

WSFS FINANCIAL CORP  
Form 10-Q  
November 10, 2008

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q  
(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the quarterly period ended **September 30, 2008**

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES  
EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number **0-16668**

**WSFS FINANCIAL CORPORATION**  
(Exact name of registrant as specified in its charter)

**Delaware**  
(State or other jurisdiction of  
Incorporation or organization)

**22-2866913**  
(I.R.S. Employer  
Identification Number)

**500 Delaware Avenue, Wilmington, Delaware**  
(Address of principal executive offices)

**19801**  
(Zip Code)

**(302) 792-6000**  
Registrant's telephone number, including area code:

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes  No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer  Accelerated filer

Non-accelerated filer  Smaller reporting company

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(Do not check if smaller reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes  No

The number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date,

November 3, 2008:

**Common Stock, par value \$.01 per share**

**6,180,059**

(Title of Class)

(Shares Outstanding)

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## WSFS FINANCIAL CORPORATION

## CONSOLIDATED STATEMENT OF OPERATIONS

	Three months ended		Nine months ended	
	September 30,		September 30,	
	2008	2007	2008	2007
	(Unaudited)			
	(In Thousands, Except Per Share Data)			
<b>Interest income:</b>				
Interest and fees on loans	\$ 34,683	\$ 40,747	\$ 106,829	\$ 118,601
Interest on mortgage-backed securities	5,904	5,799	17,607	18,037
Interest and dividends on investment securities	376	457	916	2,894
Other interest income	374	576	1,340	1,802
	<b>41,337</b>	<b>47,579</b>	<b>126,692</b>	<b>141,334</b>
<b>Interest expense:</b>				
Interest on deposits	8,936	15,066	30,288	43,753
Interest on Federal Home Loan Bank advances	7,235	9,280	23,559	27,740
Interest on trust preferred borrowings	747	1,217	2,548	3,555
Interest on other borrowings	1,112	1,917	3,654	4,987
	<b>18,030</b>	<b>27,480</b>	<b>60,049</b>	<b>80,035</b>
Net interest income	<b>23,307</b>	<b>20,099</b>	<b>66,643</b>	<b>61,299</b>
Provision for loan losses	3,502	1,001	8,325	2,645
Net interest income after provision for loan losses	<b>19,805</b>	<b>19,098</b>	<b>58,318</b>	<b>58,654</b>
<b>Noninterest income:</b>				
Credit/debit card and ATM income	4,416	5,205	13,261	14,762
Deposit service charges	4,354	3,937	12,326	11,393
Loan fee income	819	615	2,466	1,757
Investment advisory income	593	603	1,838	1,795
Bank owned life insurance income	548	543	1,578	1,642
Mortgage banking activities, net	66	68	264	218
Securities (losses) gains	(5	—	1,115	—
Gain on sale of credit card loans	—	882	—	882
Other income	893	956	3,013	2,709
	<b>11,684</b>	<b>12,809</b>	<b>35,861</b>	<b>35,158</b>
<b>Noninterest expenses:</b>				
Salaries, benefits and other compensation	12,211	11,347	34,995	32,448
Occupancy expense	2,118	2,287	6,288	6,202
Equipment expense	1,575	1,597	4,571	4,188
Data processing and operations expenses	1,095	1,089	3,215	2,978
Marketing expense	952	1,283	3,020	2,892
Professional fees	1,037	646	2,609	1,953
Other operating expense	4,034	3,084	10,431	9,057
	<b>23,022</b>	<b>21,333</b>	<b>65,129</b>	<b>59,718</b>
Income before taxes	<b>8,467</b>	<b>10,574</b>	<b>29,050</b>	<b>34,094</b>
Income tax provision	<b>2,957</b>	<b>3,431</b>	<b>9,594</b>	<b>11,941</b>
<b>Net income</b>	<b>\$ 5,510</b>	<b>\$ 7,143</b>	<b>\$ 19,456</b>	<b>\$ 22,153</b>

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**Earnings per share:**

Basic	<b>\$ 0.90</b>	\$ 1.14	<b>\$ 3.16</b>	\$ 3.48
Diluted	<b>\$ 0.88</b>	\$ 1.11	<b>\$ 3.09</b>	\$ 3.38

The accompanying notes are an integral part of these consolidated Financial Statements.

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**WSFS FINANCIAL CORPORATION**

**CONSOLIDATED STATEMENT OF CONDITION**

	<b>September 30, 2008</b>	<b>December 31, 2007</b>
<b>Assets</b>		