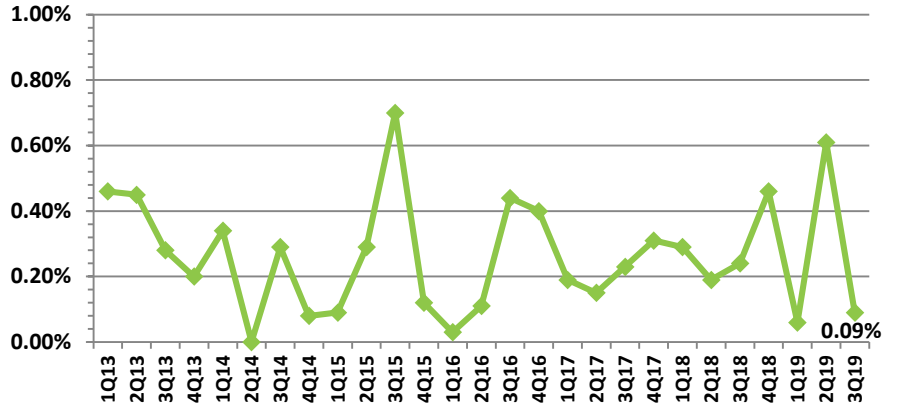

## Delinquencies (1) / Gross Loans




## NPAs / Total Assets




## Net Charge-Offs (3)




(1) Includes non-accruing loans
(2) One large $15.4 million, highly-seasonal relationship that was exited in 3Q 2016
(3) Ratio of quarterly net charge-offs to average gross loans

# Regional Employment Composition

## Philadelphia-Camden-Wilmington MSA

WSFS Financial Corporation

### Diversity of industries drives stable & favorable employment in our markets
### Unemployment of 4.0%(1)

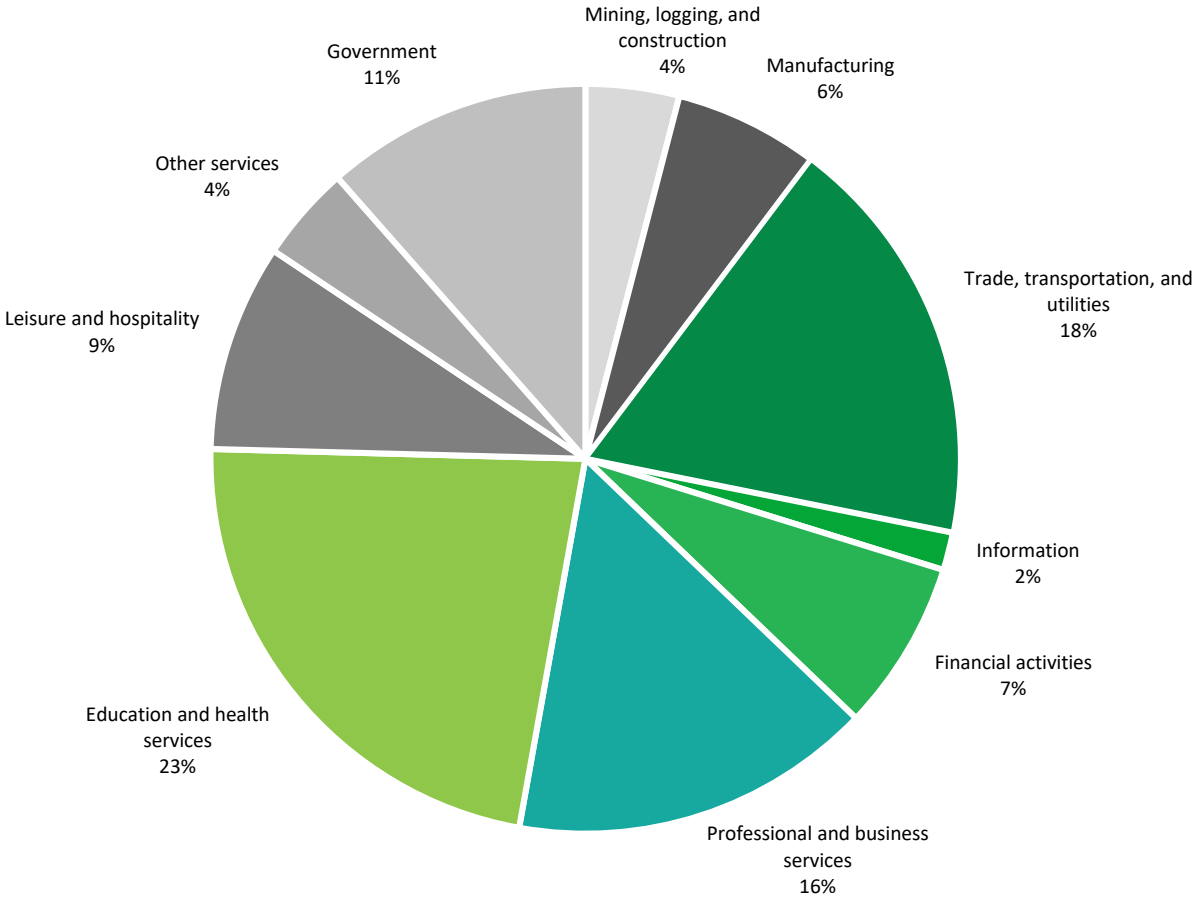
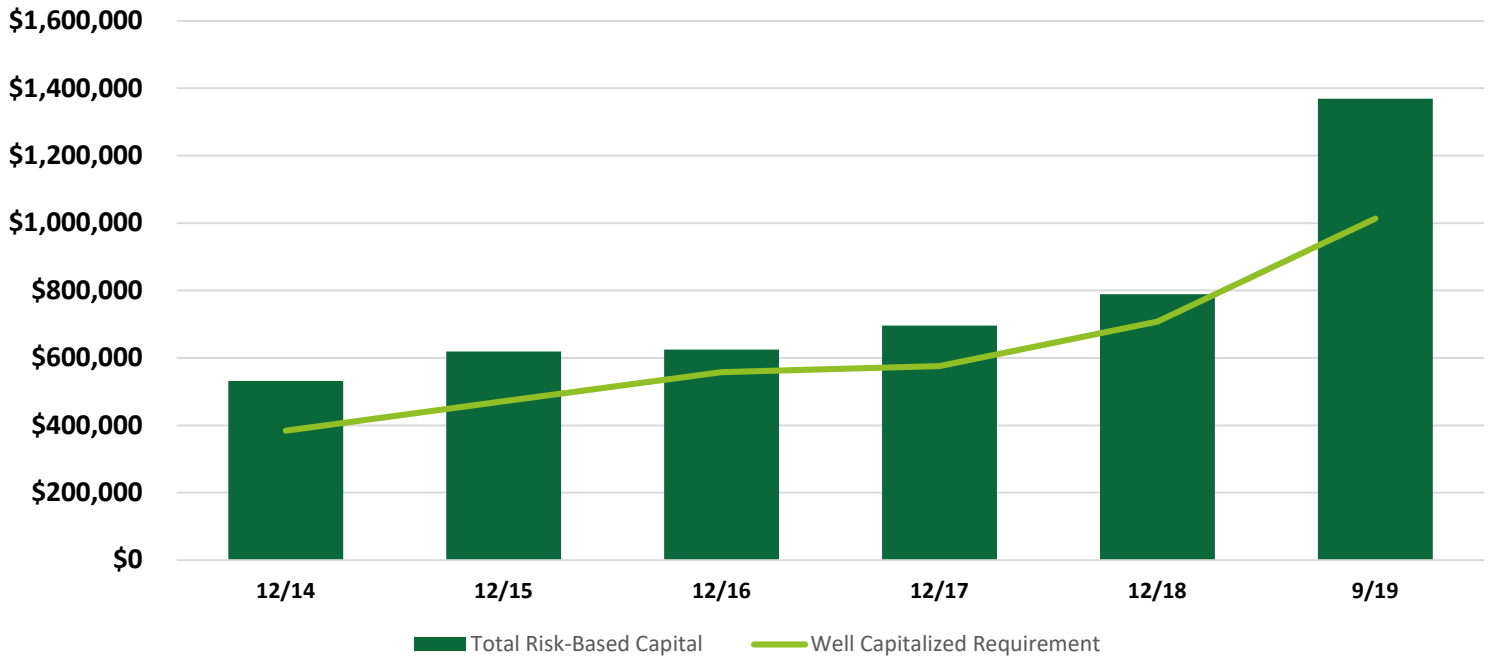



Chart Data Source: Bureau of Labor Statistics: Employees on nonfarm payrolls by industry supersector, Philadelphia-Camden-Wilmington MSA, not seasonally adjusted; January 2019.
(1) Unemployment rate is for the Philadelphia-Camden-Wilmington MSA. Unadjusted February 2019.

# *Robust Capital to Grow and to Return to Shareholders*

WSFS Financial Corporation

## Total Risk Based Capital (TRBC) ($000's)




| | 12/14 | 12/15 | 12/16 | 12/17 | 12/18 | 9/19 |
|---|---|---|---|---|---|---|
| TRBC | 13.83% | 13.11% | 11.93% | 12.08% | 13.37% | 13.50% |
| Excess RBC (above 10%) | $147,186 | $146,788 | $66,939 | $119,940 | $81,023 | $355,001 |
| TCE / Assets[1] | 9.00% | 8.84% | 7.55% | 7.87% | 8.99% | 10.98% |
| TBV/Share [1] | $15.30 | $16.30 | $15.80 | $17.06 | $20.24 | $24.50 |

(1) Holding Company ratio. These are non-GAAP financial measures and should be considered along with results prepared in accordance with GAAP, and not as a substitute for GAAP results. See Appendix 2 for reconciliation to GAAP financial information.

# *Strong Alignment / Capital Management*

WSFS Financial Corporation

- **Executive management bonuses and equity awards based on <u>bottom-line performance</u>**
  - ROA, ROTCE and EPS growth – equally weighted
- **Insider ownership is over 2.5%**
  - Board of Directors and Executive Management ownership guidelines in place and followed
- **In 3Q 2019, WSFS repurchased 959,300 shares of common stock at an average price of $42.33 per share as part of our share buyback program approved by the Board in 4Q 2018**
  - $131 million in cash remains in the Holding Company as of 9/30/19
  - 1,906,338 shares, or approximately 4% of outstanding shares, remaining to repurchase under this authorization
- **We continue to execute the Board-approved share buyback plan, including opportunistically repurchasing shares, based on current valuation levels, above our stated practice of returning a minimum of 25% of annual net income to stockholders through dividends and share repurchases**
- **The Board of Directors approved a quarterly cash dividend of $0.12 per share of common stock. This will be paid on 11/21/19 to stockholders of record as of 11/7/19**

# *Business Model and Total Shareholder returns*

WSFS Financial Corporation

## Focused Business Model

**Engaged Associates, living our culture, making a better life for all we serve.**

- Recognized by *The News Journal* as a **"Top Workplace"** fourteen years in a row.
- Recognized by *Inquirer.com* as a **"Top Workplace"** five years in a row.
- Regularly ranked in the **top quartile of all businesses surveyed.**[1]
- Received the **Gallup Great Workplace Award** for the past four years.

- Voted **#1 "Top Bank" in Delaware eight years in a row** by the readers of *The News Journal*
- Named a **banking Industry Top Pick for 2018** by a prominent investment bank.

- Customer advocacy survey places WSFS at the **85th percentile.** [1]
- On a scale of 1-5, **68% of WSFS Customers surveyed rated us a "5"** saying "WSFS is the prefect bank for people like me." [1]

**Total Shareholder Returns[2]**

| | WSFS | NASDAQ Bank Index |
|---|---|---|
| 1 year | -5.44% | -8.00% |
| 3 year | 23.99% | 28.81% |
| 5 year | 92.41% | 62.48% |
| 10 year | 446.60% | 165.67% |

(1) Completed by the Gallup Organization, as of December 31, 2018.
(2) Per Bloomberg; closing price as of September 30, 2019.

# *Business Model*

WSFS Financial Corporation

## MISSION

We Stand For Service®

## VISION

We envision a day when everyone says
"I can't imagine a world without WSFS."

## STRATEGY

Engaged Associates, living our culture,
making a better life for all we serve.

## VALUES

**At WSFS we:**

Do the right thing • Serve others
Are welcoming, open and candid • Grow and improve

# Appendices

WSFS Financial Corporation

WSFS bank
We Stand For Service®

# *Appendix 1 – Management Team*

Rodger Levenson, 58, has served as President and Chief Executive Officer since January 2019. Mr. Levenson previously served in various executive leadership roles, including Executive Vice President (EVP) and Chief Operating Officer from July 2017 to December 2018, WSFS' EVP and Chief Corporate Development Officer from June 2016 to July 2017, interim EVP and Chief Financial Officer from April 2015 to June 2016, and EVP and Chief Commercial Banking Officer from 2006 to April 2015. 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.

Dominic C. Canuso, CFA, 44, joined WSFS in 2016 as Executive Vice President and Chief Financial Officer. He also assumed executive leadership of WSFS' Cash Connect® business in mid-2019. From 2006 to 2016, he was Finance Director at Barclays' Bank, most recently serving as Line of Business Chief Financial Officer for the US Credit Card business. Prior to Barclays, he was employed by Advanta Bank, after beginning his career at Arthur Andersen Consulting. Mr. Canuso received his Executive MBA and Bachelor's Degree from Villanova University.

Arthur Bacci, 60, joined WSFS as Executive Vice President and Chief Wealth Officer in April 2018. Prior to joining WSFS, Art was a Vice President at Principal Financial Group, a diversified global investment management firm, where he most recently served as Head of Principal's Hong Kong business from 2013 to 2018. Art joined Principal in 2002 as chief financial officer of Principal Trust Company (in Delaware). He subsequently was named CEO/President of the trust company and Principal Bank. He began his career with Bank of America and has held management positions with the William E. Simon & Sons private equity group and with a fin-tech company involved with financial advisory and trading products. Art received his BS in Finance from San Jose State and a MBA from Santa Clara University. He has also participated in leadership and management programs at the University of Pennsylvania Wharton School.

Lisa M. Brubaker, 55, has served as Chief Technology Officer since May 2018. Ms. Brubaker previously served as Senior Vice President, Director of Retail Strategies since 2006 and has held of a variety of management positions with WSFS Bank over her 31 year career. Ms. Brubaker received a Bachelor's degree from the University of Delaware and is an Aresty Scholar of the Wharton School of Executive Education.

# *Appendix 1 – Management Team*

Steve Clark, 62, joined WSFS Bank in 2002 and has served as Executive Vice President and Chief Commercial Banking Officer since May 2016. From 2002 thru 2006, Mr. Clark led and managed the establishment of the Middle Market lending unit, and in 2007 became Division Manager of the Business Banking and Middle Market Divisions. Prior to 2002, he spent 23 years in various commercial banking positions at PNC Bank and its predecessor companies. Mr. Clark received his MBA in Finance from Widener University and his Bachelor's Degree in Business Administration (Marketing) from the University of Delaware.

Paul S. Greenplate, 61, Executive Vice President and Chief Risk Officer, joined WSFS in 1999 and prior to his leadership role in the Risk Division, he served as Senior Vice President and Treasurer. As Executive Vice President and Chief Risk Officer, Mr. Greenplate oversees all independent Risk Management functions including, Credit Risk Management, Real Estate Services, Asset Recovery, Enterprise Risk Management, Legal, Internal Audit, Loan Review and Regulatory Compliance. Mr. Greenplate graduated from the University of Delaware with a Bachelor's Degree in Economics.

Peggy H. Eddens, 64, Executive Vice President, Chief Associate and Customer Experience Officer, joined WSFS Bank in 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's Degree in Business Administration with minors in Management and Psychology from Robert Morris University.

Patrick J. Ward, 63, joined WSFS in August 2016 as Executive Vice President, Pennsylvania Market President. He also serves on the Board of Directors of WSFS Financial Corporation. Mr. Ward has over 32 years of banking industry experience and previously served as Chairman and CEO of Penn Liberty Bank. He was an EVP of Citizens Bank of Pennsylvania from January 2003 until January 2004. Prior thereto, Mr. Ward served as President and CEO of Commonwealth Bancorp, Inc., the holding company for Commonwealth Bank, until its acquisition by Citizens Bank in January 2003. Mr. Ward is a graduate of Carnegie Mellon University with a Bachelor's Degree in Economics and earned an MBA from the University of Notre Dame.

Richard M. Wright, 67, 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.

# Appendix 2 – Non-GAAP Financial Information

## *Tangible common book value per share and Tangible common equity to tangible assets*

| *(dollars in thousands, except per share data)* | End of Period | | | | | |
|---|---|---|---|---|---|---|
| | **September 30, 2019** | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 | December 31, 2014 |
| Total assets | **12,272,673** | 7,248,870 | 6,999,540 | 6,765,270 | 5,584,719 | 4,851,749 |
| Less: Goodwill and other intangible assets | **571,850** | 186,023 | 188,444 | 191,247 | 95,295 | 57,594 |
| **Total tangible assets** | **$ 11,700,823** | $ 7,062,847 | $ 6,811,096 | $ 6,574,023 | $ 5,489,424 | $ 4,794,155 |
| Total stockholders' equity | **1,856,992** | 820,920 | 724,345 | 687,336 | 580,471 | 489,051 |
| Less: Goodwill and other intangible assets | **571,850** | 186,023 | 188,444 | 191,247 | 95,295 | 57,594 |
| **Total tangible common equity (non-GAAP)** | **$ 1,285,142** | $ 634,897 | $ 535,901 | $ 496,089 | $ 485,176 | $ 431,457 |
| | | | | | | |
| **Calculation of tangible common book value per share:** | | | | | | |
| Book value per share (GAAP) | **$ 35.41** | $ 26.17 | $ 23.05 | $ 21.90 | $ 19.50 | $ 17.34 |
| Tangible common book value per share (non-GAAP) | **24.50** | 20.24 | 17.06 | 15.80 | 16.30 | 15.30 |
| | | | | | | |
| **Calculation of tangible common equity to tangible assets:** | | | | | | |
| Equity to asset ratio (GAAP) | **15.13%** | 11.32% | 10.35% | 10.16% | 10.39% | 10.08% |
| Tangible common equity to tangible assets ratio (non-GAAP) | **10.98%** | 8.99% | 7.87% | 7.55% | 8.84% | 9.00% |

# Appendix 2 – Non-GAAP Financial Information

## Core ROA and Core EPS

| *(dollars in thousands, except per share data)* | Three months ended | | |
|---|---|---|---|
| | **September 30, 2019** | **June 30, 2019** | **September 30, 2018** |
| GAAP net income attributable to WSFS | **$ 53,882** | $ 36,200 | $ 38,935 |
| Plus (less): Pre-tax adjustments [(1)] | **(2,467)** | 14,731 | (11,160) |
| (Plus)/less: Tax impact of pre-tax adjustments | **590** | (3,580) | 3,140 |
| **Adjusted net income (non-GAAP) attributable to WSFS** | **$ 52,005** | $ 47,351 | $ 30,915 |
| | | | |
| GAAP return on average assets (ROA) | **1.72%** | 1.20% | 2.18% |
| Plus (less): Pre-tax adjustments [(1)] | **-0.08%** | 0.49% | -0.63% |
| (Plus) less: Tax impact of pre-tax adjustments (ROA) | **0.02%** | -0.12% | 0.18% |
| **Core ROA (non-GAAP)** | **1.66%** | 1.57% | 1.73% |
| | | | |
| EPS (GAAP) | **$ 1.02** | $ 0.68 | $ 1.20 |
| Plus (less): Pre-tax adjustments [(1)] | **(0.05)** | 0.28 | (0.34) |
| (Plus) less: Tax impact of pre-tax adjustments (EPS) | **0.01** | (0.08) | 0.10 |
| **Core EPS (non-GAAP)** | **$ 0.98** | $ 0.88 | $ 0.96 |

(1) Includes securities gains, unrealized gains on equity investment, corporate development and restructuring expense

# *Appendix 2 – Non-GAAP Financial Information*

## *Return on average tangible common equity and Core return on average tangible common equity*

WSFS Financial Corporation

| *(dollars in thousands)* | End of period | | |
|---|---|---|---|
| | **September 30, 2019** | **June 30, 2019** | **September 30, 2018** |
| GAAP net income attributable to WSFS | **$ 53,882** | $ 36,200 | $ 38,935 |
| Plus: Tax-effected amortization of intangible assets | **2,113** | 2,104 | 543 |
| **Net tangible income (non-GAAP)** | **$ 55,995** | $ 38,304 | $ 39,478 |
| Average shareholder's equity | **$ 1,842,759** | $ 1,812,302 | $ 782,100 |
| less: Average goodwill and intangible assets | **574,253** | 579,283 | 187,007 |
| **Net average tangible common equity** | **$ 1,268,506** | $ 1,233,019 | $ 595,093 |
| **Return on average tangible common equity (non-GAAP)** | **17.51%** | 12.46% | 26.32% |
| | | | |
| **Calculation of core return on average tangible common equity:** | | | |
| Adjusted net income (non-GAAP) attributable to WSFS | **$ 52,005** | $ 47,351 | $ 30,915 |
| Plus: Tax-effected amortization of intangible assets | **2,113** | 2,104 | 543 |
| **Core net tangible income (non-GAAP)** | **$ 54,118** | $ 49,455 | $ 31,458 |
| **Net average tangible common equity** | **$ 1,268,506** | $ 1,233,019 | $ 595,093 |
| **Core return on average tangible common equity (non-GAAP)** | **16.93%** | 16.09% | 20.97% |

# Appendix 2 – Non-GAAP Financial Information

## Reconciliation of Core Efficiency Ratio

| *(dollars in thousands)* | Three months ended | | |
|---|---|---|---|
| | **September 30, 2019** | June 30, 2019 | September 30, 2018 |
| **Net interest income (GAAP)** | **$ 120,833** | $ 123,232 | $ 63,097 |
| **Core net interest income (non-GAAP)** | **$ 120,833** | $ 123,232 | $ 63,097 |
| Noninterest income (GAAP) | **$ 62,346** | $ 42,871 | $ 41,901 |
| Less: Securities gains | **-** | 63 | - |
| Less: Unrealized gains on equity investment | **21,344** | 1,033 | 3,249 |
| Less: Gain on sale of Visa Class B shares | **-** | - | 3,757 |
| **Core fee income (non-GAAP)** | **$ 41,002** | $ 41,775 | $ 34,895 |
| **Core net revenue (non-GAAP)** | **$ 161,835** | $ 165,007 | $ 97,992 |
| **Core net revenue (non-GAAP)(tax-equivalent)** | **$ 162,135** | $ 165,325 | $ 98,323 |
| Noninterest expense (GAAP) | **$ 109,561** | $ 107,848 | $ 52,454 |
| (Plus)/less: Recovery of fraud loss | **-** | - | (10) |
| Plus/(less): Recovery for legal settlement | **-** | - | (7,938) |
| Less: Corporate development expense | **10,517** | 13,946 | 3,794 |
| Less: Restructuring expense | **8,360** | 1,881 | - |
| **Core noninterest expense (non-GAAP)** | **$ 90,684** | $ 92,021 | $ 56,608 |
| Core efficiency ratio [(1)] | **55.9%** | 55.7% | 57.6% |
| Core fee income as a percentage of total core net revenue (tax equivalent) | **25.29%** | 25.27% | 35.49% |

(1) Noninterest expense divided by (tax-equivalent) net interest income and noninterest income.

# Appendix 3 - Reconciliation of conversion-related reclassifications

| Loans | | | |
|---|---|---|---|
| *(Dollars in millions)* | As reported June 30, 2019 | Conversion reclassifications | Adjusted June 30, 2019 |
| Commercial & Industrial | $ 3,465 | $ (44) | $ 3,421 |
| Commercial Real Estate | 2,237 | 44 | 2,281 |
| Construction | 539 | - | 539 |
| Commercial Small Business Leases | 157 | - | 157 |
| Total Commercial Loans | 6,398 | - | 6,398 |
| Residential Mortgage | 1,135 | - | 1,135 |
| Consumer | 1,132 | - | 1,132 |
| Allowance for Losses | (45) | - | (45) |
| Net Loans | $ 8,619 | $ - | $ 8,619 |

| Deposits | | | |
|---|---|---|---|
| *(Dollars in millions)* | As reported June 30, 2019 | Conversion reclassifications | Adjusted June 30, 2019 |
| Noninterest Demand | $ 2,206 | $ (16) | $ 2,190 |
| Interest-bearing Demand | 2,040 | 52 | 2,092 |
| Savings | 1,601 | 24 | 1,625 |
| Money Market | 1,987 | 18 | 2,005 |
| Total Core Deposits | 7,834 | 78 | 7,912 |
| Customer Time Deposits | 1,438 | (78) | 1,360 |
| Total Customer Deposits | $ 9,272 | $ - | $ 9,272 |

- June 30, 2019 reported balances for certain loan and deposit categories have been adjusted for system conversion-related reclassifications that were made in the 3rd quarter of 2019. These adjustments were made to allow for comparability between September 2019 and June 2019 results.

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

WSFS Financial Corporation
Investor Relations
WSFS Bank Center
500 Delaware Avenue
Wilmington, DE 19801

302-504-9857
stockholderrelations@wsfsbank.com
www.wsfsbank.com

**Rodger Levenson**
President and CEO
302-571-7296
rlevenson@wsfsbank.com

**Dominic C. Canuso**
Chief Financial Officer
302-571-6833
dcanuso@wsfsbank.com