

WSFS FINANCIAL CORP  
Form 424B3  
May 13, 2015  
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**File Number 333-203572**

## **MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT**

Dear Shareholder:

On March 2, 2015, Alliance Bancorp, Inc. of Pennsylvania, or Alliance, and WSFS Financial Corporation, or WSFS, agreed to a strategic business combination in which Alliance will merge with and into WSFS. If the merger is completed, each share of Alliance common stock issued and outstanding immediately prior to the merger will be converted, at the election of the shareholder, into the right to receive either (i) cash in an amount equal to \$22.00, which we refer to as the Cash Consideration, or (ii) 0.28955 of a share of WSFS common stock, to be adjusted for the WSFS three-for-one stock split described in the proxy statement/prospectus, which we refer to as the Stock Consideration, and together with the Cash Consideration, the Merger Consideration. Each holder of Alliance common stock is entitled to elect the form of the Merger Consideration that he or she would like to receive for his or her shares of Alliance common stock, and each Alliance shareholder may elect to receive all Cash Consideration, all Stock Consideration or a combination of Cash Consideration and Stock Consideration. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus. We are sending you this proxy statement/prospectus to notify you of, and invite you to, the special meeting of Alliance shareholders being held to consider the Agreement and Plan of Reorganization dated as of March 2, 2015, as amended from time to time, which we refer to as the merger agreement, that Alliance has entered into with WSFS, and related matters, and to ask you to vote at the special meeting FOR adoption and approval of the merger agreement. Shares of WSFS common stock are listed on the NASDAQ Global Select Market under the ticker symbol WSFS. Following the merger, Alliance will no longer be a publicly held corporation, so its common stock will be delisted from the NASDAQ Global Market and it will stop filing periodic and current reports with the Securities and Exchange Commission.

In the merger, Alliance will merge with and into WSFS, with WSFS continuing as the surviving corporation of the merger. In addition, under the merger agreement, simultaneously with the merger, Greater Delaware Valley Savings Bank d/b/a Alliance Bank, or Alliance Bank, a Pennsylvania-chartered savings bank and wholly owned subsidiary of Alliance, will be merged with and into Wilmington Savings Fund Society, FSB, or WSFS Bank, a federal savings bank and a wholly owned subsidiary of WSFS.

The market value of the Stock Consideration will fluctuate with the market price of WSFS common stock; however the Cash Consideration will remain a fixed amount regardless of any change in the market value of the Stock Consideration. The following table presents the closing prices of WSFS common stock on March 2, 2015, the last trading day before public announcement of the merger, and on May 8, 2015. The table also presents the implied value of the Stock Consideration proposed for each share of Alliance common stock converted into the Stock Consideration on those dates, as determined by multiplying the closing price of WSFS common stock on those dates by the exchange ratio of 0.28955 provided for in the merger agreement. This table also presents the implied value of the Cash Consideration proposed for each share of Alliance common stock converted into the Cash Consideration, which will remain a fixed amount regardless of any change in the market value of the Stock Consideration. We urge you to obtain current market quotations for WSFS.

	<b>WSFS Common Stock (NASDAQ: WSFS)</b>	<b>Implied Value of One Share of Alliance Common Stock (NASDAQ: ALLB)</b>	<b>Value of the Cash Consideration for One Share of Alliance Common Stock</b>
At March 2, 2015	\$ 78.57	\$ 22.75	\$ 22.00
At May 8, 2015	\$ 73.04	\$ 21.15	\$ 22.00

The Alliance special meeting will be held on June 18, 2015, at 11:00 a.m., local time, at Llanerch Country Club, located at 950 West Chester Pike, Havertown, Pennsylvania.

**Your vote is important.** We cannot complete the merger unless Alliance shareholders adopt and approve the merger agreement. In order for the merger to be approved, the merger agreement must be adopted and approved by the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. Regardless of whether you plan to attend the Alliance special meeting, please take the time to vote your shares in accordance with the instructions contained in this proxy statement/prospectus.

**The Alliance board of directors unanimously recommends that Alliance shareholders vote FOR adoption and approval of the merger agreement and FOR the other matters to be considered at the Alliance special meeting.**

**This proxy statement/prospectus describes the Alliance shareholders special meeting, the merger, the documents related to the merger and other related matters. Please carefully read this entire document, including Risk Factors beginning on page 24, for a discussion of the risks relating to the proposed merger.**

If you have any questions regarding this proxy statement/prospectus, you may contact Laurel Hill Advisory Group, LLC, Alliance's proxy solicitor, by calling toll-free at 1-888-742-1305.

Dennis D. Cirucci

President and Chief Executive Officer

Alliance Bancorp, Inc. of Pennsylvania

**Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved the securities to be issued in the merger or determined if this proxy statement/prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.**

**The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either WSFS or Alliance, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.**

The date of this proxy statement/prospectus is May 8, 2015, and it is first being mailed or otherwise delivered to Alliance shareholders on or about May 15, 2015.

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NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

To the Shareholders of Alliance:

Alliance will hold a special meeting of shareholders at 11:00 a.m., local time, on June 18, 2015, at Llanerch Country Club, located at 950 West Chester Pike, Havertown, Pennsylvania. The special meeting will be held for the purposes of allowing Alliance shareholders to consider and vote upon the following matters:

a proposal to adopt and approve the Agreement and Plan of Reorganization dated as of March 2, 2015, by and between WSFS and Alliance, as amended from time to time, pursuant to which Alliance will merge with and into WSFS, as more fully described in the attached proxy statement/prospectus, which we refer to as the merger proposal;

a proposal to consider and cast an advisory (non-binding) vote to approve compensation payable to the named executive officers of Alliance in connection with the merger, which we refer to as the merger-related compensation proposal; and

a proposal to approve the adjournment of the special meeting, if necessary, to solicit additional proxies in favor of adoption and approval of the merger agreement, which we refer to as the adjournment proposal. Alliance has fixed the close of business on May 8, 2015 as the record date for the special meeting. Only Alliance shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the special meeting. Adoption and approval of the merger agreement requires the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

**Your vote is very important.** We cannot complete the merger unless Alliance shareholders adopt and approve the merger agreement.

As a shareholder of record, you are cordially invited to attend the special meeting in person. Regardless of whether you plan to attend the special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, please follow the instructions on the voting instruction card furnished to you by your bank or broker. Properly executed proxy cards with no instructions indicated on the proxy card will be voted **FOR** the merger proposal, **FOR** the merger-related compensation proposal and **FOR** the adjournment proposal. If you hold Alliance common stock in your name as a shareholder of record or hold a valid proxy from the holder of record and attend the special meeting, you may revoke your proxy and vote in person if you wish, even if you have previously returned your proxy card. Your prompt attention is greatly appreciated.

The enclosed proxy statement/prospectus provides a detailed description of the merger, the merger agreement and related matters. We urge you to read the proxy statement/prospectus, including any documents incorporated in the proxy statement/prospectus by reference, and its appendices and annexes, carefully and in their entirety. If you have

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any questions concerning the merger or the proxy statement/prospectus, would like additional copies of the proxy statement/prospectus or need help voting your shares of Alliance common stock, please contact Peter J. Meier, Executive Vice President and Chief Financial Officer, Alliance Bancorp, Inc. of Pennsylvania at (610) 353-2900.

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The Alliance board of directors has approved the merger and the merger agreement and unanimously recommends that Alliance shareholders vote **FOR** approval of the merger proposal, **FOR** the merger-related compensation proposal and **FOR** approval of the adjournment proposal.

**BY ORDER OF THE BOARD OF DIRECTORS,**

Kathleen P. Lynch, Corporate Secretary

Broomall, Pennsylvania

May 8, 2015

**YOUR VOTE IS VERY IMPORTANT. PLEASE VOTE YOUR SHARES PROMPTLY, WHETHER OR NOT YOU EXPECT TO ATTEND THE SPECIAL MEETING. YOU CAN FIND INSTRUCTIONS FOR VOTING ON THE ENCLOSED PROXY CARD. IF YOU HAVE QUESTIONS ABOUT THE MERGER OR THE SPECIAL MEETING, PLEASE CONTACT ALLIANCE BANCORP, INC. OF PENNSYLVANIA, ATTENTION: CORPORATE SECRETARY, 541 LAWRENCE ROAD, BROOMALL, PENNSYLVANIA 19008, (610) 353-2900. IF YOU HAVE QUESTIONS ABOUT VOTING YOUR SHARES, PLEASE FOLLOW THE CONTACT INSTRUCTIONS ON YOUR PROXY CARD.**

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**ADDITIONAL INFORMATION**

This proxy statement/prospectus incorporates important business and financial information about WSFS from documents filed with or furnished to the Securities and Exchange Commission, which we refer to as the SEC, that are not included in or delivered with this proxy statement/prospectus. You can obtain any of the documents filed with or furnished to the SEC by WSFS at no cost from the SEC's website at <http://www.sec.gov>. You may also request copies of these documents, including documents incorporated by reference by WSFS in this proxy statement/prospectus, at no cost by contacting WSFS or Alliance, as the case may be, in writing or by telephone, at the following addresses:

**WSFS Financial Corporation**

WSFS Bank Center

500 Delaware Avenue

Wilmington, DE 19801

Attention: Corporate Secretary

Telephone: 302-792-6000

**Alliance Bancorp, Inc. of Pennsylvania**

541 Lawrence Road

Broomall, Pennsylvania 19008

Attention: Kathleen P. Lynch, Corporate Secretary

Telephone: 610-353-2900

**You will not be charged for any of these documents that you request. Alliance shareholders requesting documents must do so by June 9, 2015 in order to receive them before the special meeting to be held on June 18, 2015.**

In addition, if you have questions about the merger or the Alliance special meeting, need additional copies of this proxy statement/prospectus or need to obtain proxy cards or other information related to the proxy solicitation, you may contact Peter J. Meier, Executive Vice President and Chief Financial Officer, Alliance Bancorp, Inc. of Pennsylvania, or Laurel Hill, Alliance's proxy solicitor, at the following addresses and telephone numbers:

**Alliance Bancorp, Inc. of Pennsylvania**

541 Lawrence Road

Broomall, Pennsylvania 19008

Attention: Peter J. Meier, Executive Vice President and  
Chief Financial Officer

Telephone: 610-353-2900

**Laurel Hill Advisory Group, LLC**

2 Robbin Lane, Suite 201

Jericho, New York 11753

Telephone: 1-888-742-1305

See "Where You Can Find More Information" beginning on page 147 for more details.

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**ABOUT THIS PROXY STATEMENT/PROSPECTUS**

This proxy statement/prospectus, which forms part of a registration statement on Form S-4 filed with the SEC by WSFS, constitutes a prospectus of WSFS under Section 5 of the Securities Act of 1933, as amended, which we refer to as the Securities Act, with respect to the shares of WSFS common stock to be issued to the Alliance shareholders pursuant to the merger. This proxy statement/prospectus also constitutes a proxy statement for Alliance. It also constitutes a notice of meeting with respect to the special meeting of Alliance shareholders.

You should rely only on the information contained in or incorporated by reference into this proxy statement/prospectus. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this proxy statement/prospectus. This proxy statement/prospectus is dated May 8, 2015. You should not assume that the information contained in this proxy statement/prospectus is accurate as of any date other than that date. You should not assume that the information incorporated by reference into this proxy statement/prospectus is accurate as of any date other than the date of the incorporated document. Neither our mailing of this proxy statement/prospectus to Alliance shareholders nor the issuance by WSFS of shares of WSFS common stock to Alliance shareholders in connection with the merger will create any implication to the contrary.

WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015. Unless otherwise specifically addressed, none of the information included in this proxy statement/prospectus (including historical financial information related to WSFS or pro forma information related to WSFS and Alliance on a combined basis) has been adjusted to the extent appropriate to reflect such stock split.

**This proxy statement/prospectus shall not constitute an offer to sell or the solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation. Information contained in this proxy statement/prospectus regarding WSFS has been provided by WSFS, and information contained in this proxy statement/prospectus regarding Alliance has been provided by Alliance.**

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**QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE ALLIANCE SPECIAL MEETING**

The following are some questions that you may have regarding the merger of Alliance with and into WSFS and the Alliance special meeting of shareholders, which we refer to as the Alliance special meeting, and brief answers to those questions. We urge you to read carefully the remainder of this proxy statement/prospectus because the information in this section does not provide all of the information that might be important to you with respect to the merger and the Alliance special meeting. Additional important information is also contained in the documents incorporated by reference into this proxy statement/prospectus. See **Where You Can Find More Information** beginning on page 147. Unless the context requires otherwise, references in this proxy statement/prospectus to WSFS refer to WSFS Financial Corporation, a Delaware corporation, and/or its consolidated subsidiaries, references in this proxy statement/prospectus to Alliance refer to Alliance Bancorp, Inc. of Pennsylvania, a Pennsylvania corporation, and/or its consolidated subsidiaries, and references in this proxy statement/prospectus to **we, our and us** refer to WSFS and Alliance collectively.

**Q: What am I being asked to vote on at the Alliance special meeting?**

A: WSFS and Alliance have entered into an Agreement and Plan of Reorganization dated as of March 2, 2015, which we refer to as the merger agreement, pursuant to which WSFS has agreed to acquire Alliance. Under the terms of the merger agreement, Alliance will merge with and into WSFS, with WSFS continuing as the surviving corporation of the merger, which we refer to as the merger. Also under the terms of the merger agreement, simultaneously with the merger, Alliance Bank, a Pennsylvania-chartered savings bank and wholly owned subsidiary of Alliance, will be merged with and into WSFS Bank, a federal savings bank and a wholly owned subsidiary of WSFS, which we refer to as the bank subsidiary merger. Alliance shareholders are being asked to adopt and approve the merger agreement and the transactions it contemplates, including the merger, which we refer to as the merger proposal.

Alliance shareholders are also being asked to approve, on an advisory (non-binding) basis, the compensation payable to the named executive officers of Alliance in connection with the merger, which we refer to as the merger-related compensation proposal, and to approve the adjournment of the Alliance special meeting, if necessary, to solicit additional proxies in favor of the approval of the merger agreement, which we refer to as the adjournment proposal.

This proxy statement/prospectus includes important information about the merger, the merger agreement, a copy of which is attached as Annex I to this proxy statement/prospectus, and the Alliance special meeting. Alliance shareholders should read this information carefully and in its entirety. The enclosed voting materials allow shareholders to vote their shares without attending the Alliance special meeting in person.

**Q: How does the Alliance board of directors recommend I vote at the Alliance special meeting?**

A: The Alliance board of directors unanimously recommends that you vote **FOR** the merger proposal, **FOR** the merger-related compensation proposal and **FOR** the adjournment proposal. See the section entitled **The Merger Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors** beginning on page 43.

**Q: When and where is the Alliance special meeting?**

A: The Alliance special meeting will be held at Llanerch Country Club, located at 950 West Chester Pike, Havertown, Pennsylvania on June 18, 2015, at 11:00 a.m., local time.

**Q: Who is entitled to vote?**

A: Holders of record of Alliance common stock at the close of business on May 8, 2015, which is the date that the Alliance board of directors has fixed as the record date for the Alliance special meeting, are entitled to vote at the Alliance special meeting.

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**Q: What do I need to do now?**

A: If you are an Alliance shareholder of record as of the close of business on the record date, after you have carefully read this proxy statement/prospectus and have decided how you wish to vote your shares, please vote your shares promptly so that your shares are represented and voted at the Alliance special meeting. If you hold stock in your name as a shareholder of record, you must complete, sign, date and mail your proxy card in the enclosed postage-paid return envelope as soon as possible, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card. If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote your shares, following the instructions your bank or broker provides.

Street name shareholders who wish to vote at the Alliance special meeting will need to obtain a proxy form from the institution that holds their shares.

**Q: What constitutes a quorum for the Alliance special meeting?**

A: The presence at the Alliance special meeting, in person or by proxy, of the holders of a majority of the Alliance common stock issued and outstanding and entitled to vote with respect to each proposal will constitute a quorum for the purposes of considering and acting on each proposal. If a quorum is not present, the Alliance special meeting will be postponed until the holders of the number of shares of Alliance common stock required to constitute a quorum attend. If you submit a properly executed proxy card, even if you abstain from voting, your shares of Alliance common stock will be counted for purposes of determining whether a quorum is present at the Alliance special meeting. If additional votes must be solicited to approve the merger proposal and the adjournment proposal is approved, it is expected that the Alliance special meeting will be adjourned to solicit additional proxies.

**Q: What is the vote required to approve each proposal at the Alliance special meeting?**

A: Adoption and approval of the merger agreement requires the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

Approval, on an advisory (non-binding) basis, of the merger-related compensation proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

Approval of the adjournment proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

Abstentions, broker non-votes and a failure to vote are not considered votes cast and will have no effect on any of the proposals to be considered at the Alliance special meeting, assuming a quorum is present.

See the sections entitled, *The Alliance Special Meeting Record Date and Quorum* beginning on page 33 and *The Alliance Special Meeting Vote Required; Treatment of Abstentions and Failure to Vote* beginning on page 34.

**Q: Why am I being asked to consider and vote on the merger-related compensation proposal in connection with the merger?**

A: Under SEC rules, Alliance is required to seek an advisory (non-binding) vote with respect to the compensation that may be paid or become payable to its named executive officers, as that term is defined in the SEC rules, that is based on, or otherwise relates to, the merger.

**Q: What will happen if Alliance shareholders do not approve this merger-related compensation?**

A: Approval of the compensation that may be paid or become payable to Alliance's named executive officers that is based on, or otherwise relates to, the merger is not a condition to completion of the merger. The vote

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is an advisory vote and will not be binding on Alliance or WSFS as the surviving corporation in the merger. If the merger is completed, the merger-related compensation may be paid to Alliance's named executive officers to the extent payable in accordance with the terms of their compensation arrangements even if Alliance shareholders do not approve, by advisory (non-binding) vote, the merger-related compensation.

### **Q: Why is my vote important?**

A: If you do not vote, it will be more difficult for Alliance to obtain the necessary quorum to hold the Alliance special meeting. The merger agreement must be adopted and approved by the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. The Alliance board of directors unanimously recommends that you vote to adopt and approve the merger agreement.

### **Q: How many votes do I have?**

A: Each outstanding share of Alliance common stock entitles its holder to cast one vote. As of the record date, there were 4,026,699 shares of Alliance common stock, par value \$0.01 per share, outstanding and entitled to vote at the Alliance special meeting.

### **Q: Can I attend the Alliance special meeting and vote my shares in person?**

A: Yes. All Alliance shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Alliance special meeting. Holders of record of Alliance common stock can vote in person at the Alliance special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the Alliance special meeting. If you plan to attend the Alliance special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Alliance reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Alliance special meeting is prohibited without Alliance's express written consent.

### **Q: Can I change my vote?**

A: Yes. You may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Alliance's secretary, (3) voting again by telephone or the Internet or (4) attending the Alliance special meeting in person, notifying the secretary and voting by ballot at the Alliance special meeting. Attendance at the Alliance special meeting will not automatically revoke your proxy. A revocation or later-dated proxy received by Alliance after the vote will not affect the vote. If you choose any of the first three methods, you must take the described action (or, with respect to the first method, Alliance must

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have received the subsequent proxy card) no later than June 17, 2015 at 5:00 p.m. local time, which is the business day immediately prior to the special meeting. The Alliance secretary's mailing address is:

**Alliance Bancorp, Inc. of Pennsylvania**

541 Lawrence Road

Broomall, Pennsylvania 19008

Attention: Kathleen P. Lynch, Corporate Secretary

Telephone: 610-353-2900

If you hold your stock in street name through a bank or broker, you should contact your bank or broker to revoke your proxy.



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**Q: How do I vote my shares in the Alliance Employee Stock Ownership Plan or the Alliance Profit Sharing 401(k) Plan?**

A: If you are a participant in the Alliance Employee Stock Ownership Plan, which we refer to as the Alliance ESOP, or the Alliance Profit Sharing 401(k) Plan, which we refer to as the Alliance 401(k) Plan, you will receive a voting instruction form for each plan that reflects all shares you may vote under the plan. Under the terms of the plans, all shares held by the plans are voted by the respective trustees, but each participant may direct the trustees on how to vote the shares of Alliance common stock allocated to his or her account in the plans. If your voting instructions for the Alliance ESOP or Alliance 401(k) Plan are not received, the shares allocated to your accounts in such plans will not be voted. Unallocated shares held in the Alliance ESOP generally will be voted by the Alliance ESOP trustees in the same manner that the majority of the shares that have been allocated are actually voted.

**Q: What will happen in the merger?**

A: If the merger proposal is approved by Alliance shareholders and the other conditions to closing under the merger agreement are satisfied or waived, then at the effective time of the merger, Alliance will merge with and into WSFS and WSFS will be the surviving entity. Also under the terms of the merger agreement, simultaneously with the merger, Alliance Bank, a Pennsylvania-chartered savings bank and wholly owned subsidiary of Alliance, will be merged with and into WSFS Bank, a federal savings bank and a wholly owned subsidiary of WSFS, which we refer to as the bank subsidiary merger. We refer to the merger and the bank subsidiary merger as the mergers. As a result of the mergers, Alliance will no longer be a publicly held corporation, and its businesses will be owned by WSFS, which will continue as a public company. Following the merger, Alliance common stock will be delisted from the NASDAQ Global Market, and deregistered under the Securities Exchange Act of 1934, or the Exchange Act, and Alliance will no longer file periodic or current reports with the SEC.

**Q: What will I receive for my Alliance common stock?**

A: Upon completion of the merger, each share of Alliance common stock issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive, at your election, either (i) cash in an amount equal to \$22.00, which we refer to as the Cash Consideration, or (ii) 0.28955 shares of WSFS common stock, which we refer to as the Stock Consideration, and together with the Cash Consideration, the Merger Consideration. WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015. Pursuant to the merger agreement, the exchange ratio will be adjusted following the stock split and will be 0.86865, and as a result of the stock split the Stock Consideration will be 0.86865 shares of WSFS common stock. Each holder of Alliance common stock is entitled to elect the form of the Merger Consideration that he or she would like to receive for his or her shares of Alliance common stock, including electing to receive the Cash Consideration for a portion of his or her shares of Alliance common stock and receive the Stock Consideration for the remainder of his or her shares of Alliance common stock. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus. For example, if you hold 100 shares of Alliance common stock, you may elect to convert 30 shares of your Alliance common stock into the Cash Consideration and 70 shares of your Alliance common stock into the Stock Consideration (or any other combination), subject to the proration provisions described below.

No guarantee can be made that you will receive the amount of the Cash Consideration or the Stock Consideration you elect. As a result of the proration procedures provided for in the merger agreement, as described in this proxy statement/prospectus, you may receive the Stock Consideration or the Cash Consideration in amounts that are different from the amounts you elect to receive.

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**Q: What happens if I am eligible to receive a fraction of a share of WSFS common stock as part of the per share Merger Consideration?**

A: If the aggregate number of shares of WSFS common stock that you are entitled to receive as part of the per share Merger Consideration includes a fraction of a share of WSFS common stock, you will receive cash in lieu of that fractional share. See the section entitled *The Merger Agreement Structure of the Merger Fractional Shares* beginning on page 65.

**Q: How might the Merger Consideration I elect to receive be adjusted on a pro rata basis?**

A: Each holder of Alliance common stock is entitled to elect the form of consideration that he or she would like to receive for his or her shares of Alliance common stock, including electing to receive the Cash Consideration for a portion of his or her shares of Alliance common stock and receive the Stock Consideration for the remainder of his or her shares of Alliance common stock. We refer to a share for which an election to receive the Cash Consideration is made as a Cash Election Share, a share for which an election to receive the Stock Consideration is made as a Stock Election Share and a share of Alliance common stock for which no election is made as a Non-Election Share. All such elections are subject to adjustment on a pro rata basis.

The terms of the merger agreement provide that the aggregate amount of the Cash Consideration that holders of Alliance common stock are entitled to receive is \$26,576,220, or the Maximum Cash Contribution. As a result, all elections may be subject to proration depending on the elections made by other holders of Alliance common stock if the Maximum Cash Contribution is undersubscribed or oversubscribed. Proration will be applied so that ultimately 30% of the shares of Alliance common stock are treated as Cash Election Shares and 70% of the shares of Alliance common stock are treated as Stock Election Shares.

For example, if the aggregate of the Cash Consideration payable to holders of Cash Election Shares is in excess of the Maximum Cash Contribution, all of the Non-Election Shares will be treated as Stock Election Shares and a number of Cash Election Shares will be converted into Stock Election Shares until the Maximum Cash Contribution is no longer oversubscribed. If the aggregate of the Cash Consideration payable to holders of Cash Election Shares is less than the Maximum Cash Contribution, a number of Non-Election Shares will be treated as Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed and, if necessary, a number of Stock Election Shares will be converted into Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed.

**Q: Is the value of the per share consideration that I receive for my shares of Alliance common stock expected to be substantially equivalent regardless of which election I make?**

A: There will be no adjustment to the fixed number of shares of WSFS common stock that will be issued to Alliance shareholders who receive the Stock Consideration based upon changes in the market price of WSFS common stock or Alliance common stock prior to the closing. The value of the Cash Consideration will not change. As result, the value of the Merger Consideration received by holders of Alliance common stock who receive the Cash Consideration may differ from the value of the Merger Consideration received by holders of Alliance common stock who receive the Stock Consideration.

WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015 and, pursuant to the merger agreement, following the stock split the exchange ratio will be adjusted to 0.86865. As a result of the stock split, it is expected that the trading price of a share of WSFS common stock following the stock split will adjust downward to reflect the three-for-one stock split.

The market price of WSFS common stock at the time the merger is completed may vary from the price of WSFS common stock on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the Alliance special meeting as a result of various factors that are beyond the control of WSFS and Alliance, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. In addition to

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the adoption and approval of the merger agreement by Alliance shareholders, consummation of the merger is subject to receipt of required regulatory approvals and satisfaction of other conditions that may not occur until after the Alliance special meeting. Therefore, at the time of the Alliance special meeting you will not know the precise value of the Stock Consideration, if any, that you will receive at the effective time of the merger. You should obtain current market quotations for shares of WSFS common stock.

**Q: How do I make an election for the type of the Merger Consideration that I prefer to receive and when can I expect to receive the Merger Consideration?**

A: Each holder of record of Alliance common stock as of the close of business on the closing date will be mailed a form of election/letter of transmittal and other appropriate and customary transmittal materials not more than five business days following the consummation of the merger. The deadline for holders of Alliance common stock to elect the form of the Merger Consideration they want to receive is 30 days after the closing date of the merger and is referred to as the election deadline. Each holder of Alliance common stock should specify in the election form (1) the number of shares of Alliance common stock which such shareholder elects to have exchanged for the Stock Consideration and (2) the number of shares of Alliance common stock such shareholder elects to have exchanged for the Cash Consideration. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus. Holders of Alliance common stock shall receive their Merger Consideration as promptly as practicable following the election deadline, subject to the holders submitting their properly completed letter of transmittal and other transmittal materials.

**Q: What happens to the Alliance stock options and awards under the Alliance 2011 Recognition and Retention Plan and Trust Agreement in the merger?**

A: *Alliance Stock Options.* At the effective time of the merger, which is referred to as the effective time, each outstanding option to acquire shares of Alliance common stock under Alliance common stock plans which is referred to as an Alliance stock option, whether vested or unvested, will be cancelled and will entitle the holder of such option to receive an amount in cash equal to the product of (i) the total number of shares of Alliance common stock subject to such option and (ii) the excess, if any, of the difference between the Cash Consideration and the exercise price per share of Alliance common stock underlying such option, less any applicable taxes to be withheld with respect to such payment.

*Alliance RRP Awards.* At the effective time, each outstanding and unvested award previously granted under Alliance's 2011 Recognition and Retention Plan and Trust Agreement, or Alliance RRP, will become fully vested and be converted into the right to receive the Merger Consideration for the vested shares of Alliance common stock in accordance with the merger agreement.

**Q: What are the U.S. federal income tax consequences of the merger to Alliance shareholders?**

A: The merger is intended to qualify, and the obligation of WSFS and Alliance to consummate the merger is conditioned upon, the receipt of an opinion from Covington & Burling LLP to the effect that the merger

will qualify, as a reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended, which we refer to as the Code, and that Alliance and WSFS will each be treated as a party to the reorganization within the meaning of Section 368(b) of the Code. Neither WSFS nor Alliance currently intends to waive this opinion condition to its obligation to consummate the merger. If either WSFS or Alliance waives this opinion condition after this registration statement is declared effective by the SEC, and if the tax consequences of the merger to Alliance shareholders have materially changed, WSFS and Alliance will recirculate appropriate soliciting materials to resolicit the votes of Alliance shareholders. Assuming that the merger so qualifies as a reorganization, which Alliance and WSFS anticipate, in general, for U.S. federal income tax purposes:

    Holders of Alliance common stock who receive solely the Cash Consideration in the merger will generally recognize gain or loss;

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Holders of Alliance common stock who receive solely the Stock Consideration in the merger generally will not recognize any gain or loss as a result of the exchange (other than for cash received in lieu of any fractional share of Alliance common stock); and

Holders of Alliance common stock who receive a combination of the Cash Consideration and the Stock Consideration in the merger will not generally recognize any loss but will generally recognize gain, if any, equal to the lesser of (a) the excess, if any, of the sum of the cash received and the fair market value of the WSFS common stock received pursuant to the merger over that holder's adjusted tax basis in his or her shares of Alliance common stock surrendered, and (2) the amount of Cash Consideration received by that holder pursuant to the merger.

For further information, see Material U.S. Federal Income Tax Consequences of the Merger beginning on page 81.

*The U.S. federal income tax consequences described above may not apply to all holders of Alliance common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.*

**Q: Do I have dissenters' rights in connection with the merger?**

A: No. Holders of Alliance common stock do not have dissenters' rights with respect to the merger under the Pennsylvania Business Corporations Law, or PBCL.

**Q: If I am an Alliance shareholder, should I send in my Alliance common stock certificates now?**

A: **No. Please do NOT send in your Alliance common stock certificates with your proxy.** If the merger proposal is approved by Alliance shareholders, and the merger is completed, an exchange agent designated by WSFS will send you instructions for exchanging Alliance common stock certificates for the Merger Consideration. See the section entitled The Merger Agreement Conversion of Shares; Exchange of Certificates beginning on page 66.

**Q: What should I do if I hold my shares of Alliance common stock in book-entry form?**

A: If the merger proposal is approved by Alliance shareholders, and the merger is completed, an exchange agent designated by WSFS, or your broker or bank, will send you instructions for exchanging your shares of Alliance common stock for the Merger Consideration.

**Q: What happens if I sell my shares of Alliance common stock before the Alliance special meeting?**

A: The record date is earlier than both the date of the Alliance special meeting and the effective time of the merger. If you transfer your shares of Alliance common stock after the record date but before the Alliance special

meeting, you will, unless the transferee requests a proxy from you, retain your right to vote at the Alliance special meeting but will transfer the right to receive the per share Merger Consideration to the person to whom you transfer your shares. In order to receive the per share Merger Consideration, you must hold your shares through the effective time of the merger.

**Q: When do you expect to complete the merger?**

A: We expect to consummate the merger in the fourth quarter of 2015. However, we cannot assure you when or if the merger will occur. We must first obtain the approval of Alliance shareholders at the Alliance special meeting and the necessary regulatory approvals and the other conditions to closing must be satisfied before the merger is consummated. See the section entitled The Merger Agreement Conditions to Consummation of the Merger beginning on page 78.



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**Q: Who should I call with questions?**

A: If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Alliance common stock, please contact: Peter J. Meier, Executive Vice President and Chief Financial Officer at Alliance Bancorp, Inc. of Pennsylvania at (610) 353-2900 or Laurel Hill, Alliance's proxy solicitor, at 1-888-742-1305.

**Q: Are there any risks that I should consider in deciding whether to vote for the merger proposal?**

A: Yes. You should read and carefully consider the risk factors set forth in the section entitled Risk Factors beginning on page 24.

**Q: What happens if the merger is not completed?**

A: If the merger agreement is not adopted and approved by Alliance shareholders or if the merger is not completed for any other reason, Alliance shareholders will not receive any consideration for their shares of Alliance common stock. Instead, Alliance will remain an independent public company, Alliance common stock will continue to be listed and traded on NASDAQ and registered under the Exchange Act and Alliance will continue to file periodic and current reports with the SEC. Under specified circumstances, Alliance may be required to pay WSFS a termination fee of \$4.0 million. See the section entitled The Merger Agreement Termination Fee beginning on page 80.

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**SUMMARY**

*The following summary highlights selected information in this proxy statement/prospectus and may not contain all the information that may be important to you as an Alliance shareholder. We urge you to carefully read the entire proxy statement/prospectus, including the appendices, and the other documents to which we refer in order to fully understand the merger. See the section entitled **Where You Can Find More Information** beginning on page 147. Each item in this summary refers to the page of this proxy statement/prospectus on which that subject is discussed in more detail.*

**Parties to the Merger (page 31)**

***Alliance Bancorp, Inc. of Pennsylvania***

541 Lawrence Road

Broomall, Pennsylvania 19008

(610) 353-2900

Alliance, a Pennsylvania corporation, is a savings and loan holding company which owns 100% of the capital stock of Alliance Bank, which is a Pennsylvania-chartered savings bank headquartered in Broomall, Pennsylvania. Alliance Bank operates a total of eight banking offices located in Delaware and Chester Counties, Pennsylvania, which are suburbs of Philadelphia. Alliance Bank's primary business consists of attracting deposits from the general public and using those funds, together with funds it borrows, to originate loans to its customers and invest in securities such as U.S. government and agency securities, mortgage-backed securities and municipal obligations. At December 31, 2014, Alliance had \$420.8 million of total assets, \$344.8 million of total deposits and stockholders' equity of \$66.5 million.

Alliance common stock is listed on NASDAQ Global Market under the symbol **ALLB**.

***WSFS Financial Corporation***

500 Delaware Avenue

Wilmington, Delaware 19801

(302) 792-6000

WSFS, a Delaware corporation, is a unitary savings and loan holding company under the Home Owners' Loan Act of 1935, as amended. Its primary subsidiary, WSFS Bank, a federal savings bank, is the oldest, locally managed bank and trust company headquartered in Delaware. WSFS operates from 55 offices located in Delaware (45), Pennsylvania (8), Virginia (1) and Nevada (1) and provides comprehensive financial services including commercial banking, retail banking and trust and wealth management. Serving the Delaware Valley since 1832, WSFS Bank is the seventh oldest bank in the United States continuously operating under the same name. At December 31, 2014, WSFS had \$4.85 billion of total assets, \$3.65 billion of total deposits and stockholders' equity of \$489.1 million.

WSFS common stock is listed on the NASDAQ Global Select Market under the symbol **WSFS**.

*Additional information about WSFS and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See the section entitled **Where You Can Find More Information** beginning on page 147.*

**The Merger (page 39) and the Merger Agreement (page 65)**

The terms and conditions of the mergers are contained in the merger agreement, a copy of which is attached as Annex I to this proxy statement/prospectus. We encourage you to read the merger agreement carefully and in

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its entirety, as it is the legal document that governs the merger. All descriptions in this summary and elsewhere in this proxy statement/prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

Under the terms of the merger agreement, Alliance will merge with and into WSFS, with WSFS continuing as the surviving corporation of the merger. Also under the terms of the merger agreement, simultaneously with the merger, Alliance Bank, a Pennsylvania-chartered savings bank and wholly owned subsidiary of Alliance, will be merged with and into WSFS Bank, a federal savings bank and a wholly owned subsidiary of WSFS, with WSFS Bank as the surviving entity in the bank subsidiary merger. Following the merger, Alliance will no longer be a publicly held corporation, so its common stock will be delisted from the NASDAQ Global Market and it will stop filing periodic and current reports with the SEC.

### **As a result of the Merger, Alliance Shareholders Will Have a Right To Elect To Receive Either 0.28955 of a Share of WSFS Common Stock, or \$22.00 in Cash or a Combination of Stock Consideration and Cash Consideration (page 39)**

We are proposing the merger of Alliance with and into WSFS, with WSFS continuing as the surviving corporation in the merger. If the merger is completed, each share of Alliance common stock issued and outstanding immediately prior to the merger will be converted, at the election of the Alliance shareholder, into the right to receive either (i) cash in an amount equal to \$22.00, which we refer to as the Cash Consideration or (ii) 0.28955 of a share of WSFS common stock, which we refer to as the Stock Consideration, and together with the Cash Consideration, the Merger Consideration. WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015. Pursuant to the merger agreement, the exchange ratio will be adjusted following the stock split and will be 0.86865, and as a result of the stock split the Stock Consideration will be 0.86865 shares of WSFS common stock. As a result of the stock split, it is expected that the trading price of a share of WSFS common stock following the stock split will adjust downward to reflect the three-for-one stock split. Each holder of Alliance common stock is entitled to elect the form of the Merger Consideration that he or she would like to receive for his or her shares of Alliance common stock, which may be all Stock Consideration, all Cash Consideration or a combination of Stock Consideration and Cash Consideration. All such elections are subject to adjustment on a pro rata basis. Shares of Alliance common stock for which an election is not made or that are not submitted by the election deadline are referred to as Non-Electing Shares. No fractional shares of WSFS common stock will be issued in connection with the merger, and holders of Alliance common stock will be entitled to receive cash in lieu thereof.

For example, an Alliance shareholder who holds 100 shares of Alliance common stock may elect to convert 40 shares of his or her Alliance common stock into Cash Election Shares and 60 shares of his or her Alliance common stock into Stock Election Shares (or any other combination), subject to the proration provisions described elsewhere in this proxy statement/prospectus.

### **The Alliance Board of Directors Unanimously Recommends that Alliance shareholders Vote FOR Adoption and Approval of the Merger Agreement (page 43)**

The Alliance board of directors has determined that the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Alliance and its shareholders. Accordingly, the Alliance board of directors unanimously recommends that Alliance shareholders vote **FOR** adoption and approval of the merger agreement.

For the factors considered by the Alliance board of directors in reaching its decision to approve the merger agreement, see the section entitled The Merger Alliance's Reasons for the Merger; Recommendation of the Alliance Board of

Directors beginning on page 43.

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**Keefe, Bruyette & Woods, Inc. Has Provided an Opinion to the Alliance Board of Directors in Connection with the Merger (page 45 and Annex II)**

In connection with the merger, Alliance's financial advisor, Keefe, Bruyette & Woods, Inc., or KBW, delivered a written opinion, dated March 2, 2015, to the Alliance board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Alliance common stock of the Merger Consideration in the merger. The full text of the opinion, which describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion, is attached as Annex II to this proxy statement/prospectus. **The opinion was provided for the information of, and was directed to, the Alliance board of directors (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion did not address the underlying business decision of Alliance to engage in the merger or enter into the merger agreement or constitute a recommendation to the Alliance board of directors in connection with the merger, and it does not constitute a recommendation to any holder of Alliance common stock as to how to vote in connection with the merger or any other matter (including, with respect to holders of Alliance common stock, what election any such shareholder should make with respect to the Stock Consideration or the Cash Consideration).**

For further information, please see the discussion under the caption "The Merger" Opinion of Alliance's Financial Advisor, beginning on page 45.

**Information About the Alliance Special Meeting (page 33)**

The Alliance special meeting will be held on June 18, 2015, at 11:00 a.m., local time, at Llanerch Country Club, located at 950 West Chester Pike, Havertown, Pennsylvania, unless the Alliance special meeting is adjourned or postponed.

At the Alliance special meeting, Alliance shareholders will be asked to:

approve the merger proposal;

approve the merger-related compensation proposal; and

approve the adjournment proposal, if necessary.

Only holders of record at the close of business on May 8, 2015, which is the record date for the Alliance special meeting, will be entitled to vote at the Alliance special meeting. Each share of Alliance common stock is entitled to one vote on each proposal to be considered at the Alliance special meeting. As of the record date, there were 4,026,699 shares of Alliance common stock entitled to vote at the Alliance special meeting. As of the record date, directors and executive officers of Alliance and their affiliates owned and were entitled to vote 349,379 shares of Alliance common stock, representing approximately 8.7% of the shares of Alliance common stock outstanding on that date. As of the record date, WSFS beneficially held no shares of Alliance common stock, and WSFS' directors and executive officers held no shares of Alliance common stock.

The merger agreement must be adopted and approved by the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

Approval, on an advisory (non-binding) basis, of the merger-related compensation proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

Approval of the adjournment proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting.

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Abstentions, broker non-votes and a failure to vote are not considered votes cast and will have no effect on any of the proposals to be considered at the Alliance special meeting, assuming a quorum is present.

**Alliance s Directors and Officers May Have Financial Interests in the Merger That Differ From Your Interests (page 57)**

Alliance shareholders should be aware that the directors and executive officers of Alliance have agreements and other benefit plans or arrangements that provide them with financial interests in the merger that are different from, or in addition to, those of Alliance shareholders generally. These interests arise because of rights under benefit and compensation plans or arrangements maintained by Alliance, and include the following:

Pursuant to separation, non-competition and consulting agreements, or the Separation Agreements, entered into by WSFS and Alliance with each of Dennis D. Cirucci, President and Chief Executive Officer of Alliance, and Peter J. Meier, Executive Vice President and Chief Financial Officer of Alliance in connection with the merger agreement, Messrs. Cirucci and Meier will receive lump sum separation payments totaling \$1,053,955 and \$487,667, respectively, within 10 business days following completion of the merger, plus the continuation of insurance benefits.

Messrs. Cirucci and Meier will receive additional lump sum cash payments of \$400,000 and \$90,000, respectively, within 10 business days following completion of the merger as consideration for performing ongoing obligations under the Separation Agreements. Messrs. Cirucci and Meier agreed to not participate in the commercial or retail banking business in a specified geographic area for periods of 18 months and six months, respectively, following completion of the merger, agreed to not solicit the customers of Alliance or the employees of WSFS or Alliance for periods of two years and one year, respectively, following completion of the merger, and agreed to provide part-time consulting services to WSFS at its request for a period of six months following completion of the merger.

William McGrath, Senior Vice President and Chief Lending Officer of Alliance, and Suzanne J. Ricci, Senior Vice President and Chief Operating Officer of Alliance, will receive lump sum cash payments totaling approximately \$505,000 and \$460,000, respectively, plus the continuation of insurance benefits for a period of time, if their employment is terminated without cause within two years following completion of the merger pursuant to their existing employment agreements with Alliance.

All unvested stock options and Alliance RRP awards which remain outstanding immediately prior to completion of the merger will immediately vest upon completion of the merger. Based on the Merger Consideration being \$22.00 per share and assuming the merger is completed in the fourth quarter of 2015, the value of all unvested equity awards held by Alliance s directors and executive officers as a group would be approximately \$1.2 million, and such amount excludes the value of vested stock options. These unvested awards are scheduled to vest in the ordinary course in July 2016.

In accordance with their existing supplemental retirement agreements, Messrs. Cirucci and Meier will receive their vested supplemental retirement benefits in a lump sum discounted to present value, rather than



having such benefits paid to them over their remaining lives, with the lump sum payments to be based on their estimated life expectancies and to be paid approximately six months following completion of the merger.

The Alliance ESOP will be terminated upon completion of the merger, which will result in a portion of the Merger Consideration received with respect to the unallocated shares of Alliance common stock held by the Alliance ESOP being allocated to all participants, including executive officers of Alliance, in the Alliance ESOP on a pro rata basis.

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In the merger agreement, WSFS agreed to maintain directors' and officers' liability insurance for directors and executive officers of Alliance for a period of six years following the merger and to provide indemnification arrangements for such persons.

The Alliance board of directors was aware of these interests and considered these interests, among other matters, when making its decision to adopt and approve the merger agreement and the merger, and in recommending that Alliance shareholders vote in favor of the merger proposal.

For a more complete description of these interests, see "The Merger" Interests of Alliance's Directors and Executive Officers in the Merger beginning on page 57.

### **Treatment of Alliance Stock Options in the Merger (page 59)**

Upon completion of the merger, each Alliance stock option will be automatically cancelled and converted into the right to receive from WSFS a cash payment equal to the difference, if positive, between the Cash Consideration and the exercise price of the Alliance stock option. The exercise price per share of all of the Alliance stock options are equal to or greater than the Cash Consideration, and, therefore, all unexercised Alliance stock options at the effective time of the merger will receive a cash payment in connection with the merger.

For a more complete description of these interests, see "The Merger" Interests of Alliance's Directors and Executive Officers in the Merger beginning on page 57.

### **Treatment of Alliance RRP Awards in the Merger (page 59)**

Consistent with the terms of the pre-existing Alliance RRP, the merger agreement provides that, at the effective time of the merger, each outstanding Alliance RRP award that has not yet vested will become fully vested and converted into the right to receive the Merger Consideration for the vested shares of Alliance common stock in accordance with the merger agreement, and all such outstanding shares underlying Alliance RRP awards will become fully vested immediately prior to the effective time of the merger.

For a more complete description of these interests, see "The Merger" Interests of Alliance's Directors and Executive Officers in the Merger beginning on page 57.

### **Alliance Shareholders May Not Exercise Dissenters' Rights (page 35)**

Holders of Alliance common stock do not have dissenters' rights with respect to the merger under the PBCL.

### **Regulatory Approvals Required for the Merger (page 62)**

We have agreed to use our reasonable best efforts to obtain all regulatory approvals, non-objections or waivers required to complete the transactions contemplated by the merger agreement. These regulatory determinations include, among others, the approval of the Office of the Comptroller of the Currency, which we refer to as the OCC, for the bank subsidiary merger and a capital distribution from WSFS Bank to WSFS in connection with the merger, a waiver for the merger from the Board of Governors of the Federal Reserve System, which we refer to as the Federal Reserve, and the approval of the Pennsylvania Department of Banking and Securities, or the Department, for WSFS to acquire Alliance Bank. WSFS and Alliance have filed, or are in the process of filing, applications, requests, letters and notifications to obtain the required regulatory determinations.

Although we do not know of any reason why these regulatory approvals, non-objections or waivers cannot be obtained in a timely manner, we cannot be certain when or if they will be obtained.

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**Conditions That Must Be Satisfied or Waived for the Merger to Occur (page 78)**

Currently, we expect to consummate the merger in the fourth quarter of 2015. As more fully described in this proxy statement/prospectus and in the merger agreement, consummation of the merger depends on a number of conditions being satisfied or, where legally permissible, waived. The conditions to each party's obligation to complete the merger include, among others:

adoption and approval of the merger agreement by Alliance shareholders;

receipt of required regulatory approvals (provided that no such required regulatory approval may impose a burdensome condition on WSFS);

absence of any law, injunction or other restraint prohibiting, restricting or making illegal consummation of the transactions contemplated by the merger agreement;

the declaration of effectiveness by the SEC of WSFS's registration statement on Form S-4 registering the WSFS common stock issuable to Alliance shareholders, with no stop orders suspending the effectiveness thereof having been issued;

authorization of the shares of WSFS common stock to be issued in the merger for listing on the NASDAQ Global Select Market;

accuracy of each party's representations and warranties in the merger agreement, generally subject to specified materiality standards;

performance in all material respects of each party's obligations under the merger agreement; and

receipt by each party of an opinion of Covington & Burling LLP, counsel to WSFS, to the effect that the merger will qualify as a reorganization within the meaning of Section 368(a) of the Code.

We cannot be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed in the fourth quarter of 2015 or at all.

**No Solicitation or Negotiation of Acquisition Proposals (page 75)**

As more fully described in this proxy statement/prospectus, Alliance has agreed that it and its subsidiaries will not, and will cause their respective representatives not to, among other actions, solicit, initiate, encourage (including by providing information or assistance), facilitate or induce any acquisition proposal or participate in any discussions or negotiations regarding, or furnish or cause to be furnished to any third party any nonpublic information with respect to, or approve, agree to, accept, endorse or recommend any acquisition proposal.

Notwithstanding these restrictions, prior to the adoption and approval of the merger agreement by Alliance shareholders, Alliance may furnish non-public information with respect to Alliance and its subsidiaries in response to a request by a third party who has made an unsolicited bona fide written acquisition proposal or enter into discussions and negotiations with such third party who has made an unsolicited bona fide written acquisition proposal, only if the Alliance board of directors determines (in accordance with the merger agreement and after consultation with its financial advisor and outside legal counsel) that such acquisition proposal constitutes a superior proposal or could reasonably be expected to lead to a superior proposal and failure to take such action more likely than not would cause the Alliance board of directors to violate its fiduciary duties under applicable law.

If Alliance has received a superior proposal, after giving effect to the terms of any revised offer by WSFS that are negotiated in good faith by Alliance, and provided that Alliance has complied with the terms of the non-solicitation provisions in the merger agreement, the Alliance board of directors may, in connection with the

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superior proposal, make a change in its recommendation to the Alliance shareholders that they approve and adopt the merger agreement if the Alliance board of directors determines (in accordance with the merger agreement and after consultation with its outside legal counsel) that the failure to take such action more likely than not would be a violation of the Alliance board of directors' fiduciary duties under applicable law.

Notwithstanding any change in the recommendation of the Alliance board of directors that the Alliance shareholders adopt and approve the merger agreement, the merger agreement is required to be submitted to Alliance shareholders (which is being done at the Alliance special meeting) for the purpose of voting on the adoption and approval of the merger agreement.

### **Termination of the Merger Agreement (page 79)**

We may mutually agree to terminate the merger agreement before completing the merger, even after receiving Alliance shareholder approval.

In addition, either of us may decide to terminate the merger agreement if:

any regulatory authority which must grant a required regulatory approval has denied approval of the transactions contemplated by the merger agreement, and this denial has become final and nonappealable, or a regulatory authority has issued a final nonappealable law or order prohibiting the consummation of the transactions contemplated by the merger agreement, if the party seeking to terminate the merger agreement has used its reasonable best efforts to contest, appeal and change such denial, law or order;

the Alliance shareholders fail to adopt and approve the merger agreement and the transactions contemplated thereby at the Alliance special meeting;

the merger has not been completed on or before December 31, 2015, which is referred to as the outside date, if the failure to consummate the transactions contemplated by the merger agreement by the outside date is not caused by the terminating party's breach of the merger agreement; or

any of the conditions precedent to the obligations of the terminating party to consummate the merger cannot be satisfied or fulfilled by the outside date, if the failure of such condition to be satisfied or fulfilled is not a result of the terminating party's failure to perform, in any material respect, any of its material covenants or agreements in the merger agreement or such party's material breach of any of its material representations or warranties contained in the merger agreement.

In addition, WSFS may terminate the merger agreement if:

the Alliance board of directors fails to recommend the merger to, and the adoption and approval of the merger agreement by, the Alliance shareholders or changes its recommendation to the Alliance shareholders in a manner adverse to WSFS;

the Alliance board of directors breaches its non-solicitation obligations or obligations with respect to other acquisition proposals set forth in the merger agreement in any respect adverse to WSFS; or

the Alliance board of directors breaches its obligations to call, give notice of, convene and/or hold a shareholders meeting or to use reasonable best efforts to obtain the approval of Alliance shareholders.

In addition, Alliance may terminate the agreement if the price of WSFS common stock declines by more than 20% from \$75.36, which is the closing price of WSFS common stock on March 4, 2015 (the first trading day immediately after the date of the first public announcement of entry into the merger agreement) and underperforms an index of banking companies by more than 20% over a designated measurement period unless WSFS agrees to increase the number of shares of WSFS common stock to be issued to holders of Alliance common stock who are to receive Stock Consideration in the merger. This termination right is not applicable to

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the expected change in the trading price of a share of WSFS common stock as a result of the three-for-one stock split of WSFS common stock which will be effected on May 18, 2015.

### **Termination Fee (page 80)**

If the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by the Alliance board of directors, Alliance may be required to pay WSFS a termination fee of \$4.0 million. The termination fee could discourage other companies from seeking to acquire or merge with Alliance.

### **Board of Directors and Executive Officers of WSFS and WSFS Bank Following the Effective Time of the Merger (page 57)**

The directors and officers of WSFS immediately prior to the effective time of the merger will continue as the directors and officers of the surviving corporation of the merger.

### **Litigation Relating to the Merger (page 64)**

Alliance, Alliance's directors and certain of its officers are named as defendants in lawsuits that are pending in connection with the merger. WSFS is also named as a defendant in these lawsuits. See *The Merger Litigation Relating to the Merger* beginning on page 64 for more information.

### **The Rights of Alliance Shareholders Will Change as a Result of the Merger (page 129)**

The rights of Alliance shareholders will change as a result of the merger due to differences in WSFS' and Alliance's governing documents. The rights of Alliance shareholders are governed by Pennsylvania law and by Alliance's articles of incorporation and amended and restated bylaws, each as amended to date, which we refer to as Alliance's articles of incorporation and bylaws, respectively. Upon the effective time of the merger, the rights of Alliance shareholders who receive the Stock Consideration will be governed by Delaware law and WSFS' amended and restated certificate of incorporation and amended and restated bylaws, which we refer to as WSFS' certificate of incorporation and bylaws, respectively. Alliance shareholders who receive solely the Cash Consideration will have their shareholder rights extinguished.

This proxy statement/prospectus contains descriptions of the material differences in shareholder rights under each of Alliance's articles of incorporation and bylaws and WSFS' certificate of incorporation and bylaws. For a more complete description of these material differences, see the section entitled *Comparison of Shareholders' Rights* beginning on page 129.

### **The Merger Is Intended to Be Tax-Free to Holders of Alliance Common Stock as to the Shares of WSFS Common Stock They Receive (page 81)**

The merger is intended to qualify as a reorganization within the meaning of Section 368(a) of the Code, and, as a condition to the respective obligations of WSFS and Alliance to complete the merger, each of WSFS and Alliance shall receive an opinion from Covington & Burling LLP to that effect. Accordingly, the merger generally will be tax-free to a holder of Alliance common stock for U.S. federal income tax purposes who receives solely the Stock Consideration for all of his or her shares, except for any gain or loss that may result from the receipt of cash instead of fractional shares of WSFS common stock that such holder of Alliance common stock would otherwise be entitled to receive. If the holder of Alliance common stock receives solely the Cash Consideration for all of his or her shares, the holder of Alliance common stock generally will recognize gain or loss equal to the difference between the amount of



cash received and the basis in his or her shares of Alliance common stock as set forth below. If the holder of Alliance common stock receives a combination of Cash Consideration and Stock Consideration in the merger, the holder will not generally recognize any loss but

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will generally recognize gain, if any, equal to the lesser of (1) the excess, if any, of the sum of the cash received and the fair market value of the WSFS common stock received pursuant to the merger over that holder's adjusted tax basis in his or her shares of Alliance common stock surrendered, and (2) the amount of Cash Consideration received by that holder pursuant to the merger. For further information, see the section entitled "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 81.

***The U.S. federal income tax consequences described above may not apply to all holders of Alliance common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.***

**Comparative Market Prices of Securities (page 21)**

WSFS common stock is listed on the NASDAQ Global Select Market under the symbol "WSFS" and Alliance common stock is listed on NASDAQ Global Market under the symbol "ALLB."

The market value of the Stock Consideration will fluctuate with the market price of WSFS common stock, however the Cash Consideration will remain a fixed amount regardless of any change in the market value of the Stock Consideration. The following table presents the closing prices of WSFS common stock on March 2, 2015, the last trading day before public announcement of the merger, and on May 8, 2015. The table also presents the implied value of the Stock Consideration proposed for each share of Alliance common stock converted into the Stock Consideration on those dates, as determined by multiplying the closing price of WSFS common stock on those dates by the exchange ratio of 0.28955 provided for in the merger agreement. This table also presents the value of the Cash Consideration proposed for each share of Alliance common stock converted into the Cash Consideration, which will remain a fixed amount regardless of any change in the market value of the Stock Consideration. WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015 and, pursuant to the merger agreement, following the stock split the exchange ratio will be adjusted to 0.86865. As a result of the stock split, it is expected that the trading price of a share of WSFS common stock following the stock split will adjust downward to reflect the three-for-one stock split. **We urge you to obtain current market quotations for WSFS common stock.**

	<b>WSFS Common Stock (NASDAQ: WSFS)</b>	<b>Implied Value of One Share of Alliance Common Stock (NASDAQ: ALLB)</b>	<b>Value of the Cash Consideration for One Share of Alliance Common Stock</b>
At March 2, 2015	\$ 78.57	\$ 22.75	\$ 22.00
At May 8, 2015	\$ 73.04	\$ 21.15	\$ 22.00

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF WSFS**

The following table summarizes financial results achieved by WSFS for the periods and at the dates indicated and should be read in conjunction with WSFS consolidated financial statements and the notes to the consolidated financial statements contained in reports that WSFS has previously filed with the Securities and Exchange Commission, or the SEC. Historical financial information for WSFS can be found in its Annual Report on Form 10-K for the year ended December 31, 2014. See *Where You Can Find More Information* beginning on page 147 for instructions on how to obtain the information that has been incorporated by reference.

	<b>As of December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(Dollars in thousands)</b>				
Total assets	\$ 4,853,320	\$ 4,515,763	\$ 4,375,148	\$ 4,289,008	\$ 3,953,518
Net loans <sup>(1)(5)</sup>	3,185,159	2,936,467	2,736,674	2,712,774	2,575,890
Reverse mortgages	29,298	37,328	19,229	15,722	11,746
Investment securities <sup>(2)</sup>	866,292	817,115	900,839	856,071	754,063
Other investments	23,412	36,201	31,796	35,765	37,790
Total deposits	3,649,235	3,186,942	3,274,963	3,135,304	2,810,774
Borrowings <sup>(3)</sup>	545,764	759,830	515,255	656,609	680,595
Trust preferred borrowings	67,011	67,011	67,011	67,011	67,011
Senior debt	55,000	55,000	55,000		
Shareholders' equity	489,051	383,050	421,054	392,133	367,822
Number of full-service branches	43	39	41	40	36

	<b>For the Year Ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(Dollars in thousands)</b>				
Interest income	\$ 160,337	\$ 146,922	\$ 150,287	\$ 158,642	\$ 162,403
Interest expense	15,830	15,334	23,288	32,605	41,732
Net interest income	144,507	131,588	126,999	126,037	120,671
Noninterest income	78,278	80,151	86,693	63,588	50,115
Noninterest expenses	147,819	132,929	133,345	127,476	109,332
Provision for loan losses	3,580	7,172	32,053	27,996	41,883
Provision (benefit) for income taxes	17,629	24,756	16,984	11,475	5,454
Net Income	53,757	46,882	31,311	22,677	14,117
Dividends on preferred stock and accretion of discount		1,663	2,770	2,770	2,770
Net income allocable to common shareholders	53,757	45,249	28,541	19,907	11,347
Earnings per share allocable to common shareholders:					
Basic	5.92	5.13	3.28	2.31	1.48
Diluted	5.78	5.06	3.25	2.28	1.46
Interest rate spread	3.62%	3.51%	3.39%	3.49%	3.47%
Net interest margin	3.68	3.56	3.46	3.60	3.62
	34.82	37.64	40.43	33.34	29.16

Noninterest income as a percentage of total revenue<sup>(4)</sup>

Return on average assets	1.17	1.07	0.73	0.56	0.37
Return on average equity	12.21	11.60	7.66	5.96	4.21
Average equity to average assets	10.33	8.62	9.58	9.34	8.84
Ratio of nonperforming assets to total assets	1.08	1.06	1.43	2.14	2.35

(1) Includes loans held-for-sale.

(2) Includes securities available-for-sale, held-to-maturity and trading.

(3) Borrowings consist of FHLB advances, securities sold under agreements to repurchase and other borrowed funds.

(4) Computed on a fully tax-equivalent basis.

(5) Net of unearned income.

**Table of Contents****SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA OF ALLIANCE**

The following table summarizes financial results achieved by Alliance for the periods and at the dates indicated and should be read in conjunction with Alliance's consolidated financial statements and the notes to the consolidated financial statements included in this proxy statement/prospectus beginning on page F-1 and from which we derived this data.

	<b>As of December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(Dollars in thousands)</b>				
Total assets	\$ 420,829	\$ 425,502	\$ 460,915	\$ 469,487	\$ 454,476
Loans receivable, net	305,779	298,877	278,876	285,297	286,056
Investment securities	40,922	49,680	34,325	45,245	61,428
Mortgage-backed securities	3,178	4,698	7,524	11,303	16,146
Deposits	344,780	345,378	371,037	376,048	384,595
Borrowings <sup>(1)</sup>	2,918	3,437	3,261	3,878	7,384
Shareholders' equity	66,451	70,169	80,002	82,995	48,991
Full-service offices at end of period	8	8	9	9	9

  

	<b>For the Year Ended December 31,</b>				
	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
	<b>(Dollars in thousands)</b>				
Interest and dividend income	\$ 16,890	\$ 16,612	\$ 17,409	\$ 18,677	\$ 19,797
Interest expense	2,256	2,460	3,210	4,104	6,434
Net interest income	14,634	14,152	14,199	14,573	13,363
Net income	2,555	1,408	2,542	1,149	1,080
Average interest rate spread <sup>(2)</sup>	3.51%	3.22%	3.05%	3.12%	2.98%
Net interest margin <sup>(2)</sup>	3.63	3.36	3.19	3.31	3.13
Return on average assets	0.60	0.32	0.54	0.25	0.24
Return on average equity	3.82	1.80	3.08	1.37	2.21
Ratio of average equity to average assets	16.36	17.40	17.43	18.05	10.74

- (1) Borrowings consist of advances, demand notes issued to the U.S. Treasury, customer sweep accounts, and the Alliance ESOP debt prior to conversion.
- (2) Interest rate spread represents the difference between the weighted average yield on interest-earning assets and the weighted average cost of interest-bearing liabilities, and net interest margin represents net interest income as a percentage of average interest-earning assets.
- (3) The efficiency ratio is calculated by dividing other expenses by the sum of net interest income and other income.

**Table of Contents****COMPARATIVE PRO FORMA PER SHARE DATA**

The following selected unaudited pro forma per share information for the year ended December 31, 2014 reflects the mergers as if it had occurred on January 1, 2014. The book value per share amounts in the table below reflects the merger as if it had occurred on December 31, 2014. The information in the table is based on, and should be read together with, the historical financial information that WSFS has presented in its filings with the SEC and the historical financial information that Alliance has presented elsewhere in this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 147.

The unaudited pro forma combined per share data is presented for illustrative purposes only and is not necessarily indicative of actual or future financial position or results of operations that would have been realized if the proposed merger had been completed as of the dates indicated or will be realized upon the completion of the proposed merger. The summary unaudited pro forma information is preliminary, based on initial estimates of the fair value of assets acquired (including intangible assets) and liabilities assumed, and is subject to change as more information regarding the fair values are obtained, which changes could be materially different than the initial estimates.

	<b>Historical</b>		<b>WSFS Unaudited Pro Forma Combined</b>	<b>Equivalent Basis Unaudited Pro Forma Combined<sup>(1)</sup></b>
	<b>WSFS (Unaudited)</b>	<b>Alliance (Unaudited)</b>		
<b>Earnings (Loss) per Share Attributable to Common Shareholders</b>				
Basic Net income	\$ 5.92	\$ 0.64	\$ 5.69	\$ 1.65
Diluted Net income	\$ 5.78	\$ 0.63	\$ 5.56	\$ 1.61
<b>Cash Dividends Per Share<sup>(2)</sup></b>	\$ 0.51	\$ 0.22	\$ 0.51	\$ 0.15
<b>Book Value Per Share</b>	\$ 52.01	\$ 16.50	\$ 54.36	\$ 15.74

(1) The equivalent basis unaudited pro forma earnings per share, cash dividends per share and book value per share amounts are calculated by multiplying the unaudited pro forma combined per share amounts by the exchange ratio of 0.28955.

(2) WSFS Unaudited Pro Forma Combined dividends were based on WSFS's historical amounts.

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WSFS common stock is listed on the NASDAQ Global Select Market under the symbol **WSFS** and Alliance common stock is listed on the NASDAQ Global Market under the symbol **ALLB**. The tables below set forth, for the periods indicated, the high and low sales prices per share of WSFS and Alliance common stock as reported by The NASDAQ Stock Market LLC. The table also provides information as to the quarterly cash dividends declared per share of WSFS common stock and Alliance common stock, for the periods indicated. WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015 and, pursuant to the merger agreement, following the stock split the exchange ratio will be adjusted to 0.86865. As a result of the stock split, it is expected that the trading price of a share of WSFS common stock following the stock split will adjust downward to reflect the three-for-one stock split.

	<b>WSFS Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Cash Dividends Declared</b>
<b>2013</b>			
First Quarter	\$ 49.72	\$ 42.19	\$ 0.12
Second Quarter	\$ 52.89	\$ 45.82	\$ 0.12
Third Quarter	\$ 63.66	\$ 52.35	\$ 0.12
Fourth Quarter	\$ 79.85	\$ 57.45	\$ 0.12
<b>2014</b>			
First Quarter	\$ 78.32	\$ 67.32	\$ 0.12
Second Quarter	\$ 74.20	\$ 63.74	\$ 0.12
Third Quarter	\$ 76.95	\$ 67.24	\$ 0.12
Fourth Quarter	\$ 79.97	\$ 70.14	\$ 0.15
<b>2015</b>			
First Quarter	\$ 79.97	\$ 73.01	\$ 0.15
Second Quarter (through May 8, 2015)	\$ 75.95	\$ 70.78	\$ 0.15

	<b>Alliance Common Stock</b>		
	<b>High</b>	<b>Low</b>	<b>Cash Dividends Declared</b>
<b>2013</b>			
First Quarter	\$ 13.35	\$ 12.50	\$ 0.05
Second Quarter	\$ 14.72	\$ 13.09	\$ 0.05
Third Quarter	\$ 15.50	\$ 14.07	\$ 0.05
Fourth Quarter	\$ 15.60	\$ 14.35	\$ 0.05
<b>2014</b>			
First Quarter	\$ 15.91	\$ 14.90	\$ 0.05
Second Quarter	\$ 16.24	\$ 15.17	\$ 0.05
Third Quarter	\$ 16.98	\$ 15.12	\$ 0.06
Fourth Quarter	\$ 18.41	\$ 15.51	\$ 0.06

<b>2015</b>			
First Quarter	\$ 21.90	\$ 16.30	\$ 0.06
Second Quarter (through May 8, 2015)	\$ 21.55	\$ 20.53	\$ 0.06

On March 2, 2015, the last trading day before public announcement of the merger, the closing sales price per share of WSFS common stock was \$78.57 on the NASDAQ Global Select Market, and the closing sales price



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per share of Alliance common stock was \$17.51 on the NASDAQ Global Market. On May 8, 2015, the closing sales price per share of WSFS common stock was \$73.04 on the NASDAQ Global Select Market, and the closing sales price per share of Alliance common stock was \$21.07 on the NASDAQ Global Market. As of May 8, 2015, there were 4,026,699 shares of Alliance common stock issued and outstanding and approximately 400 shareholders of record and 9,421,991 shares of WSFS common stock issued and outstanding and approximately 975 stockholders of record.

Alliance shareholders are advised to obtain current market quotations for WSFS common stock. The market price of WSFS common stock will fluctuate between the date of this proxy statement/prospectus and the effective time of the merger. No assurance can be given concerning the market price of WSFS common stock before or after the effective date of the merger. Any change in the market price of WSFS common stock prior to the effective time of the merger will affect the market value of the Merger Consideration that Alliance shareholders who receive the Stock Consideration will receive upon the effective time of the merger.

## ***Dividends***

After the merger, WSFS currently expects to pay (when, as and if declared by the WSFS board of directors) regular quarterly cash dividends of \$0.15 per share. Following the three-for-one stock split to be effected by a stock dividend paid on May 18, 2015, WSFS currently expects to pay (when, as and if declared by the WSFS board of directors) regular quarterly cash dividends of \$0.05 per share. While WSFS currently pays dividends on its common stock, there is no assurance that it will continue to pay dividends in the future. Future dividends on WSFS common stock will depend upon its earnings and financial condition, liquidity and capital requirements, the general economic and regulatory climate, its ability to service any equity or debt obligations senior to the common stock and other factors deemed relevant by the WSFS board of directors.

As a holding company, WSFS is ultimately dependent upon its subsidiaries to provide funding for its operating expenses, debt service and dividends. Various banking laws and guidance applicable to WSFS Bank and WSFS limit the payment of dividends and other distributions by WSFS Bank to WSFS, and by WSFS to its stockholders. Therefore, WSFS ability to pay dividends on its common stock may be limited. Regulatory authorities could impose administratively stricter limitations on the ability of WSFS Bank to pay dividends to WSFS, or WSFS to pay dividends to its stockholders, if such limits were deemed appropriate to preserve certain capital adequacy requirements.

Alliance regularly paid quarterly cash dividends of \$0.05 per share, until increasing payments to \$0.06 per share beginning in the quarter ended September 30, 2014.

Whenever a dividend or other distribution is declared by WSFS on WSFS common stock, the record date for which is at or after the effective time of the merger, the declaration will include dividends or other distributions on all shares of WSFS common stock issuable pursuant to the merger agreement, but such dividends or other distributions will not be paid to the holder thereof until such holder has duly surrendered its Alliance common stock certificates or book-entry shares in accordance with the merger agreement.

WSFS and Alliance will coordinate with each other such that Alliance shareholders do not receive two dividends, or fail to receive one dividend, in any quarter with respect to their shares of Alliance common stock and any shares of WSFS common stock that such shareholders receive in exchange for Alliance common stock in the merger.



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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This proxy statement/prospectus and the documents referred to in this proxy statement/prospectus contain 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 our predictions or expectations of future business or financial performance as well as their respective 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. Forward-looking statements are typically identified by words such as believe, expect, anticipate, intend, target, estimate, continue, positions, prospects or potential, by future conditional verbs such as would, should, could or may, or by variations of such words or by similar expressions. Such forward-looking statements are based on various assumptions (some of which may be beyond our 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. In addition to factors previously disclosed in our reports filed with the U.S. Securities and Exchange Commission, or the SEC, and those identified elsewhere in this document, the following factors among others, could cause actual results to differ materially from forward-looking statements or historical performance:

our ability to obtain regulatory approvals and meet other closing conditions to the merger, including adoption and approval by Alliance shareholders on the expected terms and schedule;

delay in closing the merger;

difficulties and delays in integrating the Alliance business or fully realizing cost savings and other benefits;

business disruption following the merger;

changes in asset quality and credit risk;

the inability to sustain revenue and earnings growth;

changes in interest rates and capital markets;

inflation;

customer acceptance of WSFS products and services;

customer borrowing, repayment, investment and deposit practices;

customer disintermediation;

the introduction, withdrawal, success and timing of business initiatives;

competitive conditions;

the inability to realize cost savings or revenues or to implement integration plans and other consequences associated with mergers, acquisitions and divestitures;

economic conditions; and

the impact, extent and timing of technological changes, capital management activities, and other actions of the Federal Reserve and legislative and regulatory actions and reforms.

Some of these risks and uncertainties are discussed herein, including under the heading Risk Factors, and in WSFS Form 10-K for the year ended December 31, 2014 and other documents filed by WSFS with the SEC from time to time. Forward-looking statements are as of the date they are made, and we do 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 us.

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**RISK FACTORS**

*In addition to general investment risks and the other information contained in or incorporated by reference into this proxy statement/prospectus, including the matters addressed under the heading **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 23 and the matters discussed under the caption **Risk Factors** in the Annual Report on Form 10-K filed by WSFS for the year ended December 31, 2014, you should carefully consider the following risk factors in deciding how to vote on adoption and approval of the merger agreement.*

***Risks Relating to the Merger***

***Because the exchange ratio is fixed, the value of WSFS common stock issued to Alliance shareholders who receive the Stock Consideration for some or all of their shares will depend on the market price of WSFS common stock when the merger is completed.***

The market price of WSFS common stock at the time the merger is completed may vary from the price of WSFS common stock on the date the merger agreement was executed, on the date of this proxy statement/prospectus and on the date of the Alliance special meeting as a result of various factors that are beyond our control, including but not limited to general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. On March 2, 2015, the last trading day before public announcement of the merger, WSFS common stock closed at \$78.57 per share, as reported on the NASDAQ Global Select Market. From March 3, 2015, the day of the announcement of the proposed merger, through May 8, 2015, the trading price of WSFS common stock ranged from a closing high of \$77.46 per share to a closing low of \$71.17 per share.

Other than as described in this proxy statement/prospectus, there will be no adjustment to the fixed number of shares of WSFS common stock that will be issued to Alliance shareholders who receive the Stock Consideration based upon changes in the market price of WSFS common stock or Alliance common stock prior to the closing. The value of the Cash Consideration will not change. In addition, the merger agreement cannot be terminated due to a change in the price of WSFS common stock except if the price of WSFS common stock declines by more than 20% from \$75.36 and underperforms an index of banking companies by more than 20% over a designated measurement period, unless WSFS agrees to increase the number of shares of WSFS common stock to be issued to holders of Alliance common stock who are to receive the Stock Consideration in the merger. This termination right is not applicable to the expected change in the trading price of WSFS common stock as a result of the three-for-one stock split of WSFS common stock which will be effected on May 18, 2015. As a result, the value of the Cash Consideration may differ from the value of the Stock Consideration. See **The Merger Agreement Termination of the Merger Agreement** beginning on page 79.

Alliance and WSFS are working to complete the transaction as quickly as possible and expect to complete the merger in the fourth quarter of 2015. However, there is no way to predict how long it will take to satisfy the conditions to closing the merger and to complete the transaction. In addition to the adoption and approval of the merger agreement by Alliance shareholders, consummation of the merger is subject to receipt of required regulatory approvals and satisfaction of other conditions that may not occur until after the Alliance special meeting. Because the date when the transaction is completed will be later than the date of the Alliance special meeting, Alliance shareholders will not know the precise value of the Stock Consideration, if any, that they will receive at the effective time of the merger at the time they vote on the merger proposal. You should obtain current market quotations for shares of WSFS common stock before you vote.

***The elections made by holders of Alliance common stock with respect to the types of Merger Consideration they would like to receive are subject to proration and there can be no assurance that a shareholder will receive the type***

*of Merger Consideration he or she elects.*

Each holder of Alliance common stock will be able to elect the type of Merger Consideration that he or she would like to receive for each of his or her shares of Alliance common stock, including electing to receive the

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Cash Consideration for a portion of his or her shares of Alliance common stock and receive the Stock Consideration for the remainder of his or her shares of Alliance common stock. A share of Alliance common stock for which an election to receive the Cash Consideration is made we refer to as a Cash Election Share and a share of Alliance common stock for which an election to receive the Stock Consideration is made we refer to as a Stock Election Share. Shares of Alliance common stock for which no election is made will be deemed to be Non-Election Shares. All such elections are subject to adjustment on a pro rata basis.

The terms of the merger agreement provide that the aggregate amount of the Cash Consideration that holders of Alliance common stock are entitled to receive the Maximum Cash Contribution. As a result, all elections may be subject to proration depending on the elections made by other holders of Alliance common stock if the Maximum Cash Contribution is undersubscribed or oversubscribed. Proration will be applied so that ultimately 30% of the shares of Alliance common stock are treated as Cash Election Shares and 70% of the shares of Alliance common stock are treated as Stock Election Shares.

For example, if the aggregate of the Cash Consideration payable to holders of Cash Election Shares is in excess of the Maximum Cash Contribution, all of the Non-Election Shares will be treated as Stock Election Shares and a number of Cash Election Shares will be converted into Stock Election Shares until the Maximum Cash Contribution is no longer oversubscribed. If the aggregate of the Cash Consideration payable to holders of Cash Election Shares is less than the Maximum Cash Contribution, a number of Non-Election Shares will be treated as Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed and, if necessary, a number of Stock Election Shares that are will be converted into Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed.

Accordingly, depending on the elections made by other Alliance shareholders, if a holder of Alliance common stock elects to receive all Cash Consideration pursuant to the merger, such holder may receive a portion of the Merger Consideration due to such holder in the form of Stock Consideration. If a holder of Alliance common stock elects to receive all Stock Consideration pursuant to the merger, such holder may receive a portion of the Merger Consideration due to such holder in the form of Cash Consideration. Alliance shareholders who make an election to receive the Stock Consideration for some of their shares and the Cash Consideration for the remainder of their shares may receive different amounts or proportions of the Stock Consideration and the Cash Consideration than they elected.

***The market price of WSFS common stock after the merger may be affected by factors different from those affecting the shares of Alliance or WSFS currently.***

Upon the effective time of the merger, holders of Alliance common stock who receive the Stock Consideration will become holders of WSFS common stock. WSFS business differs from that of Alliance, and, accordingly, the results of operations of the combined company and the market price of the combined company's shares of common stock may be affected by factors different from those currently affecting the independent results of operations of each of WSFS and Alliance. For a discussion of the business of Alliance, see Information on Alliance's Business beginning on page 85. For a discussion of the business of WSFS and of certain factors to consider in connection with that business, see the documents incorporated by reference in this proxy statement/prospectus and referred to under Where You Can Find More Information beginning on page 147.

***The fairness opinion delivered to the Alliance board of directors by Alliance's financial advisor does not reflect any changes in circumstances that occur after the date of the opinion.***

Changes in the operations and prospects of Alliance or WSFS, general market and economic conditions, and other factors that may be beyond the control of Alliance and WSFS, may alter the value of Alliance or WSFS or the prices of shares of Alliance common stock or WSFS common stock by the time the merger is completed. The opinion of

Alliance's financial advisor, KBW, was delivered to the Alliance board of directors on March 2, 2015 and speaks only as of the date of such opinion and not as of the effective time of the merger or as of any other



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date. Accordingly, the opinion does not reflect any changes in circumstances that occur after the date of the opinion. For a description of the opinion that Alliance received from its financial advisor, please refer to "The Merger" Opinion of Alliance's Financial Advisor beginning on page 45. For a description of the other factors considered by the Alliance board of directors in determining to approve the merger, please refer to "The Merger" Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors beginning on page 43.

***Some of the conditions to the merger may be waived by Alliance or WSFS without resoliciting shareholder adoption and approval of the merger agreement.***

Some of the conditions set forth in the merger agreement may be waived by Alliance or WSFS, subject to the agreement of the other party in specific cases. See "The Merger Agreement" Conditions to Consummation of the Merger beginning on page 78. If any conditions are waived, Alliance will evaluate whether an amendment of this proxy statement/prospectus and resolicitation of proxies is warranted. In the event that the Alliance board of directors determines that resolicitation of shareholders is not warranted, Alliance and WSFS will have the discretion to complete the transaction without seeking further Alliance shareholder approval.

***Some of the directors and officers of Alliance may have interests and arrangements that may have influenced their decisions to support the merger or recommend that you adopt and approve the merger agreement.***

The interests of the directors and executive officers of Alliance may be different from those of holders of Alliance common stock, and directors and officers of Alliance may be participants in arrangements that are different from, or in addition to, those of holders of Alliance common stock. These interests include the continued employment of certain executive officers of Alliance, the treatment in the merger of unvested Alliance stock options and Alliance RRP awards, including the accelerated vesting of equity awards, retirement plans and other rights held by Alliance's directors and executive officers, and the indemnification of former Alliance directors and officers by WSFS. In connection with entry into the merger agreement, each of WSFS and Alliance entered into Separation Agreements with each of Dennis D. Cirucci, President and Chief Executive Officer of Alliance, and Peter J. Meier, Executive Vice President and Chief Financial Officer of Alliance. The Separation Agreements provide for lump sum separation payments to Messrs. Cirucci and Meier totaling \$1,053,955 and \$487,667, respectively. Messrs. Cirucci and Meier will not participate in the commercial or retail banking business in a specified geographic region for periods of 18 months and six months, respectively, following the consummation of the merger, will provide part-time consulting services to WSFS at its request, and will not solicit either the customers or employees of WSFS or Alliance for periods of two years and one year, respectively, following consummation of the merger. As consideration for performance of their ongoing obligations under the Separation Agreements, Messrs. Cirucci and Meier will receive additional lump sum payments of \$400,000 and \$90,000, respectively. Messrs. Cirucci and Meier will also receive their vested supplemental retirement benefits in a lump sum discounted to present value approximately six months following completion of the merger. In addition, WSFS has agreed to maintain directors' and officers' liability insurance for directors and executive officers of Alliance for a period of six years following the merger. William McGrath, Senior Vice President and Chief Lending Officer of Alliance, and Suzanne J. Ricci, Senior Vice President and Chief Operating Officer of Alliance, will receive lump sum cash payments totaling approximately \$505,000 and \$460,000, respectively, plus the continuation of insurance benefits, if their employment is terminated in connection with or following completion of the merger pursuant to their existing employment agreements with Alliance. Alliance shareholders should be aware of these interests when they consider the recommendation of the Alliance board of directors that they vote in favor of the merger proposal and the other merger-related proposals. The Alliance board of directors was aware of and considered these interests when it declared advisable the merger agreement, determined that the terms of the merger agreement were in the best interests of Alliance and its shareholders, and recommended that Alliance shareholders adopt and approve the merger agreement. These interests are described in more detail in the section entitled "The Merger" Interests of Alliance's Directors and Executive Officers in the Merger beginning on page

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***The merger is subject to certain closing conditions that, if not satisfied or waived, will result in the merger not being completed, which may negatively impact Alliance.***

The merger is subject to customary conditions to closing, including the receipt of required regulatory approvals and adoption and approval of the Alliance shareholders. If any condition to the merger is not satisfied or, where permitted, waived, the merger will not be completed. In addition, WSFS and/or Alliance may terminate the merger agreement under certain circumstances even if the merger is adopted and approved by Alliance shareholders.

If the merger agreement is terminated, there may be various consequences. For example, Alliance's business may have been impacted adversely by the failure to pursue other beneficial opportunities due to the focus of management on the merger and the restrictions on Alliance's ability to do so under the merger agreement, without realizing any of the anticipated benefits of completing the merger, or the price of Alliance common stock could decline to the extent that the current price reflects a market assumption that the merger will be completed. In addition, termination of the merger agreement would increase the possibility of adverse regulatory actions which could adversely affect Alliance's business. If the merger agreement is terminated and the Alliance board of directors seeks another merger or business combination, Alliance shareholders cannot be certain that Alliance will be able to find a party willing to pay the equivalent or greater consideration than that which WSFS has agreed to pay in the merger. In addition, if the merger agreement is terminated under certain circumstances, including circumstances involving a change in recommendation by the Alliance board of directors, Alliance may be required to pay WSFS a termination fee of \$4.0 million. For a complete summary of the conditions that must be satisfied or waived prior to completion of the merger, see the section entitled "The Merger Agreement - Conditions to Consummation of the Merger" beginning on page 78.

***Provisions of the merger agreement may deter alternative business combinations.***

The merger agreement generally prohibits Alliance from soliciting any acquisition proposal or offer for a merger or business combination with any other party, including a proposal that might be advantageous to Alliance shareholders when compared to the terms and conditions of the merger described in this proxy statement/prospectus. These provisions may deter third parties from proposing or pursuing alternative business combinations that might result in greater value to holders of Alliance common stock than the transaction. See the sections entitled "The Merger Agreement - Agreement not to Solicit Other Offers" beginning on page 75 and "The Merger Agreement - Termination Fee" beginning on page 80 for a more complete discussion of these restrictions and consequences.

***If the merger is not consummated, Alliance and WSFS will have incurred substantial costs that may adversely affect Alliance's and WSFS' financial results and operations.***

Alliance and WSFS have incurred and will continue to incur substantial costs in connection with the proposed merger. These costs are primarily associated with the fees of their respective financial advisors, accountants and attorneys. If the merger is not consummated, Alliance and WSFS will have incurred these costs from which they will have received little or no benefit. Also, if the merger is not consummated under certain circumstances specified in the merger agreement, Alliance may be required to pay WSFS a termination fee of \$4.0 million.

***Regulatory consents, non-objections and approvals may not be received, may take longer than expected or impose conditions that are not presently anticipated.***

Before the merger may be completed, Alliance and WSFS must obtain various approvals, consents, non-objections and waivers from, among others, the OCC, the Federal Reserve and the Department. These regulators may impose conditions on consummation of the merger or require changes to the terms of the merger. Although WSFS and Alliance do not currently expect that any such conditions or changes would be imposed, there can be



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no assurance that they will not be, and such conditions or changes could have the effect of delaying the effective time of the merger or imposing additional costs on or limiting the revenues of WSFS following the merger. Furthermore, such conditions or changes may constitute a burdensome condition that may allow WSFS to terminate the merger agreement and WSFS may exercise its right to terminate the merger agreement. There can be no assurance as to whether the regulatory approvals will be received, the timing of those approvals, or whether any conditions will be imposed. See *The Merger Regulatory Approvals Required for the Merger* beginning on page 62.

***Alliance and WSFS will be subject to business uncertainties and contractual restrictions while the merger is pending.***

Uncertainty about the effect of the merger on employees and customers may have an adverse effect on Alliance and/or WSFS. These uncertainties may impair Alliance's and/or WSFS's ability to attract, retain and motivate key personnel until the merger is completed and for a period of time thereafter, and could cause customers and others who deal with Alliance or WSFS to seek to change existing business relationships with Alliance or WSFS. Alliance employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect Alliance's and/or WSFS's financial results.

In addition, the merger agreement requires that, subject to certain exceptions, each of Alliance and WSFS operate in the ordinary course of business consistent with past practice prior to the effective time of the merger or termination of the merger agreement. See the section entitled *The Merger Agreement Covenants and Agreements Conduct of Businesses Prior to the Effective Time of the Merger* beginning on page 71.

***In connection with the announcement of the merger agreement, four lawsuits have been filed and are pending, seeking, among other things, to enjoin the merger, and an adverse judgment in these lawsuits may prevent the merger from becoming effective within the expected time frame (if at all).***

Four purported shareholder derivative and class action complaints relating to the merger have been filed. These actions, *Parshall v. Stonier et al.* (filed on April 20, 2015 and amended on May 8, 2015), *Sloss v. Cirucci et al.* (filed on May 4, 2015), *Hewes v. Cirucci et al.* (filed on May 4, 2015) and *Rubin v. Stonier et al.* (filed May 8, 2015) were all filed in the Court of Common Pleas of Delaware County, Pennsylvania. The complaints name as defendants Alliance, its directors and certain of its officers, and WSFS. The complaints in the merger litigation allege that the members of the Alliance board of directors breached their fiduciary duties to Alliance shareholders by approving the merger for inadequate consideration, approving the transaction in order to obtain benefits for Alliance directors and officers that are not equally shared by other Alliance shareholders, entering into a merger agreement allegedly containing preclusive deal protection terms, and failing to take steps to maximize the value to be paid to the Alliance shareholders. The complaints also allege claims against WSFS for aiding and abetting these alleged breaches of fiduciary duties. The complaints also challenge the adequacy of the disclosures concerning the transaction in this proxy statement/prospectus. The plaintiffs in these actions seek, among other things, preliminary and permanent injunctive relief prohibiting consummation of the merger, rescission or rescissory damages in the event the merger is consummated, damages, attorneys' fees and costs, and other and further relief. Each of the defendants believes the claims asserted in these actions are without merit and intends to vigorously defend against this lawsuit. However, at this time, it is not possible to predict the outcome of the proceedings or their impact on Alliance, WSFS or the merger. See *The Merger Litigation Relating to the Merger* beginning on page 64.



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***The tax consequences of the merger to an Alliance shareholder will be dependent upon the Merger Consideration received.***

The tax consequences of the merger to an Alliance shareholder will depend upon the Merger Consideration that the shareholder receives. Assuming the merger qualifies as a nontaxable reorganization, an Alliance shareholder generally will not recognize any gain or loss on the conversion of shares of Alliance common stock solely into shares of WSFS common stock. However, an Alliance shareholder generally will be taxed if the shareholder receives Cash Consideration in exchange for shares of Alliance common stock or for any fractional share of WSFS common stock. For a detailed discussion of the tax consequences of the merger to Alliance shareholder generally, see the section entitled "Material U.S. Federal Income Tax Consequences of the Merger" beginning on page 81.

**Each Alliance shareholder should consult his, her or its own tax advisors as to the effect of the merger as applicable to the Alliance shareholder's particular circumstances.**

***If the merger does not constitute a reorganization under Section 368(a) of the Code, then each Alliance shareholder may be responsible for payment of U.S. income taxes related to the merger.***

The United States Internal Revenue Service, or the IRS, may determine that the merger does not qualify as a nontaxable reorganization under Section 368(a) of the Code. In that case, each Alliance shareholder would recognize a gain or loss equal to the difference between the (i) the sum of the fair market value of WSFS common stock and cash received by the Alliance shareholder in the merger, and (ii) the Alliance shareholder's adjusted tax basis in the shares of Alliance common stock exchanged therefor. The likely tax treatment of the merger in such event will not be known until the closing date of the merger, as the aggregate value of the WSFS common stock to be received by each Alliance shareholder will fluctuate with the market price of the WSFS common stock.

***Risks Relating to WSFS Business Following the Merger***

***Combining the two companies may be more difficult, costly or time-consuming than expected.***

WSFS and Alliance have historically operated and, until the effective time of the merger, will continue to operate, independently. The success of the merger will depend, in part, on our ability to successfully combine the businesses of WSFS and Alliance. To realize these anticipated benefits, after the effective time of the merger, WSFS expects to integrate Alliance's business into its own. It is possible that the integration process could result in the loss of key employees, the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies that adversely affect the combined company's ability to maintain relationships with clients, customers, depositors and employees or to achieve the anticipated benefits of the merger. The loss of key employees could adversely affect WSFS's ability to successfully conduct its business in the markets in which Alliance now operates, which could have an adverse effect on WSFS's financial results and the value of its common stock. If WSFS experiences difficulties with the integration process, the anticipated benefits of the merger may not be realized fully or at all, or may take longer to realize than expected. As with any merger of financial institutions, there also may be business disruptions that cause Alliance or WSFS to lose current customers or cause current customers to remove their accounts from Alliance or WSFS and move their business to competing financial institutions. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of Alliance and WSFS during this transition period and for an undetermined period after consummation of the merger.

***WSFS may fail to realize the cost savings estimated for the merger.***

WSFS estimates that it will achieve cost savings from the merger when the two companies have been fully integrated. While WSFS continues to be comfortable with these expectations as of the date of this proxy statement/prospectus, it is possible that the estimates of the potential cost savings could turn out to be incorrect.



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The actual integration may result in additional and unforeseen expenses, and the anticipated benefits of the integration plan may not be realized. Actual growth and cost savings, if achieved, may be lower than what WSFS expects and may take longer to achieve than anticipated. If WSFS is not able to adequately address integration challenges, WSFS may be unable to successfully integrate WSFS and Alliance's operations or to realize the anticipated benefits of the integration of the two companies.

***The shares of WSFS common stock to be received by Alliance shareholders who receive the Stock Consideration in the merger will have different rights from the shares of Alliance common stock they currently hold.***

Following the effective time of the merger, holders of Alliance common stock who receive the Stock Consideration will no longer be Alliance shareholders, a Pennsylvania corporation, but will instead be stockholders of WSFS, a Delaware corporation. The rights associated with Alliance common stock are different from the rights associated with WSFS common stock. For a more complete description of these rights, see the section entitled "Comparison of Shareholders' Rights" beginning on page 129.

***Alliance shareholders who receive the Stock Consideration will have a reduced ownership and voting interest after the merger and will exercise less influence over management.***

Alliance shareholders currently have the right to vote in the election of the Alliance board of directors and on other matters affecting Alliance. When the merger occurs, each Alliance shareholder that receives the Stock Consideration will become a WSFS stockholder with a percentage ownership of the combined organization that is much smaller than such shareholder's current percentage ownership of Alliance. Because of this, Alliance shareholders will have less influence on the management and policies of WSFS than they currently may have on the management and policies of Alliance.

***WSFS and Alliance will incur significant transaction and merger-related costs in connection with the merger.***

WSFS and Alliance have incurred and expect to incur a number of non-recurring costs associated with the merger. These costs and expenses include fees paid to financial, legal and accounting advisors, severance and other potential employment-related costs, including payments that may be made to certain Alliance executives, filing fees, printing expenses and other related charges. Some of these costs are payable by WSFS and Alliance regardless of whether the merger is completed. There are also a large number of processes, policies, procedures, operations, technologies and systems that must be integrated in connection with the merger and the integration of the two companies' businesses. While both WSFS and Alliance have assumed that a certain level of expenses would be incurred in connection with the merger, there are many factors beyond their control that could affect the total amount or the timing of the integration and implementation expenses.

There may also be additional unanticipated significant costs in connection with the merger that WSFS may not recoup. These costs and expenses could reduce the realization of efficiencies, strategic benefits and additional income WSFS expects to achieve from the merger. Although WSFS expects that these benefits will offset the transaction expenses and implementation costs over time, this net benefit may not be achieved in the near term or at all.

## **Risks Relating to WSFS Business**

You should read and consider risk factors specific to WSFS business that will also affect the combined company after the merger. These risks are described in the sections entitled "Risk Factors" in WSFS Annual Report on Form 10-K for the fiscal year ended December 31, 2014 and in other documents incorporated by reference into this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 147 for the

location of information incorporated by reference into this proxy statement/prospectus.

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**INFORMATION ABOUT THE COMPANIES**

**WSFS**

WSFS is parent to WSFS Bank, the seventh oldest bank and trust company in the United States continuously operating under the same name. A fixture in Delaware and contiguous areas of neighboring states, WSFS Bank has been in operation for 183 years. In addition to its focus on stellar customer service, WSFS Bank has continued to fuel growth and remain a leader in its community. WSFS is a relationship-focused, locally managed, community banking institution that has grown to become the largest independent bank or thrift holding company headquartered and operating in the State of Delaware, one of the top commercial lenders in the state, the third largest bank in terms of Delaware deposits and among the top trust companies in the country.

WSFS core banking business is commercial lending funded by customer-generated deposits. WSFS has built a \$2.6 billion commercial loan portfolio by recruiting the best seasoned commercial lenders in its markets and offering a high level of service and flexibility typically associated with a community bank. WSFS funds this business primarily with deposits generated through commercial relationships and retail deposits in its 55 offices located in Delaware (45), Pennsylvania (8), Virginia (1) and Nevada (1). WSFS also offers a broad variety of consumer loan products, retail securities and insurance brokerage services through our retail branches.

WSFS offers trust and wealth management services through its wealth businesses, Christiana Trust, Cypress Capital Management, LLC (Cypress), WSFS Wealth Investment brokerage and Private Banking group. The Christiana Trust division of WSFS Bank provides investment, fiduciary, agency and commercial domicile services from locations in Delaware and Nevada and, as of December 31, 2014, had \$8.8 billion in assets under administration. These services are provided to individuals and families as well as corporations and institutions. Christiana Trust provides these services to customers locally, nationally and internationally taking advantage of its branch facilities in Delaware and Nevada. Cypress is an investment advisory firm that manages more than \$660 million of portfolios for individuals, trusts, retirement plans and endowments. WSFS Investment Group, Inc. markets various third-party insurance products and securities through WSFS Bank's retail banking system.

WSFS Cash Connect division is a provider of ATM Vault Cash and related services in the United States. Cash Connect manages more than \$486 million in vault cash in more than 15,000 ATMs nationwide. Cash Connect also provides online reporting and ATM cash management, predictive cash ordering, armored carrier management, ATM processing and equipment sales. Cash Connect also operates over 450 ATMs for WSFS Bank, which owns by far, the largest branded ATM network in Delaware.

As of December 31, 2014, on a consolidated basis, WSFS had total assets of approximately \$4.85 billion, total loans of approximately \$2.8 billion, total deposits of approximately \$3.65 billion, and shareholders' equity of approximately \$489.1 million.

WSFS principal executive office is located at WSFS Bank Center, 500 Delaware Avenue, Wilmington, Delaware, 19801, and its telephone number is (302) 792-6000.

Additional information about WSFS and its subsidiaries is included in documents incorporated by reference in this proxy statement/prospectus. See the section entitled "Where You Can Find More Information" beginning on page 147.

**Alliance**

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Alliance is a Pennsylvania corporation and a savings and loan holding company which owns 100% of the capital stock of Alliance Bank, which is a Pennsylvania-chartered savings bank headquartered in Broomall, Pennsylvania.

Alliance Bank operates a total of eight banking offices located in Delaware and Chester Counties, Pennsylvania, which are suburbs of Philadelphia. Alliance Bank's primary business consists of attracting

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deposits from the general public and using those funds, together with borrowings, to originate loans to its customers and invest in securities such as U.S. government and agency securities, mortgage-backed securities and municipal obligations.

Alliance is subject to supervision and regulation by the Federal Reserve. Alliance Bank is subject to regulation by the Pennsylvania Department of Banking and Securities, or the Department, as its chartering authority and primary regulator, and by the Federal Deposit Insurance Corporation, or the FDIC, which insures Alliance Bank's deposits up to applicable limits.

At December 31, 2014, Alliance had \$420.8 million of total assets, \$344.8 million of total deposits and stockholders equity of \$66.5 million.

Alliance's principal executive office is located at 541 Lawrence Road, Broomall, Pennsylvania 19008, and its telephone number is (610) 353-2900.

Additional information about Alliance and its subsidiaries is included elsewhere in this proxy statement/prospectus. See the sections entitled "Information on Alliance's Business" beginning on page 85, "Alliance's Management Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 116, and "Alliance's Consolidated Financial Statements" beginning on page F-1.

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**THE ALLIANCE SPECIAL MEETING**

This section contains information for Alliance shareholders about the Alliance special meeting. We are mailing this proxy statement/prospectus to you, as an Alliance shareholder, on or about May 15, 2015. Together with this proxy statement/prospectus, we are also sending to you a notice of the Alliance special meeting and a form of proxy card that the Alliance board of directors is soliciting for use at the Alliance special meeting and at any adjournments or postponements of the Alliance special meeting.

This proxy statement/prospectus is also being furnished by WSFS to Alliance shareholders as a prospectus in connection with the issuance of shares of WSFS common stock upon the effective time of the merger.

**Date, Time and Place of Alliance Special Meeting**

The Alliance special meeting will be held at Llanerch Country Club, located at 950 West Chester Pike, Havertown, Pennsylvania, on June 18, 2015, at 11:00 a.m., local time.

**Matters to Be Considered**

At the Alliance special meeting, you will be asked to consider and vote upon the following matters:

the merger proposal;

the merger-related compensation proposal; and

the adjournment proposal.

**Recommendation of the Alliance Board of Directors**

The Alliance board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interest of Alliance and its shareholders and that the terms and conditions of the merger and the merger agreement are fair to its shareholders. Accordingly, the Alliance board of directors unanimously recommends that Alliance shareholders vote **FOR** the merger proposal, **FOR** the merger-related compensation proposal and **FOR** the adjournment proposal, if necessary. See the section entitled "The Merger Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors" beginning on page 43 for a more detailed discussion of the factors considered by the Alliance board of directors in reaching its decision to approve the merger agreement.

**Record Date and Quorum**

The Alliance board of directors has fixed the close of business on May 8, 2015 as the record date for determining the holders of Alliance common stock entitled to receive notice of and to vote at the Alliance special meeting.

As of the record date, there were 4,026,699 shares of Alliance common stock outstanding and entitled to vote at the Alliance special meeting held by approximately 400 holders of record. Each share of Alliance common stock entitles the holder to one vote at the Alliance special meeting on each proposal to be considered at the Alliance special

meeting.

The presence at the Alliance special meeting, in person or by proxy, of the holders of a majority of the stock issued and outstanding and entitled to vote with respect to each proposal will constitute a quorum for the purposes of considering and acting on each proposal. Shares that are present, or represented by a proxy, at the Alliance special meeting and any postponement or adjournment thereof will be counted for quorum purposes regardless of whether the holder of the shares or proxy fails to vote (or instruct its bank or broker how to vote) on

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any particular matter, or abstains on any matter. If a quorum is not present at the Alliance special meeting, the Alliance special meeting will be adjourned until the holders of the number of shares required to constitute a quorum are represented.

### **Vote Required; Treatment of Abstentions and Failure to Vote**

Adoption and approval of the merger agreement requires the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the merger proposal, or if you vote to abstain on the merger proposal, each will have no effect on the vote on the merger proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the merger proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the vote to approve the merger proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

Approval, on an advisory (non-binding) basis, of the merger-related compensation proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the merger-related compensation proposal, or if you vote to abstain on the merger-related compensation proposal, each will have no effect on the vote on the merger-related compensation proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the merger-related compensation proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related compensation proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

Approval of the adjournment proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the adjournment proposal, or if you vote to abstain on the adjournment proposal, each will have no effect on the vote on the adjournment proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the adjournment proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the vote to approve the adjournment proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

Each copy of this proxy statement/prospectus mailed to holders of Alliance common stock is accompanied by a form of proxy with instructions for voting. If you hold stock in your name as a shareholder of record, you should complete and return the proxy card accompanying this proxy statement/prospectus, or call the toll-free telephone number or use the Internet as described in the instructions included with your proxy card or voting instruction card, regardless of whether you plan to attend the Alliance special meeting.

If you hold your stock in street name through a bank or broker, you must direct your bank or broker to vote in accordance with the instructions you have received from your bank or broker.

Alliance shareholders should not send Alliance common stock certificates with their proxy cards. After the merger is completed, holders of Alliance common stock will be mailed a transmittal form with instructions on how to exchange their Alliance common stock certificates for the Merger Consideration.



All shares represented by valid proxies (including those given by telephone or the Internet) that we receive through this solicitation, and that are not revoked, will be voted in accordance with your instructions on the proxy

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card. If you make no specification on your proxy card as to how you want your shares voted before signing and returning it, your proxy will be voted **FOR** approval of the merger proposal, **FOR** approval of the merger-related compensation proposal and **FOR** approval of the adjournment proposal, if necessary. No matters other than the matters described in this proxy statement/prospectus are anticipated to be presented for action at the Alliance special meeting or at any adjournment or postponement of the Alliance special meeting.

### **Alliance Shareholders May Not Exercise Dissenters' Rights**

Holders of Alliance common stock do not have dissenters' rights with respect to the merger under the PBCL. Accordingly, if Alliance shareholders adopt and approve the merger agreement at the special meeting and the merger is completed in accordance with the terms of the merger agreement, all Alliance shareholders will receive either Stock Consideration, Cash Consideration or a combination thereof, in accordance with their respective elections and subject to proration as set forth in the merger agreement and described elsewhere in this proxy statement/prospectus.

### **Shares Held in Street Name; Broker Non-Votes**

If you hold your shares of Alliance common stock in the name of a bank, broker or other nominee and do not provide voting instructions to the bank, broker or other nominee, your shares will not be voted on the merger proposal, the merger-related compensation proposal, or the adjournment proposal. This is called a broker non-vote. In the case of a broker non-vote, the bank, broker or other nominee can register your shares as being present at the Alliance special meeting for purposes of determining the presence of a quorum, but will not be able to vote on any of the proposals. Therefore, if your broker, bank or other nominee holds your shares of Alliance common stock in street name, your broker, bank or other nominee will vote your shares of Alliance common stock only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker, bank or other nominee with this proxy statement/prospectus.

### **Revocability of Proxies and Changes to an Alliance Shareholder's Vote**

If you hold stock in your name as a shareholder of record, you may revoke any proxy at any time before it is voted by (1) signing and returning a proxy card with a later date, (2) delivering a written revocation letter to Alliance's secretary, (3) voting again by telephone or the Internet, or (4) attending the Alliance special meeting in person, notifying the secretary, and voting by ballot at the Alliance special meeting.

If you choose any of the first three methods, you must take the described action (or, with respect to the first method, Alliance must have received the subsequent proxy card) no later than June 17, 2015 at 5:00 p.m. local time, which is the business day immediately prior to the Alliance special meeting. Written notices of revocation and other communications about revoking your proxy should be addressed to:

**Alliance Bancorp, Inc. of Pennsylvania**

541 Lawrence Road

Broomall, Pennsylvania 19008

Attention: Kathleen P. Lynch, Corporate Secretary

Telephone: 610-353-2900

Any shareholder entitled to vote in person at the Alliance special meeting may vote in person regardless of whether a proxy has been previously given, but the mere presence (without notifying Alliance's secretary) of a shareholder at the Alliance special meeting will not constitute revocation of a previously given proxy.

If your shares are held in street name by a bank or broker, you should follow the instructions of your bank or broker regarding the revocation of proxies.

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### **Solicitation of Proxies**

Alliance will bear the entire cost of soliciting proxies from you, except that Alliance and WSFS will bear equally the cost of printing this proxy statement/prospectus and all filing fees paid to the SEC in connection with this proxy statement/prospectus. In addition to solicitation of proxies by mail, Alliance will request that banks, brokers, and other record holders send proxies and proxy material to the beneficial owners of Alliance common stock and secure their voting instructions. Alliance will reimburse the record holders for their reasonable expenses in taking those actions. Alliance has also made arrangements with Laurel Hill to assist it in soliciting proxies and has agreed to pay them \$6,000 plus reasonable expenses for these services. If necessary, Alliance may use directors, officers and several of its regular employees, who will not be specially compensated, to solicit proxies from the Alliance shareholders, either personally or by telephone, facsimile, letter or other electronic means.

### **Shares held in the Alliance ESOP or the Alliance 401(k) Plan**

Participants in the Alliance ESOP and the Alliance 401(k) Plan will receive a voting instruction form for each plan that reflects all shares held through the plans. Under the terms of the plans, all shares held by the plans are voted by the respective trustees, but each participant may direct the trustees on how to vote the shares of Alliance common stock allocated to his or her account in the plans. If voting instructions for the Alliance ESOP or Alliance 401(k) Plan are not received, the shares allocated to participants in such plans will not be voted. Unallocated shares held in the Alliance ESOP generally will be voted by the Alliance ESOP trustees in the same manner that the majority of the shares that have been allocated are actually voted.

### **Attending the Alliance Special Meeting**

All holders of Alliance common stock, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Alliance special meeting. Shareholders of record can vote in person at the Alliance special meeting. If you are not a shareholder of record, you must obtain a proxy executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the Alliance special meeting. If you plan to attend the Alliance special meeting, you must hold your shares in your own name or have a letter from the record holder of your shares confirming your ownership. In addition, you must bring a form of personal photo identification with you in order to be admitted. Alliance reserves the right to refuse admittance to anyone without proper proof of share ownership and without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Alliance special meeting is prohibited without Alliance's express written consent.

### **Assistance**

If you have any questions concerning the merger or this proxy statement/prospectus, would like additional copies of this proxy statement/prospectus or need help voting your shares of Alliance common stock, please contact Laurel Hill, Alliance's proxy solicitor:

Laurel Hill Advisory Group, LLC

2 Robbin Lane, Suite 201

Jericho, New York 11753

Monday - Friday 9:00 AM - 5:00 PM EST

Edgar Filing: WSFS FINANCIAL CORP - Form 424B3

Toll Free: 1-888-742-1305

Banks and Brokers: 516-933-3100

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**THE ALLIANCE PROPOSALS**

**Proposal 1: Adoption and approval of the Merger Agreement**

Alliance is asking its shareholders to adopt and approve the merger agreement. For a detailed discussion of the terms and conditions of the merger agreement, see *The Merger Agreement* beginning on page 65. As discussed in the section entitled *The Merger Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors*, after careful consideration, the Alliance board of directors approved the merger agreement. The Alliance board of directors unanimously recommends the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interest of Alliance and the Alliance shareholders.

**Required Vote**

Adoption and approval of the merger agreement requires the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the merger proposal, or if you vote to abstain on the merger proposal, each will have no effect on the vote the merger proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the merger proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the vote to approve the merger proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

**The Alliance board of directors unanimously recommends that Alliance shareholders vote FOR the adoption and approval of the merger agreement.**

**Proposal 2: Advisory vote to approve compensation payable to the named executive officers of Alliance in connection with the merger**

As required by Section 14A of the Exchange Act and the SEC's rules thereunder, Alliance is asking its shareholders to cast an advisory (non-binding) vote on the compensation that may be payable to its named executive officers in connection with the merger, as described in this proxy statement/prospectus under *The Merger Interests of Alliance's Directors and Executive Officers in the Merger Golden Parachute Compensation*, beginning on page 61, including in the associated narrative discussion. In accordance with these requirements, Alliance is asking its shareholders to vote on the approval of the following resolution:

RESOLVED, that the compensation that may be payable to Alliance's named executive officers in connection with the merger, as disclosed in the table captioned *Golden Parachute Compensation* beginning on page 61, including the associated narrative discussion, and the agreements or understandings pursuant to which such compensation may be payable, are hereby APPROVED.

The vote on the executive compensation payable in connection with the merger is a vote separate and apart from the vote on the merger proposal. You may vote to approve the merger-related compensation proposal and vote not to approve the merger proposal, or you may vote against the merger-related compensation proposal and vote to approve the merger proposal. Because the vote on the merger-related compensation proposal is advisory in nature only, it will not be binding on Alliance. Accordingly, because Alliance is contractually obligated to pay the compensation covered by the merger-related compensation proposal, such compensation will be payable, subject only to certain applicable conditions, if the mergers are approved and regardless of the outcome of the advisory vote on the merger-related compensation proposal.

**Required Vote**

Approval, on an advisory (non-binding) basis, of the merger-related compensation proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to

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vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the merger-related compensation proposal, or if you vote to abstain on the merger-related compensation proposal, each will have no effect on the vote on the merger-related compensation proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the merger-related compensation proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the advisory (non-binding) vote to approve the merger-related compensation proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

**The Alliance board of directors unanimously recommends that Alliance shareholders vote FOR the merger-related compensation proposal.**

### **Proposal 3: Adjournment Proposal**

Alliance shareholders are being asked to adjourn the Alliance special meeting, if necessary, to solicit additional proxies in favor of the adoption and approval of the merger agreement if there are insufficient votes at the time of such adjournment to approve the merger proposal.

If at the Alliance special meeting there are an insufficient number of shares of Alliance common stock present in person or represented by proxy and voting in favor of the merger proposal, Alliance may move to adjourn the Alliance special meeting in order to enable the Alliance board of directors to solicit additional proxies for approval of the merger proposal. If the Alliance shareholders approve the adjournment proposal, Alliance could adjourn the Alliance special meeting and use the additional time to solicit additional proxies, including the solicitation of proxies from Alliance shareholders who have previously voted. If the date of the adjournment is not announced at the Alliance special meeting or a new record date is fixed for the adjourned meeting, a new notice of the adjourned meeting will be given to each shareholder of record entitled to vote at the adjourned meeting.

### **Required Vote**

Approval of the adjournment proposal will require the affirmative vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting. If your shares of Alliance common stock are present at the Alliance special meeting but are not voted on the adjournment proposal, or if you vote to abstain on the adjournment proposal, each will have no effect on the vote on the adjournment proposal. If you fail to submit a proxy card and fail to attend the Alliance special meeting, or if you do not instruct your bank, broker or other nominee to vote your shares of Alliance common stock in favor of the adjournment proposal, your shares of Alliance common stock will not be voted, but this will not have an effect on the vote to approve the adjournment proposal except to the extent there results in there being insufficient shares present at the Alliance special meeting to establish a quorum.

**The Alliance board of directors unanimously recommends that Alliance shareholders vote FOR the adjournment proposal, if necessary.**



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**THE MERGER**

*The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement included as Annex I to this proxy statement/prospectus and incorporated by reference herein. This summary does not purport to be complete and may not contain all of the information about the merger that is important to you. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement, for a more complete understanding of the merger.*

**Terms of the Merger**

The board of directors of each of WSFS and Alliance have unanimously approved the merger agreement. The Alliance board of directors unanimously recommends adoption and approval of the merger agreement by Alliance shareholders. The merger agreement provides for the acquisition of Alliance by WSFS through the merger of Alliance with and into WSFS, with WSFS continuing as the surviving corporation. As a result of the merger, shares of Alliance common stock issued and outstanding immediately prior to the merger will be converted, at the election of the shareholder, into the right to receive either (i) cash in an amount equal to \$22.00 per share, which we refer to as the Cash Consideration, or (ii) 0.28955 of a share of WSFS common stock per share, which we refer to as the Stock Consideration, and together with the Cash Consideration, the Merger Consideration. WSFS has declared a three-for-one stock split to be effected by a stock dividend paid on May 18, 2015. Pursuant to the merger agreement, the exchange ratio will be adjusted following the stock split and will be 0.86865, and as a result of the stock split the Stock Consideration will be 0.86865 shares of WSFS common stock. As a result of the stock split, it is expected that the trading price of a share of WSFS common stock following the stock split will adjust downward to reflect the three-for-one stock split. No fractional shares of WSFS common stock will be issued in connection with the merger, and holders of Alliance common stock will be entitled to receive cash in lieu thereof. Each holder of Alliance common stock is entitled to elect the form of the Merger Consideration that he or she would like to receive for his or her shares of Alliance common stock. All such elections are subject to adjustment on a pro rata basis as described elsewhere in this proxy statement/prospectus.

Alliance shareholders are being asked to adopt and approve the merger agreement. See the section entitled "The Merger Agreement" beginning on page 65 for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to consummation of the merger and the provisions for terminating or amending the merger agreement.

**Background of the Merger**

From time to time over the past several years, the Alliance board of directors has periodically discussed and reviewed Alliance's business, performance and prospects and has considered various strategic alternatives to enhance shareholder value. Such reviews typically were undertaken as forward planning sessions periodically undertaken by the Alliance board of directors. In the context of such reviews, the strategic alternatives considered by the Alliance board of directors have included continuing its on-going operations as an independent institution, acquiring other depository institutions, branch offices or other financial services firms engaged in complementary lines of business and entering into a strategic merger with a similarly sized or larger institution. The Alliance board of directors also periodically reviewed, at times with input from an investment banking firm, the competitive environment in Alliance's market area and merger and acquisition activity in the financial services industry in general and in the greater Philadelphia market area in particular.

On August 20, 2014, the Alliance board of directors met at an offsite location for a forward planning session. Representatives of KBW, which had met with the Alliance board of directors on occasion in the past, were invited to

attend the August forward planning session as well as a representative of Silver, Freedman, Taff & Tiernan LLP, Alliance's outside counsel. At the August forward planning session, KBW discussed with the Alliance board of directors, among other things, the current operating environment for depository institutions, publicly available historical stock market and financial information for Alliance and a group of other savings and

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loan holding companies, the current environment for mergers and acquisitions in the banking sector, the potential strategic alternatives that Alliance might consider, including remaining independent, acquiring another depository institution, pursuing a merger of equals transaction and pursuing a business combination transaction with a larger partner. The Alliance board of directors had an extensive discussion regarding the matters reviewed by KBW with the Alliance board of directors as well as, among other things, Alliance's results of operations, business, performance and prospects. The Alliance board of directors also discussed the current and prospective competitive environment in which Alliance operates, the increased regulatory burdens facing Alliance and the uncertain operating climate going forward. After much discussion at the August 2014 forward planning session, the Alliance board of directors decided to resume their discussion in September 2014.

The forward planning committee of the Alliance board of directors met on September 17, 2014 to discuss further the matters considered at the August 20, 2014 meeting. The forward planning committee determined that it would recommend to the Alliance board of directors that Alliance commence a process to identify potential strategic merger partners that might have an interest in a business combination transaction with Alliance, and that KBW should be engaged by Alliance as its financial advisor to assist it in such process and any potential business combination transaction. The recommendation by the forward planning committee was based upon, among other factors, the improved market for business combination transactions, the expressed interests of certain Alliance shareholders, the strategic alternatives available to Alliance and challenges facing Alliance if it remained independent. The Alliance board of directors met on September 24, 2014 and considered the recommendations of the forward planning committee. After giving careful consideration to the recommendations of the forward planning committee, the Alliance board of directors, at its meeting on September 24, 2014, determined that it would be in Alliance's best interest to commence a process to identify potential strategic merger partners that might have an interest in a business combination transaction with Alliance. In addition, the Alliance board of directors, after considering the qualifications and experience of KBW as well as the proposed terms of KBW's engagement, decided to retain KBW as Alliance's financial advisor. Alliance and KBW executed an engagement letter, dated as of September 25, 2014, pursuant to which KBW was retained as Alliance's financial advisor.

From late September through the end of November 2014, confidential marketing materials were prepared and efforts were undertaken to establish an electronic data room that could be accessed by interested parties who executed confidentiality agreements. During this time, KBW, in consultation with and with input from Alliance, assisted with identifying 11 financial institutions that might have a potential interest in a business combination transaction with Alliance. All 11 financial institutions were approached by KBW in the months of November and December in accordance with authorization from the Alliance board of directors.

During the first week of November 2014, KBW had introductory, no-names conversations with five of the institutions identified as potential parties, including WSFS, regarding their possible interest in pursuing a business combination transaction with a party with characteristics similar to those of Alliance. These five parties were expected to attend an industry conference to be hosted by KBW in early November. All five expressed an interest in the potential transaction and asked for additional information, including the name of the party. Subsequently, during the industry conference, all five parties executed non-disclosure agreements, or NDAs, and were subsequently informed by KBW that Alliance was the party that might be interested in pursuing a potential business combination transaction. Pursuant to the NDAs, such parties agreed to, among other things, maintain strict confidentiality regarding Alliance's possible interest in undertaking a business combination transaction. Four of the five initial parties who signed NDAs, including WSFS, expressed interest in continuing in the process following the conference and requested a copy of the confidential information memorandum when it became available.

In the first week of December 2014, the confidential information memorandum was finalized and Alliance continued the submission of confidential due diligence materials to the electronic data room. During this period, the Alliance

management team kept the Alliance board of directors apprised of these activities. On December 1, 2015, Mr. Mark A. Turner, President and Chief Executive Officer of WSFS, and Mr. Dennis D. Cirucci, President and Chief Executive Officer of Alliance, met and engaged in informal discussions about their

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respective institution's cultures, business models, historical and recent financial and operating performances, as well as market trends in Southeastern Pennsylvania generally and Delaware County, Pennsylvania in particular. The meeting did not involve any proposal from Mr. Turner or discussion of any terms of a potential business combination transaction.

During the week of December 8, 2014, the confidential information memorandum was delivered to WSFS and the other three parties that had already signed NDAs and expressed an interest in continuing in the process, and such parties were given access to the electronic data room. Between December 12 and 16, 2014, three additional parties, each of which had been included in the group of 11 potential interested parties, were contacted and signed NDAs and also were provided with a copy of the confidential information memorandum and given access to the electronic data room. The three remaining institutions included in the group of 11 possible candidates also were contacted but indicated that they had no interest in pursuing a business combination transaction or receiving an NDA at that time.

On January 9, 2015, three of the parties that had received the confidential information memorandum, including WSFS, submitted non-binding indications of interest to acquire Alliance. The initial indication of interest submitted by WSFS proposed a transaction with an implied value of \$22.00 per share of Alliance common stock, or approximately \$90.4 million in the aggregate, with the consideration consisting of at least 50% of WSFS common stock, which WSFS indicated could be increased to up to 75% of the total consideration offered, with a fixed exchange ratio, and with the remaining consideration to consist of cash. The second institution ( Company B ) submitted an initial indication of interest for a proposed transaction with an implied value of \$21.00 per share of Alliance common stock, or approximately \$86.0 million in the aggregate, with 50% of the consideration to be in Company B common stock and the remaining 50% to be in cash. The third institution ( Company C ) submitted an initial indication of interest for a proposed transaction with an implied value within the range of \$20.00 to \$21.00 per share of Alliance common stock, or \$81.7 million to \$86.0 million in the aggregate, with 60% of the consideration to be in Company C common stock and the remaining 40% in cash.

The Alliance board of directors met on January 14, 2015 to consider the three non-binding indications of interest that had been received. The Alliance board of directors reviewed and discussed each non-binding indication of interest with KBW. Following such review and discussion, the Alliance board of directors determined to continue discussions with WSFS as well as Companies B and C and to permit each of them to conduct additional due diligence, including additional materials that had been uploaded to the electronic data room, including information on Alliance's loan portfolio, securities portfolio and other information. Following the meeting of the Alliance board of directors on January 14, 2015, KBW separately informed WSFS and Companies B and C that each of them would be invited to conduct further due diligence of Alliance and to submit revised indications of interest. On January 15, 2015, WSFS management, Boenning & Scattergood, Inc., financial advisor to WSFS, and Covington & Burling LLP, outside counsel to WSFS, commenced additional due diligence on Alliance.

On January 20 and 21, 2015, representatives of Company B conducted their on-site due diligence review of Alliance and met with senior management of Alliance. On January 23 and 24, 2015, representatives of WSFS conducted an additional review of Alliance at an on-site due diligence session and met with senior management of Alliance. Company C elected not to continue in the process and, on January 23, 2015, informed KBW of its decision and that it would not conduct an on-site due diligence review of Alliance. On February 2, 2015, each of WSFS and Company B submitted revised indications of interest, as had been requested by KBW on Alliance's behalf.

The Alliance board of directors met on February 4, 2015, to consider the revised indications of interest submitted by each of WSFS and Company B. Representatives of KBW and Silver, Freedman, Taff & Tiernan LLP participated in the meeting. KBW reviewed with the Alliance board of directors the process that had been undertaken to date and then reviewed in detail the revised indications of interest that had been received from each



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of WSFS and Company B, and reviewed with the Alliance board of directors a financial overview of each of the two parties that submitted revised indications of interest on a stand-alone as well as a pro-forma basis when combined with Alliance. The revised indication of interest submitted by WSFS fixed the stock component of the consideration offered at 70% WSFS common stock and the cash component at 30%, and providing a right of election to Alliance shareholders up to the aggregate stock and cash limits, while maintaining the implied value of the WSFS transaction at \$22.00 per share of Alliance common stock or \$90.4 million in the aggregate. The revised indication of interest submitted by Company B was for a transaction with an implied value of \$20.50 per share of Alliance common stock, or \$83.9 million in the aggregate, with 50% of the consideration to be in the form of Company B common stock and the remainder in cash. The revised indication of interest submitted by WSFS had an implied value per share to Alliance shareholders that was higher by \$1.50 per Alliance common share than the revised indication of interest submitted by Company B. Members of the Alliance board of directors asked various questions of KBW and Alliance's legal counsel.

Based on its review of the two revised indications of interest, the results of the process undertaken by Alliance with KBW's assistance, and the potential benefits and risks of a merger of Alliance with WSFS, the Alliance board of directors determined to continue its discussions solely with WSFS and to request that WSFS have its counsel prepare and deliver a draft definitive merger agreement to Alliance and its legal counsel. The Alliance board of directors also determined that it was advisable for Alliance to conduct a further due diligence review of WSFS. On February 4, 2015, KBW informed Boenning & Scattergood, financial advisor to WSFS, that WSFS had been selected by the Alliance board of directors as its business combination partner and asked that Covington & Burling, legal counsel to WSFS, prepare a draft merger agreement for Alliance's legal counsel, Silver, Freedman, Taff & Tiernan, to review. From February 5, 2015 until March 2, 2015, WSFS management, Boenning & Scattergood and Covington & Burling continued to do due diligence on Alliance.

On February 12, 2015, representatives of Alliance, KBW and Alliance's legal counsel were initially provided access to, and began to review, certain non-public information regarding WSFS. Representatives of KBW and Alliance's legal counsel also met with representatives of WSFS management to discuss WSFS's business, results of operations and prospects and to review various documents on-site at WSFS's offices on February 17, 2015. Additional non-public information regarding WSFS was posted to the online data room for review by representatives of Alliance, KBW and Alliance's legal counsel during the week of February 16, 2015. On February 16, 2015, WSFS representatives conducted additional on-site due diligence at Alliance's premises.

On February 16, 2015, Covington & Burling LLP, counsel to WSFS, provided an initial draft of the merger agreement to Silver, Freedman, Taff & Tiernan LLP. Silver, Freedman, Taff & Tiernan LLP reviewed the draft merger agreement with both Alliance management and representatives of KBW and on February 20, 2015, provided comments on the draft merger agreement to Covington & Burling. From February 20, 2015 through March 1, 2015, WSFS, Alliance, their respective representatives and their respective counsel, Covington & Burling and Silver, Freedman, Taff & Tiernan LLP, continued to negotiate the terms of the definitive merger agreement and related documents. In addition, WSFS and Alliance and their respective financial and legal advisors continued to discuss various matters related to the proposed combination of WSFS and Alliance.

At a regularly scheduled WSFS board of directors meeting on February 26, 2015, the WSFS board of directors met with members of WSFS management to, among other things, review and consider the proposed merger. Representatives of Covington & Burling and Boenning & Scattergood were present at the meeting. At the meeting, the WSFS board of directors approved the entry into the merger agreement with Alliance and the issuance of WSFS common stock in connection therewith. The WSFS board of directors then directed the WSFS management team to finalize and execute the merger agreement on the terms reviewed at the meeting.

On March 2, 2015, the Alliance board of directors met in order to review the proposed merger agreement, the transactions contemplated thereby, including the merger, and the other terms of the merger agreement, including the Merger Consideration and the various related agreements contemplated by the merger agreement. The boards of directors of Alliance and Alliance Bank received presentations regarding the proposed merger



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from members of the Alliance management team, Alliance's financial advisor, KBW, and its legal counsel, Silver, Freedman, Taff & Tiernan LLP. The Alliance board of directors was also briefed on the results of the due diligence review conducted on WSFS. Representatives of Silver, Freedman, Taff & Tiernan LLP updated the boards of directors of Alliance and Alliance Bank on the negotiations with WSFS regarding the merger agreement and further advised the Alliance board of directors on its fiduciary duties. Representatives of KBW and legal counsel responded to questions from the directors. At this meeting, KBW reviewed the financial aspects of the proposed merger and rendered its opinion to the Alliance board of directors to the effect that, as of that date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the Merger Consideration to be received by holders of Alliance common stock in the merger was fair, from a financial point of view, to such holders. See "Opinion of Alliance's Financial Advisor" on page 45, for more information. The closing price of Alliance common stock on March 2, 2015 was \$17.51.

After careful and deliberate consideration of the presentations by Alliance's financial advisor and legal counsel as well as consideration of the factors described under "Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors" below and the interests of Alliance shareholders, customers, employees and the communities served by Alliance, the boards of directors of Alliance and Alliance Bank unanimously approved the merger agreement and the related documents.

Following the meeting of the Alliance board of directors on March 2, 2015, the merger agreement and related documents were executed and the parties issued a press release announcing the proposed merger in the morning of March 3, 2015.

### **Alliance's Reasons for the Merger; Recommendation of the Alliance Board of Directors**

**After careful consideration, the Alliance board of directors determined that it was advisable and in the best interests of Alliance and its shareholders for Alliance to enter into the merger agreement with WSFS. Accordingly, the Alliance board of directors unanimously recommends that Alliance shareholders vote FOR the adoption and approval of the merger agreement.**

The board of directors of Alliance has considered the terms and provisions of the merger agreement and concluded that they are fair to the shareholders of Alliance and that the merger is in the best interests of Alliance and its shareholders.

In reaching its decision to approve the merger agreement, the board of directors of Alliance evaluated the merger and the merger agreement in consultation with management, as well as with Alliance's financial and legal advisors, and considered a variety of factors, including the following material factors:

the extensive review undertaken by the Alliance board of directors, with the assistance of Alliance's financial and legal advisors, with respect to the strategic alternatives available to Alliance;

the challenges facing Alliance as an independent institution and the Alliance board of directors' belief that combining with a larger financial institution will benefit Alliance shareholders and the customers and communities served by Alliance Bank;

the challenges to Alliance in continuing to increase its net income levels quarter over quarter at or above its current trend and the substantial management, financial and employee resources that would be required to execute Alliance's strategic plan, the length of time it would take to achieve the objectives of its strategic plan and the risks and challenges inherent in the successful execution of its strategic plan;

the limited prospects for Alliance to grow its franchise through acquisitions given Alliance's relatively small size, trading multiples and market capitalization;

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the results that could be expected to be obtained by Alliance if it continued to operate independently and the potential future trading value of Alliance common stock compared to the implied value of the Merger Consideration offered by WSFS;

its understanding of the current and prospective environment in which WSFS and Alliance operate, including national, regional and local economic conditions, the interest rate environment, the competitive and regulatory environments for financial institutions generally, the increased regulatory burdens on financial institutions, the uncertainties of the regulatory environment in the future and the likely effect of these factors on Alliance both with and without the merger;

the Merger Consideration being offered to Alliance shareholders in relation to the market price of Alliance common stock, book value per share and the tangible book value per share of Alliance (which is a financial measure commonly used by banks and bank investors to measure the capital adequacy of a bank);

the fact that the implied value of the Merger Consideration offered by WSFS as of March 2, 2015 of about \$22.36 for each share of Alliance common stock represented approximately a 27.8% premium over the closing price of Alliance common stock on February 27, 2015 (the last trading day prior to the Alliance board of directors meeting) and the uncertainty whether or when the Alliance common stock would trade at a level equal to implied value of the Merger Consideration;

the extensive process undertaken by Alliance, with the assistance of KBW, to identify potential merger partners which resulted in WSFS making a proposal with the highest value to Alliance shareholders;

the historical performance of WSFS common stock and the significant additional liquidity of WSFS common stock compared to Alliance's common stock in terms of average daily trading volume;

the fact that 70% of the aggregate Merger Consideration would be in stock based upon a fixed exchange ratio, which would allow Alliance shareholders who receive WSFS common stock in the merger to participate in the future performance of the combined company;

the cash/stock election provisions in the merger agreement providing Alliance shareholders with an ability to choose the form of consideration that they wish to receive, subject to the overall 70% stock/30% cash allotment;

the review by the Alliance board of directors with Alliance's legal and financial advisors of the structure of the merger and the financial and other terms of the merger agreement, including the Merger Consideration, the expected tax treatment of the merger as a reorganization for United States federal income tax purposes which would permit Alliance shareholders who receive WSFS common stock to receive such shares on a tax-free basis for federal income tax purposes, the size of the termination fee in relation to the overall deal size and Alliance's ability to consider unsolicited third party offers in certain circumstances;

the opinion, dated March 2, 2015, of KBW to the Alliance board of directors as to the fairness, from a financial point of view and as of the date of the opinion, to the holders of Alliance common stock of the Merger Consideration, as more fully described below under Opinion of Alliance's Financial Advisor beginning on page 45;

the amount of payments and benefits to be received by Alliance management and the Alliance board of directors as more fully described below under Interests of Alliance's Directors and Executive Officers in the Merger beginning on page 57;

the scale, scope, strength and diversity of operations, product lines and delivery systems that could be achieved by combining Alliance with WSFS;

the complementary geographic locations of the Alliance and WSFS branch networks which would enable WSFS on a combined basis to expand the combined business without the interruptions of closing overlapping branches and provide an opportunity for Alliance employees to retain their employment with WSFS after the merger;

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WSFS significantly greater asset size and capital level compared to Alliance;

the earnings prospects of the combined companies;

the additional products offered by WSFS to its customers and the ability of the resulting institution to provide comprehensive financial services to its customers;

Alliance's and WSFS's shared community banking philosophies;

the Alliance board of directors' review with Alliance's management and KBW of the operations, financial condition and business of WSFS;

the likelihood of successful integration and the successful operation of the combined company and the risks and costs of the integration;

the likelihood that the regulatory approvals needed to complete the transaction will be obtained in a reasonably timely manner and without the imposition of unacceptable conditions; and

the effects of the merger on Alliance's employees, including the prospects for continued employment and the severance and other benefits agreed to be provided to Alliance employees.

The Alliance board of directors also considered the potential risks associated with the merger in connection with its deliberation of the proposed transaction, including the challenges of integrating Alliance's businesses, operations and employees with those of WSFS, the need to obtain approval by shareholders of Alliance as well as regulatory approvals in order to complete the transaction, the potential risk of diverting management attention and resources from the operation of Alliance's and WSFS's business and towards the completion of the merger and the integration of the two companies, and the risks associated with the operations of the combined company including the ability to achieve the anticipated cost savings. The Alliance board of directors also considered that the stock portion of the Merger Consideration was fixed at 0.28955 of a share of WSFS common stock and, by its nature, would not adjust upwards to compensate for declines, or downwards to compensate for increases, in WSFS's stock price prior to completion of the merger.

The foregoing discussion of the information and factors considered by the Alliance board of directors is not exhaustive, but includes all material factors considered by the Alliance board of directors. In view of the wide variety of factors considered by the Alliance board of directors in connection with its evaluation of the merger and the complexity of these matters, the Alliance board of directors did not consider it practical to, and did not attempt to, quantify, rank or otherwise assign relative weights to the specific factors that it considered in reaching its decision. The Alliance board of directors evaluated the factors described above. In considering the factors described above, individual members of the Alliance board of directors may have given different weights to different factors. The Alliance board of directors considered all these factors as a whole, and overall considered the factors to be favorable to, and to support, its determination. It should also be noted that this explanation of the reasoning of the Alliance board of directors and certain other information presented in this section includes information which is

forward-looking in nature and, therefore, should be read in light of the factors discussed under the heading **Cautionary Statement Regarding Forward-Looking Statements** beginning on page 23.

**Opinion of Alliance's Financial Advisor**

Alliance engaged KBW to render financial advisory and investment banking services to Alliance, including providing an opinion to the Alliance board of directors as to the fairness, from a financial point of view, to the holders of Alliance common stock of the merger consideration to be received by such shareholders in the proposed merger of Alliance with and into WSFS. Alliance selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

As part of its engagement, representatives of KBW attended the meeting of the Alliance board of directors held on March 2, 2015, at which the Alliance board of directors evaluated the proposed merger. At this meeting,

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KBW reviewed the financial aspects of the proposed merger and rendered to the Alliance board of directors an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the merger consideration in the proposed merger was fair, from a financial point of view, to the holders of Alliance common stock. The Alliance board of directors approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Annex II to this proxy statement/prospectus and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

**KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Alliance board of directors (in its capacity as such) in connection with its consideration of the financial terms the merger. The opinion addressed only the fairness, from a financial point of view, of the merger consideration in the merger to the holders of Alliance common stock. It did not address the underlying business decision of Alliance to engage in the merger or enter into the merger agreement or constitute a recommendation to the Alliance board of directors in connection with the merger, and it does not constitute a recommendation to any holder of Alliance common stock or any shareholder of any other entity as to how to vote in connection with the merger or any other matter (including, with respect to holders of Alliance common stock, what election any such shareholder should make with respect to the stock consideration or the cash consideration), nor does it constitute a recommendation regarding whether or not any such shareholder should enter into a voting, shareholders' or affiliates' agreement with respect to the merger or exercise any other rights that may be available to such shareholder.**

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of Alliance and WSFS and the merger, including, among other things:

a draft of the merger agreement dated February 27, 2015 (the most recent draft then made available to KBW);

certain regulatory filings of Alliance and WSFS, including the quarterly call reports filed with respect to each quarter during the three years ended December 31, 2014 for Alliance and WSFS;

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2013 of Alliance;

the audited financial statements and Annual Reports on Form 10-K for the three fiscal years ended December 31, 2013 of WSFS;

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the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2014, June 30, 2014 and September 30, 2014 of Alliance;

the unaudited quarterly financial statements and Quarterly Reports on Form 10-Q for the fiscal quarters ended March 31, 2014, June 30, 2014 and September 30, 2014 of WSFS;

certain unaudited quarterly and fiscal year-end financial results for the period ended December 31, 2014 of Alliance (provided to KBW by representatives of Alliance);

the unaudited quarterly and fiscal year-end financial results for the period ended December 31, 2014 of WSFS (contained in the Current Report on Form 8-K filed by WSFS with the Securities and Exchange Commission on January 30, 2015);

certain other interim reports and other communications of Alliance and WSFS to their respective shareholders and investors; and



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other financial information concerning the businesses and operations of Alliance and WSFS that was furnished to KBW by Alliance and WSFS or which was otherwise used for purposes of KBW's analyses. KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among other things, the following:

the historical and current financial position and results of operations of Alliance and WSFS;

the assets and liabilities of Alliance and WSFS;

the nature and terms of certain other merger transactions and business combinations in the banking industry;

a comparison of certain financial and stock market information for Alliance and WSFS with similar information for certain other companies the securities of which are publicly traded;

financial and operating forecasts and projections of Alliance that were prepared by, and provided to KBW and discussed with KBW by, Alliance management and that were used and relied upon by KBW at the direction of such management with the consent of the Alliance board of directors; and

financial and operating forecasts and projections of WSFS and certain merger related estimates and assumptions (including, without limitation, the cost savings and related expenses expected to result from the merger), that were prepared by, and provided to KBW and discussed with KBW by, WSFS management (or otherwise reviewed and discussed with KBW by WSFS management) and that were used and relied upon by KBW based on such discussions at the direction of Alliance and with the consent of the Alliance board of directors.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with senior management of Alliance and WSFS regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters as KBW deemed relevant to its inquiry. In addition, KBW considered the results of the efforts undertaken by Alliance, with KBW's assistance, to solicit indications of interest from third parties regarding a potential transaction with Alliance.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or that was publicly available and KBW did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the respective managements of Alliance and WSFS as to the reasonableness and achievability of the financial and operating forecasts and projections of Alliance and WSFS (and the underlying assumptions and bases therefor) that were referred to above. KBW assumed, with the consent of Alliance, that such forecasts and projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of such managements and that such forecasts and projections would be realized in the amounts and in the time periods estimated by such managements. KBW further relied upon WSFS management as to

the reasonableness and achievability of the merger related estimates and assumptions (and the underlying assumptions and bases therefor, including without limitation, cost savings and related expenses expected to result from the merger) referred to above. KBW assumed, with the consent of Alliance, that all such estimates were reasonably prepared on a basis reflecting the best currently available estimates and judgments of such management and that such estimates would be realized in the amounts and in the time periods estimated by such management.

It is understood that the forecasts, projections, estimates and assumptions of Alliance and WSFS provided to or otherwise discussed with KBW were not prepared with the expectation of public disclosure, that all such

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forecasts, projections, estimates and assumptions were based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such information. KBW assumed, based on discussions with the respective managements of Alliance and WSFS and with the consent of Alliance, that such information provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the underlying assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW also assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Alliance or WSFS since the date of the last financial statements of each such entity that were made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Alliance's consent, that the aggregate allowances for loan and lease losses for Alliance and WSFS were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Alliance or WSFS, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Alliance or WSFS under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed that, in all respects material to its analyses:

the merger and any related transaction (including the subsidiary bank merger) would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the draft reviewed by KBW) with no additional payments or adjustments to the merger consideration;

the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement were true and correct;

each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;

there were no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger or any related transaction and that all conditions to the completion of the merger and any related transaction would be satisfied without any waivers or modifications to the merger agreement; and

in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger and any related transaction, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Alliance, WSFS, the combined entity, or the contemplated benefits of the merger, including the cost savings and related expenses expected to result from the merger.

KBW assumed, in all respects material to KBW's analyses, that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW further assumed that Alliance relied upon advice from its advisors (other than KBW) or other appropriate sources as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Alliance, WSFS, the merger and any related transaction (including the subsidiary bank merger) and the merger agreement. KBW did not provide advice with respect to any such matters.

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KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the merger consideration to be received by the holders of Alliance common stock in the merger to such shareholders. KBW expressed no view or opinion as to any other terms or aspects of the merger or any related transaction (including the subsidiary bank merger), including without limitation, the form or structure of the merger (including the form of the merger consideration or the allocation of the merger consideration between stock and cash) or any related transaction, any consequences of the merger or any related transaction to Alliance, its shareholders, creditors or otherwise, or any terms, aspects, merits or implications of any employment, consulting, voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

the underlying business decision of Alliance to engage in the merger or enter into the merger agreement;

the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Alliance or the Alliance board of directors;

the fairness of the amount or nature of any compensation to any of Alliance's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of Alliance common stock;

the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Alliance (other than the holders of Alliance common stock (solely with respect to the merger consideration, as described in KBW's opinion and not relative to the consideration to be received by holders of any other class of securities)) or holders of any class of securities of WSFS or any other party to any transaction contemplated by the merger agreement;

whether WSFS has sufficient cash, available lines of credit or other sources of funds to enable it to pay the aggregate cash consideration to the holders of Alliance common stock at the closing of the merger;

the actual value of WSFS common stock to be issued in the merger;

the election by holders of Alliance common stock to receive the stock consideration or the cash consideration, or any combination thereof, or the actual allocation between the stock consideration and the cash consideration among such holders (including, without limitation, any reallocation thereof as a result of proration pursuant to the merger agreement), or the relative fairness of the stock consideration and the cash consideration;

any adjustment (as provided in the merger agreement) in the amount of merger consideration (including the allocation thereof among cash and stock) assumed to be paid in the merger for purposes of KBW's opinion;

the prices, trading range or volume at which Alliance common stock or WSFS common stock will trade following the public announcement of the merger or the prices, trading range or volume at which WSFS common stock would trade following consummation of the merger;

any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or

any legal, regulatory, accounting, tax or similar matters relating to Alliance, WSFS, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction (including the subsidiary bank merger), including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW,

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Alliance and WSFS. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Alliance board of directors in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Alliance board of directors with respect to the fairness of the merger consideration. The type and amount of consideration payable in the merger were determined through negotiation between Alliance and WSFS and the decision to enter into the merger agreement was solely that of the Alliance board of directors.

The following is a summary of the material financial analyses presented by KBW to the Alliance board of directors in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion or the presentation made by KBW to the Alliance board of directors, but summarizes the material analyses performed and presented in connection with such opinion. The financial analyses summarized below include information presented in tabular format. The tables alone do not constitute a complete description of the financial analyses. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion.

For purposes of the financial analysis described below, KBW utilized an implied value of the merger consideration of \$22.36 per share of Alliance common stock, consisting of the sum of (i) the cash consideration of \$22.00 per share of Alliance common stock multiplied by 30% and (ii) the implied value of the stock consideration of 0.28955 of a share of WSFS common stock (before giving effect to any stock splits that have been subsequently announced) per share of Alliance common stock, based on the closing price of WSFS common stock on February 27, 2015 of \$77.74, multiplied by 70%.

*Alliance Selected Companies Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market performance of Alliance to 16 selected thrifts that were listed on NASDAQ and headquartered in the Mid-Atlantic, Midwest or Northeast regions and that had total assets between \$250 million and \$750 million, a nonperforming assets to total assets ratio less than 5.0% and a tangible common equity to tangible assets ratio greater than 11.0%. Merger targets and mutual holding companies were excluded from the selected companies.

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The selected companies included:

Chicopee Bancorp, Inc.	United Community Bancorp
Malvern Bancorp, Inc.	Naugatuck Valley Financial Corporation
Westbury Bancorp, Inc.	First Capital, Inc.
HMN Financial, Inc.	Coastway Bancorp, Inc.
Cheviot Financial Corp.	Poage Bankshares, Inc.
IF Bancorp, Inc.	Wolverine Bancorp, Inc.
Prudential Bancorp, Inc.	Jacksonville Bancorp, Inc.
La Porte Bancorp, Inc.	Hamilton Bancorp, Inc.

To perform this analysis, KBW used profitability and other financial information for or, in the case of information for the latest 12 month period, or LTM, through, the most recent completed quarter available, or MRQ (which in the case of Alliance was the fiscal quarter ended December 31, 2014 as provided by Alliance management to the extent not publicly available) or as of the end of such period and market price information as of February 27, 2015. Where consolidated holding company level financial data for the selected companies as of or for periods ended December 31, 2014 was unreported, either such data reported as of or for periods ended September 30, 2014 or subsidiary bank level data as of or for periods ended December 31, 2014 was utilized to calculate ratios. Using publicly available information, applicable financial data for certain selected companies reflected pro forma adjustments for the estimated impact of pending acquisitions and completed capital raises. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in Alliance's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance and financial condition of Alliance and the selected companies:

	Selected Companies				
	Alliance	Bottom Quartile	Average	Median	Top Quartile
LTM Return on Average Assets	0.60%	(0.05%)	0.41%	0.38%	0.80%
LTM Return on Average Equity	3.87%	(0.29%)	2.82%	2.27%	5.08%
LTM Net Interest Margin	3.63%	2.86%	3.28%	3.38%	3.60%
LTM Efficiency Ratio	73.3%	95.9%	83.2%	81.5%	71.8%
Tangible Common Equity / Tangible Assets	15.8%	13.0%	15.1%	14.5%	15.6%
Tier 1 Capital / Risk-Weighted Assets	21.9%	16.7%	21.7%	18.7%	24.4%
Total Risk-Based Capital / Risk-Weighted Assets	23.2%	17.7%	22.8%	19.9%	25.4%
Loans / Deposits	90.0%	74.3%	89.1%	86.8%	97.2%
Loan Loss Reserve / Gross Loans	1.44%	0.79%	1.31%	1.19%	1.61%
Texas Ratio <sup>(1)</sup>	11.52%	14.58%	11.23%	10.28%	7.14%
Nonperforming Assets / Assets <sup>(2)</sup>	1.94%	2.41%	1.76%	1.61%	1.11%



LTM Net Charge-Offs / Average Loans	0.07%	0.36%	0.17%	0.10%	0.05%
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- (1) Texas ratio equals (nonperforming assets plus loans 90+ days past due) / (tangible common equity plus loan loss reserves) adjusted for covered loans.
- (2) Nonperforming assets include nonaccrual loans, loans 90+ days past due and accruing, restructured loans, and other real estate owned.

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KBW's analysis showed the following concerning the market performance of Alliance and, to the extent publicly available, the selected companies (excluding the impact of certain selected company LTM and MRQ annualized EPS multiples considered to be not meaningful because they were below 0.0x or greater than 30.0x and also excluding the impact of the LTM dividend payout of one of the selected companies considered to be not meaningful):

	Selected Companies				
	Alliance	Bottom Quartile	Average	Median	Top Quartile
One Year Stock Price Change	14.53%	4.22%	12.50%	10.97%	21.36%
YTD Stock Price Change	(4.95%)	(0.76%)	1.22%	0.72%	4.37%
Stock Price / Book Value per Share	1.06x	0.82x	0.92x	0.90x	1.02x
Stock Price / Tangible Book Value per Share	1.06x	0.85x	0.96x	0.94x	1.03x
Stock Price / LTM EPS <sup>(1)</sup>	27.8x	12.2x	18.4x	16.1x	27.8x
Stock Price / MRQ Annualized EPS <sup>(2)</sup>	29.2x	15.0x	17.9x	16.9x	21.1x
Dividend Yield	1.37%	0.00%	0.94%	0.78%	1.61%
LTM Dividend Payout	34.9%	0.0%	29.5%	19.4%	54.5%

- (1) Excluding as not meaningful the impact of the LTM EPS multiples for Chicopee Bancorp, Inc., Malvern Bancorp, Inc., Westbury Bancorp, Inc., Cheviot Financial Corp., Prudential Bancorp, Inc., Naugatuck Valley Financial Corporation, Poage Bankshares, Inc. and Hamilton Bancorp, Inc. LTM EPS data for Coastway Bancorp, Inc. was not publicly available.
- (2) Excluding as not meaningful the impact of the MRQ annualized EPS multiples for Chicopee Bancorp, Inc., Malvern Bancorp, Inc., Westbury Bancorp, Inc., Prudential Bancorp, Inc., Coastway Bancorp, Inc. and Hamilton Bancorp, Inc.

No company used as a comparison in the above selected companies analysis of Alliance is identical to Alliance. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

*WSFS Selected Companies Analysis.* Using publicly available information, KBW compared the financial performance, financial condition and market performance of WSFS to 15 selected banks and thrifts that were listed on NASDAQ, NYSE or the NYSE MKT and headquartered in the Mid-Atlantic region and that had total assets between \$3.0 billion and \$7.5 billion and a nonperforming assets to total assets ratio less than 3.0%. Merger targets and mutual holding companies were excluded from the selected companies as was the acquiror in a publicly announced merger that would result in a combined company with total assets over \$7.5 billion.

The selected companies included:

First Commonwealth Financial Corporation  
S&T Bancorp, Inc.  
Tompkins Financial Corporation  
Eagle Bancorp, Inc.

Dime Community Bancshares, Inc.  
Sandy Spring Bancorp, Inc.  
Lakeland Bancorp, Inc.  
ConnectOne Bancorp, Inc.

Flushing Financial Corporation

Beneficial Bancorp, Inc.

Bancorp, Inc.

TrustCo Bank Corp NY

Oritani Financial Corp.

Financial Institutions, Inc.

Northfield Bancorp, Inc.

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To perform this analysis, KBW used LTM profitability and other financial information through the most recent completed quarter available (which in the case of WSFS was the fiscal quarter ended December 31, 2014) or as of the end of such quarter and market price information as of February 27, 2015. KBW also used 2015 and 2016 EPS estimates taken from consensus street estimates for WSFS and the selected companies. Where consolidated holding company level financial data for the selected companies as of or for periods ended December 31, 2014 was unreported, either such data reported as of or for periods ended September 30, 2014 or subsidiary bank level data as of or for periods ended December 31, 2014 was utilized to calculate ratios. Using publicly available information, applicable financial data for certain selected companies reflected pro forma adjustments for the estimated impact of pending acquisitions and completed capital raises. Certain financial data prepared by KBW, and as referenced in the tables presented below, may not correspond to the data presented in WSFS's historical financial statements as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance and financial condition of WSFS and the selected companies:

	WSFS <sup>(1)</sup>	Selected Companies			
		Bottom Quartile	Average	Median	Top Quartile
LTM Return on Average Assets	1.17%	0.73%	0.85%	0.92%	1.03%
LTM Return on Average Equity	12.22%	5.95%	7.43%	8.48%	10.79%
LTM Net Interest Margin	3.68%	3.03%	3.33%	3.30%	3.57%
LTM Efficiency Ratio	62.9%	64.2%	58.8%	59.3%	48.3%
Tangible Common Equity / Tangible Assets	9.00%	7.81%	10.13%	8.62%	10.14%
Tier 1 Capital / Risk-Weighted Assets	12.8%	10.8%	13.9%	12.6%	17.1%
Total Risk-Based Capital / Risk-Weighted Assets	13.8%	12.7%	15.0%	13.0%	18.3%
Loans / Deposits	88.4%	78.3%	96.9%	100.0%	108.6%
Loan Loss Reserve / Gross Loans	1.22%	0.66%	1.07%	1.16%	1.35%
Texas Ratio <sup>(2)</sup>	11.12%	10.82%	7.22%	7.51%	4.68%
Nonperforming Assets / Assets <sup>(3)</sup>	1.08%	1.00%	0.73%	0.83%	0.46%
LTM Net Charge-Offs / Average Loans	0.18%	0.22%	0.12%	0.05%	0.02%

- (1) LTM ROA and LTM ROE are shown as reported and include a one-time tax benefit in Q1 2014. LTM ROA and LTM ROE excluding the one-time benefit were 1.03% and 10.72%, respectively.
- (2) Texas ratio equals (nonperforming assets plus loans 90+ days past due) / (tangible common equity plus loan loss reserves) adjusted for covered loans.
- (3) Nonperforming assets include nonaccrual loans, loans 90+ days past due and accruing, restructured loans, and other real estate owned.

KBW's analysis showed the following concerning the market performance of WSFS and the selected companies (excluding the impact of certain selected company LTM, 2015 and 2016 EPS multiples considered to be not meaningful because they were either below 0.0x or greater than 30.0x):

WSFS	Selected Companies	
	Average	Median

		<b>Bottom Quartile</b>			<b>Top Quartile</b>
One Year Stock Price Change	8.86%	(4.91%)	0.72%	1.63%	9.33%
YTD Stock Price Change	1.11%	(7.09%)	(4.92%)	(4.96%)	(2.23%)
Stock Price / Book Value per Share	1.49x	1.09x	1.29x	1.25x	1.34x
Stock Price / Tangible Book Value per Share	1.69x	1.25x	1.57x	1.48x	1.91x
Stock Price / LTM EPS	13.4x	13.2x	15.5x	14.7x	17.5x
Stock Price / 2015 Estimated EPS	13.4x	12.8x	14.3x	14.7x	15.3x
Stock Price / 2016 Estimated EPS	12.7x	11.5x	14.1x	12.8x	14.4x
Dividend Yield	0.77%	1.64%	2.53%	3.23%	3.55%
LTM Dividend Payout	8.8%	34.9%	40.4%	40.5%	55.9%

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No company used as a comparison in the above selected companies analysis of WSFS is identical to WSFS. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

*Select Transactions Analysis.* KBW reviewed publicly available information related to 16 selected bank and thrift transactions announced since December 31, 2013 with acquired companies that were headquartered in United States and that had assets between \$200 million and \$900 million, a tangible common equity to tangible assets ratio greater than 11.0% and a nonperforming assets to total assets ratio less than 5.0%. Terminated transactions were excluded from the selected transactions. The selected transactions included in the group were:

**Acquiror:**

Cathay General Bancorp  
 First NBC Bank Holding Company  
 Stupp Bros., Inc.  
 ESB Bancorp MHC  
 Berkshire Hills Bancorp, Inc.  
 Pacific Premier Bancorp, Inc.  
 ServisFirst Bancshares, Inc.  
 Wintrust Financial Corporation  
 IBERIABANK Corporation  
 HomeStreet, Inc.  
 Cape Bancorp, Inc.  
 Independent Bank Corp.  
 State Bank Financial Corporation  
 CB Financial Services, Inc.  
 F.N.B. Corporation  
 Salisbury Bancorp, Inc.

**Acquired Company:**

Asia Bancshares, Inc.  
 State Investors Bancorp, Inc.  
 Southern Commercial Bank  
 Citizens National Bancorp, Inc.  
 Hampden Bancorp, Inc.  
 Independence Bank  
 Metro Bancshares, Inc.  
 Delavan Bancshares, Inc.  
 Florida Bank Group, Inc.  
 Simplicity Bancorp, Inc.  
 Colonial Financial Services, Inc.  
 Peoples Federal Bancshares, Inc.  
 Georgia-Carolina Bancshares, Inc.  
 FedFirst Financial Corporation  
 OBA Financial Services, Inc.  
 Riverside Bank

For each selected transaction, KBW derived the following implied transaction statistics, in each case based on the transaction consideration value paid for the acquired company and using financial data based on the acquired company's then latest publicly available financial statements prior to the announcement of the acquisition:

Price per common share to book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total common equity);

Price per common share to tangible book value per share of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by total tangible common equity);

Price per common share to normalized tangible common equity per share of the acquired company (calculated as tangible common equity per share necessary to maintain a tangible common equity to tangible assets ratio of 8.0%) assuming no premium for excess equity (in the case of selected transactions involving a

private acquired company, this transaction statistic was calculated as total transaction consideration divided by normalized total tangible common equity);

Tangible equity premium to core deposits (total deposits less time deposits greater than \$100,000) of the acquired company, referred to as core deposit premium; and

Price per common share to LTM EPS of the acquired company (in the case of selected transactions involving a private acquired company, this transaction statistic was calculated as total transaction consideration divided by LTM net income).

The resulting transaction multiples and premiums for the selected transactions were compared with the corresponding transaction multiples and premiums for the proposed merger based on the implied value of the

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merger consideration of \$22.36 per share of Alliance common stock and using historical financial information for Alliance as of or for the twelve month period ended December 31, 2014 as provided by Alliance management to the extent not publicly available.

The results of the analysis are set forth in the following table (excluding the impact of certain selected transaction LTM EPS multiples considered to be not meaningful because they were either less than 0.0x or greater than 50.0x):

	Selected Transactions				
	WSFS / Alliance	Bottom Quartile	Average	Median	Top Quartile
Price / Book Value	1.36x	1.16x	1.28x	1.32x	1.40x
Price / Tangible Book Value	1.36x	1.16x	1.28x	1.32x	1.42x
Price / Normalized Tangible Common Equity	1.76x	1.31x	1.51x	1.49x	1.72x
Core Deposit Premium	8.8%	3.3%	6.5%	7.0%	8.5%
Price / LTM EPS	35.5x	20.7x	23.9x	23.8x	25.2x

No company or transaction used as a comparison in the above selected transaction analysis is identical to Alliance or the proposed merger. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

*Relative Contribution Analysis.* KBW analyzed the relative standalone contribution of WSFS and Alliance to various pro forma balance sheet and income statement items and the pro forma market capitalization of the combined entity. This analysis did not include purchase accounting adjustments. To perform this analysis, KBW used (i) balance sheet data for WSFS as reported and for Alliance as provided by Alliance management as of December 31, 2014, (ii) 2014 net income data for WSFS as reported and for Alliance as provided by Alliance management through December 31, 2014, (iii) financial forecasts and projections relating to the net income of Alliance and WSFS provided by or discussed with Alliance and WSFS managements, respectively, or, in the case of WSFS, computed from information provided by WSFS management and (iv) market price data as of February 27, 2015. The results of KBW's analysis are set forth in the following table, which also compares the results of KBW's analysis with the implied pro forma ownership percentages of WSFS and Alliance shareholders in the combined company based on the stock consideration of 0.28955 of a share of WSFS common stock (before giving effect to any stock splits that have been subsequently announced) per share of Alliance common stock at the 70% stock / 30% cash aggregate merger consideration mix provided for in the merger agreement and also assuming 100% stock consideration for illustrative purposes:

	WSFS as a Percentage of Total	Alliance as a Percentage of Total
<b>Ownership</b>		
70% stock / 30% cash	92%	8%
100% stock / 0% cash	89%	11%



**Balance Sheet**

Assets	92%	8%
Gross Loans Held for Investment	91%	9%
Deposits	91%	9%
Tangible Common Equity	87%	13%

**Net Income to Common**

2014 Net Income	95%	5%
2015 Estimated Net Income	94%	6%
2016 Estimated Net Income	94%	6%
2017 Estimated Net Income	94%	6%

**Market Capitalization**

Pre-Deal Market Capitalization	91%	9%
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*Forecasted Pro Forma Financial Impact Analysis.* KBW performed a pro forma financial impact analysis that combined projected income statement and balance sheet information of WSFS and Alliance. Using (i) closing balance sheet estimates as of September 30, 2015 for WSFS and Alliance extrapolated from the financial forecasts and projections provided by the respective managements of WSFS and Alliance, (ii) financial forecasts and projections relating to the net income of Alliance provided by Alliance management (as adjusted by WSFS management), and (iii) financial forecasts and projections relating to the net income of WSFS and pro forma assumptions (including purchase accounting adjustments, cost savings and related expenses) provided by or discussed with WSFS management or computed from information provided by WSFS management, KBW analyzed, among other things, the potential financial impact of the merger on certain projected financial results of WSFS. This analysis indicated, pro forma for the merger, accretion in the case of WSFS's estimated book value per share as of September 30, 2015 and estimated 2016 and 2017 EPS and dilution in the case of WSFS's estimated tangible book value per share as of September 30, 2015. Furthermore, the analysis indicated, pro forma for the merger, an increase in WSFS's tangible common equity to tangible assets ratio, Tier 1 Risk-Based Capital Ratio and Total Risk-Based Capital Ratio as of September 30, 2015, and a decrease in WSFS's Tier 1 Common Ratio as of September 30, 2015, in each case by less than 10 basis points. For all of the above analysis, the actual results achieved by WSFS following the merger may vary from the projected results, and the variations may be material.

*Discounted Cash Flow Analysis.* KBW performed a discounted cash flow analysis of Alliance to estimate ranges for the implied equity value of Alliance. In this analysis, KBW used financial forecasts and projections relating to the net income and assets of Alliance prepared by and provided to KBW by Alliance management, and assumed discount rates ranging from 11.5% to 15.5%. The ranges of values were derived by adding (i) the present value of the estimated free cash flows that Alliance could generate over the five-year period from 2015 to 2019 as a standalone company, and (ii) the present value of Alliance's implied terminal value at the end of such period. KBW assumed that Alliance would maintain a tangible common equity to tangible assets ratio of 8.0% and would retain sufficient earnings to maintain that level. In calculating the terminal value of Alliance, KBW applied a range of 11.0x to 15.0x estimated 2020 net income. This discounted cash flow analysis resulted in a range of implied values per share of Alliance common stock of \$16.94 per share to \$21.57 per share.

The discounted cash flow analysis is a widely used valuation methodology, but the results of such methodology are highly dependent on the assumptions that must be made, including asset and earnings growth rates, terminal values, dividend payout rates, and discount rates. The foregoing discounted cash flow analyses did not purport to be indicative of the actual values or expected values of Alliance.

*Miscellaneous.* KBW acted as financial advisor to Alliance in connection with the proposed merger and did not act as an advisor to or agent of any other person. As part of its investment banking business, KBW is continually engaged in the valuation of depository and depository holding company securities in connection with acquisitions, negotiated underwritings, secondary distributions of listed and unlisted securities, private placements and valuations for various other purposes. As specialists in the securities of banking companies, KBW has experience in, and knowledge of, the valuation of banking enterprises. In the ordinary course of KBW's business as a broker-dealer, KBW and its affiliates may from time to time purchase securities from, and sell securities to, Alliance and WSFS and, as a market maker in securities, KBW and its affiliates may from time to time have a long or short position in, and buy or sell, debt or equity securities of Alliance and WSFS for KBW's own account and for the accounts of its customers.

Pursuant to KBW's engagement agreement, Alliance agreed to pay KBW a total cash fee equal to 1.20% of the aggregate merger consideration, \$100,000 of which became payable to KBW upon the rendering of KBW's opinion and the balance of which is contingent upon the consummation of the merger. Alliance also agreed to reimburse KBW for reasonable out-of-pocket expenses and disbursements incurred in connection with its retention and to indemnify KBW against certain liabilities relating to or arising out of KBW's engagement or KBW's role in connection therewith.

Other than in connection with this present engagement, in the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to

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Alliance. In the two years preceding the date of its opinion, KBW did not provide investment banking and financial advisory services to WSFS. KBW may in the future provide investment banking and financial advisory services to Alliance or WSFS and receive compensation for such services.

**WSFS Reasons for the Merger**

WSFS believes that the acquisition of Alliance provides an excellent opportunity to increase the scale of its operations in Pennsylvania, especially in Delaware County, Pennsylvania. The acquisition also provides WSFS a significant opportunity to generate additional revenue by providing its full suite of banking, mortgage banking, wealth management and insurance services to Alliance's markets as well as leverage WSFS's operating platform. In addition, the acquisition of Alliance will strengthen the breadth of WSFS's loan products and capabilities. The WSFS board of directors approved the merger agreement after WSFS's senior management discussed with the WSFS board of directors a number of factors, including those described above and the business, assets, liabilities, results of operations, financial performance, strategic direction and prospects of Alliance. The WSFS board of directors did not consider it practicable, and did not attempt, to quantify or otherwise assign relative weights to the specific factors it considered in reaching its determination. The WSFS board of directors viewed its position as being based on all of the information and the factors presented to and considered by it. In addition, individual directors may have given different weights to different information and factors.

**Management and Board of Directors of WSFS After the Merger**

The directors and officers of WSFS immediately prior to the effective time of the merger will continue as the directors and officers of WSFS as the surviving corporation of the merger. Information about the current WSFS directors and executive officers can be found in the documents listed under "Where You Can Find More Information" beginning on page 147.

**Interests of Alliance's Directors and Executive Officers in the Merger**

When considering the recommendation of the Alliance board of directors that Alliance shareholders vote for the adoption and approval of the merger agreement, Alliance shareholders should be aware that Alliance's directors and executive officers may have interests in the merger and have arrangements that may be different from, or in addition to, those of Alliance shareholders generally. These interests and arrangements may create potential conflicts of interest. The Alliance board of directors was aware of these interests and considered them, among other matters, when making its decision to approve the merger agreement and recommend that Alliance shareholders vote in favor of adoption and approval of the merger agreement. For purposes of all of the Alliance agreements and plans described below, the completion of the transactions contemplated by the merger agreement will constitute a change of control.

*Existing Employment Agreements*

Alliance previously had entered into employment agreements with Dennis D. Cirucci, President and Chief Executive Officer, Peter J. Meier, Executive Vice President and Chief Financial Officer, William T. McGrath, Senior Vice President and Chief Lending Officer, and Suzanne J. Ricci, Senior Vice President and Chief Operating Officer. The agreements provide generally that if the executive's employment is terminated in connection with or following a change in control either by Alliance for other than cause, disability, retirement or death or by the executive as a result of certain adverse actions taken by Alliance, then the executive would be entitled to a lump sum cash severance payment equal to two times (three times in the case of Mr. Cirucci) his or her average annual compensation, as defined in the employment agreements. In addition, the executive would be entitled to receive continued coverage under all life, medical, disability and other group insurance plans offered by Alliance Bank for a specified period of

time, provided that in each case a lump cash equivalency amount will be paid to the executive if such substantially similar coverage either cannot be provided or would trigger the payment of certain excise taxes. Each executive would also be entitled to receive a lump sum cash payment equal to the projected cost of providing benefits under certain other benefit plans, programs or arrangements to the executive for the remaining term of the employment agreement.

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The employment agreements with Messrs. Cirucci and Meier provide that if any of the payments or benefits to be provided thereunder or otherwise upon termination of employment are deemed to constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code, which would cause the executive to incur an excise tax under Section 4999 of the Internal Revenue Code, then Alliance shall pay the executive an amount such that after payment of all federal, state and local income tax and any additional excise tax, the executive will be fully reimbursed for the amount of such excise tax. The employment agreements with Mr. McGrath and Ms. Ricci provide that if any of the payments or benefits to be provided thereunder or otherwise upon termination of employment are deemed to constitute a parachute payment within the meaning of Section 280G of the Internal Revenue Code, then the payments and benefits shall be reduced by the minimum amount necessary so that no excise taxes are triggered under Section 4999 of the Internal Revenue Code.

The employment agreements also provide that during the term of the employment agreement and for the 12-month (24-month in the case of Mr. Cirucci) period immediately following termination, the executive will not (i) solicit or induce, or cause others to solicit or induce, any employee of Alliance or any of its affiliates or subsidiaries to leave the employment of such entities, or (ii) solicit any customer of Alliance or any of its affiliates or subsidiaries to transact business with any corporation, partnership or other entity which is engaged in any line of business conducted by Alliance or any of its affiliates or subsidiaries during such period, including but not limited to entities which lend money and take deposits, or to reduce or refrain from doing any business with Alliance or its affiliates or subsidiaries, or interfere with or damage any relationship between Alliance or its affiliates or subsidiaries and any such customers.

Alliance's employment agreements with Messrs. Cirucci and Meier are generally superseded by the Separation Agreements, except that certain sections in the existing employment agreements are preserved, including the right of such executives to a Section 280G gross-up payment if excise taxes are triggered. Upon termination of their employment in connection with or following completion of the merger, Mr. McGrath and Ms. Ricci will receive lump sum cash payments estimated to be approximately \$505,000 and \$460,000, respectively, plus continuation of insurance benefits.

*Existing Supplemental Retirement Agreements*

Alliance Bank currently maintains a supplemental executive retirement plan for Messrs. Cirucci and Meier. The supplemental retirement plan provides supplemental annual payments for the life of the participant commencing upon retirement. The supplemental annual payments under this plan are \$108,261 and \$72,263 for Messrs. Cirucci and Meier, respectively. If an executive has less than 18 years of service at the time of retirement, the annual payments are pro-rated. Messrs. Cirucci and Meier had 31 and 19 years of service, respectively, at December 31, 2014. If the executive's employment is terminated concurrently with or within one year following a change in control, then the executive is entitled to receive a lump sum payment approximately six months following such termination of employment, with the lump sum representing the present value of the payments over the remaining life expectancy of the executive based on the applicable IRS mid-term rate.

*Separation, Non-Competition and Consulting Agreements*

In connection with entry into the merger agreement, WSFS and Alliance entered into separation, non-competition and consulting agreements, or the Separation Agreements, with each of Messrs. Cirucci and Meier. The Separation Agreements will become effective upon consummation of the merger. The Separation Agreements provide for lump sum separation payments to Messrs. Cirucci and Meier totaling \$1,053,955 and \$487,667, respectively, within 10 business days following consummation of the merger, as well as provision by WSFS of health, life, disability and other insurance benefits on an ongoing basis for a period of time after the merger and transfer of title on company-provided automobiles to Messrs. Cirucci and Meier. Pursuant to the Separation Agreements, Messrs. Cirucci

and Meier will provide part-time consulting services upon WSFS' reasonable request for a period of six months following consummation of the Merger. Messrs. Cirucci and Meier will not participate in the commercial or retail banking business in a specified geographic region for periods of

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18 months and six months, respectively, following the consummation of the merger. Messrs. Cirucci and Meier also will not solicit either the customers of Alliance or the employees of WSFS or Alliance for periods of two years and one year, respectively, following consummation of the Merger. As consideration for performance of their ongoing obligations under the Separation Agreements, Messrs. Cirucci and Meier will receive additional lump sum payments of \$400,000 and \$90,000, respectively, within 10 business days following consummation of the Merger.

### *Indemnification and Insurance*

The merger agreement requires WSFS to use its reasonable best efforts to maintain for a period of six years after the effective time of the merger Alliance's existing directors' and officers' liability insurance policy, or policies of at least the same coverage and amounts and containing terms and conditions which are substantially no less advantageous than the current policy (or, with the consent of Alliance prior to the effective time of the merger, any other policy), with respect to claims arising from facts or events that occurred prior to the effective time of the merger, and covering such individuals who are currently covered by such insurance. In lieu of the insurance described in the preceding sentence, prior to the effective time of the merger, WSFS, or Alliance, in consultation with WSFS, may obtain a six-year tail prepaid policy providing coverage equivalent to such insurance. See The Merger Agreement Covenants and Agreements D&O Indemnification and Insurance beginning on page 75.

### *Cash Payment for Outstanding Alliance Stock Options*

Under the terms of the merger agreement, all Alliance stock options that are outstanding and unexercised at the time of the merger, whether or not vested, will be cancelled, and in lieu thereof the holders of such options will be paid in cash an amount equal to the product of (i) the number of shares of Alliance common stock subject to such option at the closing and (ii) an amount equal to the excess of \$22.00 over the exercise price per share of such option, net of any cash which must be withheld under federal and state income and employment tax requirements. As of the record date for the special meeting, the directors and executive officers of Alliance as a group held options to purchase an aggregate of 226,400 shares of Alliance common stock. If none of such options are exercised prior to completion of the merger, the directors and executive officers of Alliance as a group will receive an aggregate of approximately \$2.5 million upon cancellation of their stock options.

### *Accelerated Vesting of Alliance RRP Awards*

Consistent with the terms of the pre-existing Alliance RRP, the merger agreement provides that, at the effective time of the Alliance merger, each outstanding Alliance RRP award that has not yet vested will become fully vested and converted into the right to receive the Merger Consideration for the vested shares in accordance with the merger agreement, and all such outstanding shares underlying Alliance RRP awards will become fully vested immediately prior to the effective time of the Alliance merger. See Quantification of Accelerated Vesting of Equity Awards below for the amounts to be received by the directors and executive officers of Alliance.



**Table of Contents***Quantification of Accelerated Vesting of Equity Awards*

The following table quantifies the potential estimated value of the equity acceleration that Alliance's executive officers and non-employee directors may receive in connection with the merger, assuming the merger is completed in the fourth quarter of 2015, as anticipated. The table does not include the values associated with unvested stock options and Alliance RRP awards that are scheduled to vest prior to the fourth quarter of 2015 or the values associated with currently vested stock options.

	Accelerated Stock Options		Accelerated Alliance RRP Awards		Total (\$)
	Aggregate Number of Unvested Stock Options Subject to Acceleration	Aggregate Value of Accelerated Stock Options (\$) <sup>(1)</sup>	Aggregate Number of Alliance RRP Awards Subject to Acceleration	Aggregate Value of Accelerated Alliance RRP Awards (\$) <sup>(2)</sup>	
<b>Executive Officers</b>					
Dennis D. Cirucci	13,300	\$ 145,635	9,400	\$ 206,800	\$ 352,435
Peter J. Meier	6,650	72,818	4,400	96,800	169,618
William T. McGrath	4,750	52,013	3,000	66,000	118,013
Suzanne J. Ricci	6,650	72,818	4,200	92,400	165,218
<b>Directors</b>					
J. William Cotter Jr.	2,670	29,237	2,060	45,320	74,557
Timothy E. Flatley	2,670	29,237	2,060	45,320	74,557
William E. Hecht	3,250	35,588	2,180	47,960	84,548
Howard Henick					
Philip K. Stonier	2,670	29,237	2,060	45,320	74,557
R. Cheston Woolard	2,670	29,237	2,060	45,320	74,557

- (1) To estimate the potential incremental value of the accelerated Alliance common stock options, the number of shares of Alliance common stock issuable upon exercise of the stock options subject to acceleration is multiplied by \$22.00 per share less the applicable exercise price per share.
- (2) To estimate the potential value of the accelerated Alliance RRP awards, the aggregate number of shares subject to acceleration is multiplied by \$22.00 per share.

*Benefits upon Termination of the Alliance Employee Stock Ownership Plan*

The merger agreement provides that Alliance will terminate the Alliance ESOP, effective immediately prior to the effective time of the merger, with all account balances to be fully vested. As of the effective time of the merger, all shares of Alliance common stock held by the Alliance ESOP will be converted into the right to receive the Merger Consideration. The trustees of the plan will use the Merger Consideration received with respect to the unallocated shares of Alliance common stock held by the Alliance ESOP to first repay the then outstanding loans to the Alliance ESOP, with the remaining Merger Consideration received with respect to such shares to then be allocated pro rata to all participants in the Alliance ESOP who are either in active service or on a recognized leave of absence as of the date

the merger is completed, based on their account balances as of January 1, 2015. As soon as practicable following the later of the effective time of the merger or the receipt of a favorable determination letter from the IRS, all account balances in the Alliance ESOP shall be either distributed to participants and beneficiaries or rolled over to an eligible tax-qualified retirement plan or individual retirement account as a participant or beneficiary may direct, provided that holders of account balances whose employment is terminated may elect to roll over or receive a distribution of their account balance prior to the receipt of the IRS determination letter. Each of Alliance's executive officers will receive a benefit in connection with the termination of the Alliance ESOP. Based on account balances as of January 1, 2015, the estimated value of the additional benefit that Messrs. Cirucci, Meier and McGrath and Ms. Ricci would receive as a result of termination of the Alliance ESOP is approximately \$175,000, \$114,000, \$35,000 and \$82,000, respectively, if such termination occurred in the second quarter of 2015.

**Table of Contents***Golden Parachute Compensation*

The table below sets forth the information required by Item 402(t) of Regulation S-K regarding the compensation for each of Alliance's named executive officers, assuming that (i) a change of control of Alliance will occur in the fourth quarter of 2015 upon completion of the merger, (ii) the value of the Stock Consideration is \$22.00 per share, which is the fixed value of the Cash Consideration, and (iii) except as noted below, each such named executive officer's employment will be terminated (without cause or for good reason) upon completion of the merger. The amounts below are based on multiple assumptions that may not actually occur. Additionally, certain amounts will vary depending on the date the merger is completed. As a result, the actual amounts, if any, received by an executive officer may differ in material respects from the amounts shown below.

Name	Golden Parachute Compensation					
	Cash(\$) <sup>(1)</sup>	Equity(\$) <sup>(2)</sup>	Pension/ NQDC <sup>(3)</sup>	Perquisites/ Benefits(\$) <sup>(4)</sup>	Other(\$) <sup>(5)</sup>	Total(\$) <sup>(6)</sup>
Dennis D. Cirucci	\$ 1,053,955	\$ 934,975	\$ 136,698	\$ 75,016	\$ 400,000	\$ 2,600,644
Peter J. Meier	487,667	460,887	115,688	87,485	90,000	1,241,727
William T. McGrath	504,649	326,063		42,258		872,970

- (1) For Messrs. Cirucci and Meier, represents the separation amounts payable to them pursuant to their Separation Agreements entered into with WSFS and Alliance, which quantified the amounts payable to them under their respective employment agreements with Alliance. Their employment agreements with Alliance provide that the lump sum cash severance under such agreements would be paid upon a termination of employment concurrently with or following completion of the merger (i.e., a double-trigger arrangement). The cash severance for Mr. McGrath represents the amount payable to him under his employment agreement with Alliance if his employment is terminated in connection with or following completion of the merger, which severance is deemed to be a double-trigger arrangement.
- (2) Represents the value of the vested and unvested stock options and unvested restricted stock awards held by Messrs. Cirucci, Meier and McGrath. The value of the vested and unvested stock options is \$728,175, \$364,087 and \$260,063 for each of Messrs. Cirucci, Meier and McGrath, respectively, based on the merger agreement, which provides that stock options which remain unexercised immediately prior to the completion of the merger will be cashed out based upon the positive difference between the Cash Consideration of \$22.00 per share and the exercise price per share of the unexercised stock options. The value of the unvested restricted stock awards is estimated to be \$206,800, \$96,800 and \$66,000 for each of Messrs. Cirucci, Meier and McGrath, respectively, based on the Merger Consideration being \$22.00 per share of Alliance common stock. The restricted stock amounts exclude awards scheduled to vest prior to completion of the merger. If the shares covered by the unvested restricted stock awards are exchanged for the Stock Consideration rather than the Cash Consideration, then the value of such shares could be higher or lower. All of the unvested stock options and unvested restricted stock awards will become fully vested upon completion of the merger even if the executive's employment is not terminated. This accelerated vesting is considered to be a single-trigger arrangement.
- (3) Represents the increase in the estimated present value of the benefits of Messrs. Cirucci and Meier under their Supplemental Executive Retirement Agreements, or the SERP agreements, with Alliance as a result of calculating the lump sum values of their lifetime benefits using 120% of the applicable IRS mid-term rate rather than 120% of the long-term rate. The SERP agreements provide for the retirement benefits to be paid for each executive's life, except that lump sum payments will be made if the employment of such executives is terminated in connection with or within one year following a change of control. The present value of the increase in benefits

was calculated using 120% of the IRS applicable federal discount rates in effect for April 2015, which will be updated to reflect the rates in effect for the month in which the merger is completed. The increase in the SERP benefits is deemed to be a double-trigger arrangement.

- (4) Represents the sum of (a) the projected cost of providing the executives with continued participation in all health insurance, dental insurance, life insurance, and disability and accident insurance for a specified period for each of Messrs. Cirucci, Meier and McGrath, in each case at no cost to the executives, and (b) for Messrs. Cirucci and Meier, the estimated value of the company-owned automobiles driven by them, with the

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title to such automobiles to be transferred to them upon completion of the merger. If the executive obtains full-time employment with another employer during such period and is entitled to receive substantially similar benefits from the subsequent employer, or if the executive dies during such period, then the continued coverage will cease. The projected costs assume the insurance premiums increase by 10% each year, and the amounts have been discounted to present value based on 120% of the IRS applicable federal discount rates in effect for April 2015, which rates will also be updated to reflect the rates in effect for the month in which the merger is completed. The employment agreements that Messrs. Cirucci, Meier and McGrath have with Alliance provide for a continuation of the insurance benefits in the event of a termination of employment concurrently with or following completion of the merger (i.e., a double-trigger arrangement). The estimated value of the automobiles for Messrs. Cirucci and Meier is approximately \$68,000 and \$43,000, respectively, and such amounts may be deemed to be a single-trigger arrangement.

- (5) Represents the lump sum payments to be made within 10 business days following completion of the merger to Messrs. Cirucci and Meier as consideration for performing their ongoing obligations under the Separation Agreements. These agreements will become effective only upon completion of the merger, at which time the employment of Messrs. Cirucci and Meier will be terminated. These payments are deemed to be a double-trigger arrangement.
- (6) This column includes with respect to Messrs. Cirucci, Meier and McGrath, \$1,002,975, \$503,887 and \$326,063, respectively, which may be deemed to be attributable to a single-trigger arrangement, while \$1,597,669, \$737,840 and \$546,907, respectively, of the amount is attributable to a double-trigger arrangement. The amounts in this column exclude the value of other vested benefits under the Alliance ESOP, Alliance 401(k) Plan and the SERP agreements. If the payments and benefits to Messrs. Cirucci or Meier pursuant to their Separation Agreements would constitute a parachute payment under Section 280G of the Internal Revenue Code, then each of the Separation Agreements preserve the right of such executives under their current employment agreements with Alliance to be reimbursed for any resulting excise taxes payable by such executive, plus such additional amount as may be necessary to compensate such executive for the payment of federal, state and local income, excise and other employment-related taxes on the additional payments. Based upon the various assumptions made, no excise tax reimbursements or gross-up payments to Messrs. Cirucci or Meier are expected to be required.

**Public Trading Markets**

WSFS common stock is listed on the NASDAQ Global Select market under the symbol WSFS . Alliance common stock is listed on NASDAQ Global Market under the symbol ALLB . The newly issued WSFS common stock issuable pursuant to the merger agreement will be listed on the NASDAQ Global Select Market and freely transferable under the Securities Act.

**NASDAQ Listing of WSFS Common Stock**

Before the effective time of the merger, WSFS has agreed to use its reasonable best efforts to cause the shares of WSFS common stock to be issued in the merger to be approved for listing on the NASDAQ Global Select Market. The listing of the shares of WSFS common stock is also a condition to the consummation of the merger.

**Regulatory Approvals Required for the Merger**

WSFS and Alliance have agreed to use their reasonable best efforts to obtain all regulatory approvals, consents, non-objections and waivers required to complete the transactions contemplated by the merger agreement; provided, that in no event will WSFS be required to accept any new restriction or condition on WSFS or its subsidiaries which is materially and unreasonably burdensome on WSFS business or on the business of Alliance or its subsidiaries following the closing or which would reduce the economic benefits of the transactions contemplated by the merger

agreement to WSFS to such a degree that WSFS would not have entered into the merger agreement had such condition or restriction been known to it on the date of the merger agreement, which

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is referred to as a burdensome condition. These approvals include approval from the OCC, among others. WSFS and Alliance have filed, or are in the process of filing, the applications, notices, requests and letters necessary to obtain the required regulatory determinations.

*Office of the Comptroller of the Currency.* Simultaneously with the merger, WSFS intends to merge Alliance Bank with and into WSFS Bank, with WSFS Bank as the surviving entity. Consummation of the bank subsidiary merger is subject to receipt of the approval of the OCC under the Bank Merger Act. Application for approval of the bank subsidiary merger will be subject to a 30-day public notice and comment period, as well as review and approval by the OCC. In evaluating an application filed under the Bank Merger Act, the OCC generally considers the financial and managerial resources of the banks, the convenience and needs of the community to be served, the banks' effectiveness in combating money-laundering activities as well as the import of the transaction on financial stability. In connection with its review, the OCC will provide an opportunity for public comment on the application for the bank subsidiary merger, and is authorized to hold a public meeting or other proceeding if they determine that would be appropriate. In addition, WSFS Bank intends to declare and pay a capital distribution to WSFS to facilitate WSFS' payment of the Cash Consideration to Alliance shareholders. Payment of this capital distribution is subject to review and approval by the OCC and non-objection by the Federal Reserve Bank of Philadelphia.

*Federal Reserve.* The merger of WSFS with Alliance represents WSFS' acquisition of a federally registered savings and loan holding company. Under the Home Owners' Loan Act of 1933, as amended, prior approval of the Federal Reserve is generally required prior to any company or entity acquiring an existing savings and loan holding company, like Alliance. There are, however, certain exceptions from this prior approval requirement, including an exception for transactions involving simultaneous mergers approved by a federal banking agency under the Bank Merger Act, where certain conditions are met. WSFS plans to provide a letter filing to the Federal Reserve Bank of Philadelphia in advance of the merger explaining how the parties and the merger meet the requirements for the exception and request that the Federal Reserve Bank of Philadelphia waive the prior approval requirement. In the event that the Federal Reserve Bank of Philadelphia determines that either the parties or the merger does not qualify for this exception to the prior approval requirement of the Home Owners' Loan Act, we will be required to file an application with the Federal Reserve Bank of Philadelphia formally requesting approval of the merger.

*Pennsylvania Department of Banking and Securities.* Under Pennsylvania law, we are required to obtain approval of the Department for WSFS to acquire Alliance Bank, and to provide notice to the Department regarding the bank subsidiary merger.

*Timing.* We cannot assure you that all of the regulatory approvals and waivers described above will be obtained and, if obtained, we cannot assure you as to the timing of any such regulatory determinations, our ability to obtain the approvals and waivers on satisfactory terms or the absence of any litigation challenging such approvals or waivers. We also cannot assure you that any third party will not attempt to challenge the merger on antitrust grounds, and, if such a challenge is made, we cannot assure you as to its result.

WSFS and Alliance believe that the merger does not raise substantial antitrust or other significant regulatory concerns and that we will be able to obtain all requisite regulatory approvals on a timely basis without the imposition of any condition that would have a material adverse effect on WSFS or Alliance. The parties' obligation to complete the merger is conditioned upon the receipt of all required regulatory approvals.

We are not aware of any material governmental approvals, waivers or actions that are required for consummation of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals, waivers or actions are required, those approvals or actions will be sought. There can be no assurance, however, that any additional approvals or actions will be obtained.





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**Delisting and Deregistration of Alliance Common Stock**

If the merger is completed, Alliance common stock will be delisted from the NASDAQ Global Market and deregistered under the Exchange Act, and Alliance will no longer file periodic and current reports with the SEC.

Prior to the closing of the merger, Alliance has agreed to cooperate with WSFS to take all actions reasonably necessary, proper or advisable on its part under applicable laws and rules and regulations of The NASDAQ Stock Market LLC to enable such delisting and deregistration.

**Litigation Relating to the Merger**

Four purported shareholder derivative and class action complaints relating to the merger have been filed. These actions, Parshall v. Stonier et al. (filed on April 20, 2015 and amended on May 8, 2015), Sloss v. Cirucci et al. (filed on May 4, 2015), Hewes v. Cirucci et al. (filed on May 4, 2015) and Rubin v. Stonier et al. (filed May 8, 2015) were all filed in the Court of Common Pleas of Delaware County, Pennsylvania. The complaints name as defendants Alliance, its directors and certain of its officers, and WSFS. The complaints in the merger litigation allege that the members of the Alliance board of directors breached their fiduciary duties to Alliance shareholders by approving the merger for inadequate consideration, approving the transaction in order to obtain benefits for Alliance directors and officers that are not equally shared by other Alliance shareholders, entering into a merger agreement allegedly containing preclusive deal protection terms, and failing to take steps to maximize the value to be paid to the Alliance shareholders. The complaints also allege claims against WSFS for aiding and abetting these alleged breaches of fiduciary duties. The complaints also challenge the adequacy of the disclosures concerning the transaction in this proxy statement/prospectus. The plaintiffs in these actions seek, among other things, preliminary and permanent injunctive relief prohibiting consummation of the merger, rescission or rescissory damages in the event the merger is consummated, damages, attorneys fees and costs, and other and further relief. Each of the defendants believes the claims asserted in these actions are without merit and intends to vigorously defend against this lawsuit. However, at this time, it is not possible to predict the outcome of the proceedings or their impact on Alliance, WSFS or the merger.

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**THE MERGER AGREEMENT**

*The following describes certain material provisions of the merger agreement, but does not describe all of the terms of the merger agreement and may not contain all of the information about the merger agreement that is important to you. The following description of the merger agreement is subject to, and qualified in its entirety by reference to, the merger agreement, which is attached to this proxy statement/prospectus as Annex I and is incorporated by reference into this proxy statement/prospectus. We urge you to read the merger agreement carefully and in its entirety, as it is the legal document governing the merger.*

**Structure of the Merger**

Each of the Alliance board of directors and the WSFS board of directors has approved the merger agreement, which provides for the merger of Alliance with and into WSFS, with WSFS continuing as the surviving corporation.

*The Merger Consideration*

As a result of the merger, each share of Alliance common stock issued and outstanding immediately prior to the merger will be converted, at the election of the shareholder, into the right to receive either (i) the Cash Consideration, or (ii) the Stock Consideration, and together with the Cash Consideration, we refer to as the Merger Consideration. Each holder of Alliance common stock is entitled to elect the form of the Merger Consideration that he or she would like to receive for his or her shares of Alliance common stock. All such elections are subject to adjustment on a pro rata basis.

Each option granted by Alliance to purchase shares of Alliance common stock under Alliance's stock option plan, whether vested or unvested, that is outstanding and unexercised immediately prior to the consummation of the merger will be converted into the right to receive from WSFS a cash payment equal to the difference, if positive, between \$22.00 and the exercise price of such option multiplied by the number of shares of Alliance common stock subject to such option and net of any required federal, state or local withholding taxes. Any such option with an exercise price that equals or exceeds \$22.00 will be canceled, with no consideration being paid to the option holder therefor.

*Fractional Shares*

WSFS will not issue any fractional shares of WSFS common stock in the merger. Instead, an Alliance shareholder who otherwise would have been entitled to receive a fraction of a share of WSFS common stock will receive, in lieu thereof, an amount in cash rounded to the nearest cent. This cash amount will be determined by multiplying the fraction of a share of WSFS common stock to which the holder would otherwise be entitled by \$22.00.

*Proration*

The terms of the merger agreement provide that the aggregate amount of the Cash Consideration that holders of Alliance common stock are entitled to receive is the Maximum Cash Contribution. As a result, all elections may be subject to proration depending on the elections made by other holders of Alliance common stock if the Maximum Cash Contribution is undersubscribed or oversubscribed. Proration will be applied so that ultimately 30% of the shares of Alliance common stock are treated as Cash Election Shares and 70% of the shares of Alliance common stock are treated as Stock Election Shares.

For example, if the aggregate Cash Consideration payable to holders of Cash Election Shares is in excess of the Maximum Cash Contribution, all of the Non-Election Shares will be treated as Stock Election Shares and a number of

Cash Election Shares will be converted into Stock Election Shares until the Maximum Cash

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Contribution is no longer oversubscribed. If the aggregate Cash Consideration payable to holders of Cash Election Shares is less than the Maximum Cash Contribution, a number of Non-Election Shares will be treated as Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed and, if necessary, a number of Stock Election Shares will be converted into Cash Election Shares until the Maximum Cash Contribution is no longer undersubscribed.

### *Treatment of Alliance Stock Options*

Upon completion of the merger, each Alliance stock option will be automatically cancelled and converted into the right to receive from WSFS a cash payment equal to the difference, if positive, between the Cash Consideration and the exercise price of the Alliance stock option multiplied by the number of shares of Alliance common stock subject to such option and net of any required federal, state or local withholding taxes. The exercise prices per share of all of the Alliance stock options are equal to or greater than the Cash Consideration, and, therefore, all unexercised Alliance stock options will receive a cash payment in connection with the merger.

### *Treatment of Alliance RRP Awards*

Consistent with the terms of the pre-existing Alliance RRP, the merger agreement provides that, at the effective time of the Alliance merger, each outstanding award under the Alliance RRP that has not yet vested will become fully vested and converted into the right to receive the Merger Consideration for the vested shares of Alliance common stock in accordance with the merger agreement.

### *Surviving Corporation, Governing Documents and Directors*

At the effective time of the merger, WSFS' certificate of incorporation and bylaws in effect immediately prior to the effective time will be the certificate of incorporation and bylaws of WSFS as the surviving corporation of the merger, until thereafter amended in accordance with their respective terms and applicable law. At the effective time of the merger, the WSFS board of directors immediately prior to the effective time of the merger will be the WSFS board of directors as the surviving corporation of the merger.

## **Bank Subsidiary Merger**

Simultaneously with the effective time of the merger, Alliance Bank will merge with and into WSFS Bank, with WSFS Bank continuing as the surviving corporation of the merger.

## **Closing and Effective Time of the Merger**

The merger will be completed only if all conditions to the merger discussed in this proxy statement/prospectus and set forth in the merger agreement are either satisfied or waived (subject to applicable laws). See "Conditions to Consummation of the Merger" beginning on page 78.

The merger will become effective on the date and at the time specified in the articles of merger to be filed with the Secretary of State of the Commonwealth of Pennsylvania and in the certificate of merger to be filed with the Secretary of State of the State of Delaware. In the merger agreement, we have agreed to cause the effective time of the merger to occur on the third business day following the satisfaction or waiver (subject to applicable laws) of the last of the conditions specified in the merger agreement, or on another mutually agreed date. It currently is anticipated that the effective time of the merger will occur in the fourth quarter of 2015, subject to the receipt of regulatory approvals and waivers and other customary closing conditions, but we cannot guarantee when or if the merger will be completed.

**Conversion of Shares; Exchange of Certificates**

The conversion of Alliance common stock into the right to receive the Merger Consideration will occur automatically at the effective time of the merger. Promptly after the effective time of the merger, the exchange

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agent will exchange certificates or book-entry shares representing shares of Alliance common stock for the Merger Consideration to be received pursuant to the terms of the merger agreement.

### *Form of Election/Letter of Transmittal*

WSFS shall appoint an exchange agent reasonably acceptable to Alliance, for the purpose of receiving elections and exchanging shares of Alliance common stock for the Merger Consideration, pursuant to an exchange agent agreement entered into between WSFS and the exchange agent. Each holder of Alliance common stock issued and outstanding shall have the right, subject to certain limitations set forth in the merger agreement, to submit an election as to the type of Merger Consideration they would like to receive on or prior to 5:00 p.m. local time (in the city in which the principal office of the exchange agent is located) on the date that is 30 days following the closing date of the merger, which date is referred to as the election deadline. WSFS shall issue a press release announcing the anticipated date of the election deadline not more than 10 business days before, and at least five business days prior to, the election deadline.

Each holder of Alliance common stock may specify in a form of election/letter of transmittal, (i) the number of shares of Alliance common stock owned by such holder with respect to which such holder desires to make a Stock Election and (ii) the number of shares of Alliance common stock owned by such holder with respect to which such holder desires to make a Cash Election.

A form of election/letter of transmittal will be prepared by WSFS in a form reasonably acceptable to Alliance which shall be mailed or delivered to record holders of Alliance common stock as of the record date for the Alliance shareholder meeting not more than five business days following consummation of the merger.

Any holder of Alliance common stock may, at any time prior to the election deadline, change or revoke his or her election by written notice received by the exchange agent prior to the election deadline accompanied by a properly completed and signed revised form of election/letter of transmittal or by withdrawal prior to the election deadline of his or her certificates representing shares of Alliance common stock, or of the guarantee of delivery of such certificates, or any documents in respect of shares of Alliance common stock held in book-entry form, previously deposited with the exchange agent. Subject to the terms of the exchange agent agreement and the merger agreement, the exchange agent shall have reasonable discretion to determine if any election is not properly made with respect to any shares of Alliance common stock (neither WSFS nor Alliance nor the exchange agent being under any duty to notify any holder of Alliance common stock of any such defect); in the event the exchange agent makes such a determination, such election shall be deemed to be not in effect, and the shares of Alliance common stock covered by such election shall be deemed to be Non-Electing Shares, unless a proper election is thereafter timely made with respect to such shares. After the effective time of the merger, there will be no further transfers on the stock transfer books of Alliance.

### *Withholding*

WSFS and the exchange agent will be entitled to deduct and withhold from the consideration otherwise payable pursuant to the merger agreement to any Alliance shareholder the amounts, if any, it is required to deduct and withhold under the Code or any provision of state, local or foreign tax law. To the extent that any amounts are so withheld, these amounts will be treated for all purposes of the merger agreement as having been paid to Alliance shareholders in respect of which such deduction and withholding was made.

### *Dividends and Distributions*

Whenever a dividend or other distribution is declared by WSFS on WSFS common stock, the record date for which is at or after the effective time of the merger, the declaration will include dividends or other distributions on all shares of WSFS common stock issuable pursuant to the merger agreement, but such dividends or other distributions will not be paid to the holder thereof until such holder has duly surrendered its Alliance common stock certificates or book-entry shares in accordance with the merger agreement.

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WSFS and Alliance will coordinate with each other such that Alliance shareholders do not receive two dividends, or fail to receive one dividend, in any quarter with respect to their shares of Alliance common stock and any shares of WSFS common stock that such shareholders receive in exchange for Alliance common stock in the merger.

**Representations and Warranties**

In the merger agreement, Alliance has made customary representations and warranties to WSFS with respect to, among other things:

the due organization, valid existence, good standing and corporate power and authority of Alliance and Alliance Bank;

Alliance's authority to enter into the merger agreement and to complete the transactions contemplated by the merger agreement (subject to receipt of the vote of a majority of the votes cast, in person or by proxy, by all Alliance shareholders entitled to vote at the Alliance special meeting) and the enforceability of the merger agreement against Alliance in accordance with its terms;

the absence of conflicts with or breaches of Alliance's or its subsidiaries' governing documents, certain agreements or applicable laws as a result of entering into the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

the required consents of regulatory authorities in connection with the transactions contemplated by the merger agreement;

the capitalization of Alliance and Alliance Bank, including in particular the number of shares of Alliance common stock and Alliance Bank common stock issued and outstanding;

Alliance has no subsidiaries other than Alliance Bank and indirect ownership through Alliance Bank of Alliance Delaware Corp., Alliance Financial and Investment Services LLC and 908 Hyatt Street LLC.

reports filed with regulatory authorities;

financial matters;

the absence of undisclosed liabilities;



the absence since December 31, 2013 of an event that has had, or would be reasonably likely to have, individually or in the aggregate, a material adverse effect on Alliance and the conduct by Alliance and its subsidiaries of their respective businesses in the ordinary and usual course of business consistent with past practice since December 31, 2013;

tax matters;

the assets of Alliance and its subsidiaries;

intellectual property and privacy matters;

environmental matters;

compliance with laws, orders and permits;

compliance with the Community Reinvestment Act of 1977, which is referred to as the Community Reinvestment Act, and the regulations promulgated thereunder;

compliance with the Foreign Corrupt Practices Act of 1977, as amended;

labor relations;

matters relating to employee benefit plans and ERISA;

matters with respect to certain of Alliance's contracts;

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derivative transactions entered into for the account of Alliance and its subsidiaries;

legal proceedings;

reports filed with regulatory authorities other than the SEC since January 1, 2011;

investment securities;

the accuracy of the information supplied by Alliance in this proxy statement/prospectus;

the inapplicability of state anti-takeover statutes;

receipt by the Alliance board of directors of the fairness opinion from KBW;

lack of action by Alliance that is reasonably likely to prevent the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code, or materially impede or delay receipt of any of the requisite regulatory approvals;

loan matters;

deposits;

allowance for loan and lease losses;

insurance matters;

the absence of sanctions imposed by the U.S. Department of the Treasury's Office of Foreign Assets Control;

the absence of undisclosed brokers' fees and expenses; and

affiliate transactions.

In the merger agreement, WSFS made customary representations and warranties to Alliance with respect to, among other things:

the due organization, valid existence, good standing and corporate power and authority of WSFS;

WSFS authority to enter into the merger agreement and to complete the transactions contemplated by the merger agreement and the enforceability of the merger agreement against WSFS in accordance with its terms;

the absence of conflicts with or breaches of WSFS governing documents, certain agreements or applicable laws as a result of entering into the merger agreement and the consummation of the merger and the other transactions contemplated by the merger agreement;

the required consents of regulatory authorities in connection with the transactions contemplated by the merger agreement;

WSFS capitalization, including in particular the number of shares of WSFS common stock issued and outstanding;

WSFS SEC filings since December 31, 2011, including financial statements contained therein;

internal controls and compliance with the Sarbanes-Oxley Act of 2002;

the absence of undisclosed liabilities;

the absence since December 31, 2013 of a material adverse effect on WSFS;

tax matters;

compliance with laws, orders and permits;

legal proceedings;

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reports filed with regulatory authorities other than the SEC since December 31, 2011;

the accuracy of the information supplied by WSFS in this proxy statement/prospectus;

ownership of Alliance common stock; and

the absence of undisclosed brokers' fees and expenses.

Many of the representations and warranties in the merger agreement made by Alliance and WSFS are qualified by a materiality or material adverse effect standard (that is, they will not be deemed to be untrue or incorrect unless their failure to be true or correct, individually or in the aggregate, would, as the case may be, be material to or have a material adverse effect on Alliance or WSFS, as applicable).

Under the merger agreement, a material adverse effect is defined, with respect to a party, any fact, circumstance, event, change, effect, development or occurrence that, individually or in the aggregate together with all other facts, circumstances, events, changes, effects, developments or occurrences, directly or indirectly, has had or would reasonably be expected to result in a material adverse effect on the condition (financial or otherwise), results of operations, assets, liabilities or business of such party and its subsidiaries taken as a whole, but does not include effects to the extent resulting from the following:

changes after the date of the merger agreement in GAAP or regulatory accounting requirements;

changes after the date of the merger agreement in laws of general applicability to companies in the financial services industry;

changes after the date of the merger agreement in global, national or regional political conditions or general economic or market conditions in the United States (and with respect to the Alliance, the Commonwealth of Pennsylvania, and with respect to WSFS, the State of Delaware), including changes in prevailing interest rates, credit availability and liquidity, currency exchange rates, and price levels or trading volumes in the United States or foreign securities markets) affecting other companies in the financial services industry;

after the date of the merger agreement, general changes in the credit markets or general downgrades in the credit markets;

failure, in and of itself, to meet earnings projections or internal financial forecasts, but not including any underlying causes thereof unless separately excluded under the merger agreement, or changes in the trading price of a party's common stock, in and of itself, but not including any underlying causes unless separately excluded under the merger agreement;

the public disclosure of the merger agreement and the impact thereof on relationships with customers or employees;

any outbreak or escalation of hostilities, declared or undeclared acts of war or terrorism; or

actions or omissions taken with the prior written consent of the other party or expressly required by the merger agreement; except to the extent that the effects of such change disproportionately affect such party and its subsidiaries, taken as a whole, as compared to other companies in the industry in which such party and its subsidiaries operate, or (2) prevents or materially impairs the ability of such party to timely consummate the transactions contemplated by the merger agreement.

The representations and warranties in the merger agreement do not survive the effective time of the merger and, as described below under Effect of Termination, if the merger agreement is validly terminated, the merger agreement will become void and have no effect (except with respect to designated provisions of the merger agreement, including those related to payment of fees and expenses and the confidential treatment of information), unless a party breached the merger agreement.

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This summary and the copy of the merger agreement attached to this proxy statement/prospectus as Annex I are included solely to provide investors with information regarding the terms of the merger agreement. They are not intended to provide factual information about the parties or any of their respective subsidiaries or affiliates. The foregoing discussion is qualified in its entirety by reference to the merger agreement. The merger agreement contains representations and warranties by WSFS and Alliance, which were made only for purposes of that agreement and as of specific dates. The representations, warranties and covenants in the merger agreement were made solely for the benefit of the parties to the merger agreement, may be subject to limitations agreed upon by the contracting parties, including being qualified by confidential disclosures made for the purposes of allocating contractual risk between the parties to the merger agreement instead of establishing these matters as facts, and may be subject to standards of materiality applicable to the contracting parties that differ from those generally applicable to investors. Investors are not third-party beneficiaries under the merger agreement, and in reviewing the representations, warranties and covenants contained in the merger agreement or any descriptions thereof in this summary, it is important to bear in mind that such representations, warranties and covenants or any descriptions thereof were not intended by the parties to the merger agreement to be characterizations of the actual state of facts or condition of WSFS, Alliance or any of their respective subsidiaries or affiliates. Moreover, information concerning the subject matter of the representations, warranties and covenants may change after the date of the merger agreement, which subsequent information may or may not be fully reflected in WSFS and Alliance's public disclosures. For the foregoing reasons, the representations, warranties and covenants or any descriptions of those provisions should not be read alone and should instead be read in conjunction with the other information contained in the reports, statements and filings that WSFS publicly files with the SEC. For more information regarding these documents, see the section entitled "Where You Can Find More Information" beginning on page 147.

**Covenants and Agreements**

*Conduct of Businesses Prior to the Effective Time of the Merger.* Alliance has agreed that, prior to the effective time of the merger or termination of the merger agreement, unless the prior written consent of WSFS has been obtained, it will, and will cause its subsidiaries to, (1) operate its business only in the usual, regular and ordinary course, consistent with past practice, (2) use its reasonable best efforts to preserve intact its business organization and maintain its rights, authorizations, franchises, advantageous business relationships with customers, vendors, strategic partners, suppliers, distributors and others doing business with it, and the services of its officers and key employees and (3) take no action that would reasonably be expected to impede or materially delay the receipt of any required regulatory approvals or the consummation of the transactions contemplated by the merger agreement.

Additionally, Alliance has agreed that prior to the effective time of the merger or termination of the merger agreement, unless the prior written consent of WSFS has been obtained (which consent WSFS may not unreasonably withhold, condition or delay) and except for certain exceptions and as otherwise expressly contemplated in the merger agreement, Alliance will not, and will not permit any of its subsidiaries to, undertake the following actions or commit to undertake the following actions:

amend Alliance's articles of incorporation or bylaws or other governing documents of any of its subsidiaries;

incur, assume, guarantee, endorse or otherwise as an accommodation become responsible for any additional debt obligation or other obligation for borrowed money (other than indebtedness of Alliance to Alliance Bank or of Alliance to Alliance incurred in the ordinary course of business consistent with past practice);

repurchase, redeem, or otherwise acquire or exchange (other than in accordance with the terms of the merger agreement or the vesting of restricted stock awards), directly or indirectly, any shares, or any securities convertible into or exchangeable or exercisable for any shares, of the capital stock of any Alliance or any of its subsidiaries, or make, declare, pay or set aside for payment any dividend or set

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any record date for or declare or make any other distribution in respect of Alliance common stock or other equity interests (except for regular quarterly cash dividends by Alliance not in excess of \$0.06 per share of Alliance common stock);

issue, sell, pledge, dispose of, encumber, authorize or propose the issuance of, enter into any contract to issue, sell, pledge, dispose of, encumber, or authorize or propose the issuance of, or otherwise permit to become outstanding, any additional shares of Alliance common stock or any other capital stock of Alliance or any of its subsidiaries, or any stock appreciation rights, or any option, warrant, or other equity rights;

directly or indirectly adjust, split, combine or reclassify any capital stock or other equity interest of Alliance or any of its subsidiaries or issue or authorize the issuance of any other securities in respect of or in substitution for shares of Alliance common stock, or sell, transfer, lease, mortgage, permit any lien on, or otherwise dispose of, discontinue or otherwise encumber, (1) any shares of capital stock or other equity interests of Alliance or any of its subsidiaries (unless any such shares of capital stock or other equity interests are sold or otherwise transferred to Alliance or a wholly owned subsidiary of Alliance) or (2) any asset other than pursuant to contracts in force at the date of the merger agreement or sales of investment securities in the ordinary course of business consistent with past practice;

(i) except for purchases of investment securities in the ordinary course of business consistent with past practice, purchase any securities or make any acquisition of or investment in, either by purchase of stock or other securities or equity interests, contributions to capital, asset transfers, purchase of any assets (including any investments or commitments to invest in real estate or any real estate development project) or other business combination, or by formation of any joint venture or other business organization or by contributions to capital (other than by way of foreclosures or acquisitions of control in a fiduciary or similar capacity or in satisfaction of debts previously contracted in good faith, in each case in the ordinary course of business), any person other than Alliance Bank, or otherwise acquire direct or indirect control over any person or (ii) enter into a plan of consolidation, merger, share exchange, share acquisition, reorganization or complete or partial liquidation with any person (other than consolidations, mergers or reorganizations solely among wholly owned subsidiaries of Alliance), or a letter of intent, memorandum of understanding or agreement in principle with respect thereto;

(i) grant any increase in compensation or benefits to the employees or officers of Alliance or any of its subsidiaries, except (A) for merit-based or promotion-based increases in annual base salary or wage rate for employees (other than directors or executive officers of Alliance), in the ordinary course consistent with past practice that do not exceed, in the aggregate 3% of the aggregate cost of all employee annual base salaries and wages in effect as of the date of the merger agreement, or (B) as required by Law, (ii) pay any (x) severance or termination pay or (y) any bonus, in either case other than pursuant to Alliance's benefit plans in effect on the date of the merger agreement and in the case of (x) subject to receipt of an effective release of claims from the employee, and in the case of (y) to the extent required under the terms of the plan without the exercise of any upward discretion, (iii) enter into or amend any severance, change in control, retention, bonus guarantees, collective bargaining agreement or similar agreement or arrangement with employees or officers of Alliance or any of its subsidiaries, (iv) grant any increase in fees or other increases in compensation or other benefits to directors of Alliance or any of its subsidiaries, (v) waive any stock repurchase rights, or grant, accelerate, amend or change the period of exercisability of any equity rights or



restricted stock, or authorize cash payments in exchange for any equity rights, (vi) fund any rabbi trust or similar arrangement, (vii) terminate the employment or services of any officer or any employee whose annual base compensation is greater than \$75,000, other than for cause, or (viii) hire any officer, employee, independent contractor or consultant (who is a natural person) who has annual base compensation greater than \$75,000;

enter into, amend or renew any employment contract between Alliance or any of its subsidiaries and any person having a salary thereunder in excess of \$75,000 per year (unless such amendment is

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required by law) that Alliance or its subsidiary does not have the unconditional right to terminate without liability (other than liability for services already rendered), at any time on or after the effective time of the merger;

except as required by law and subject to certain exceptions, (i) adopt any new employee benefit plan of Alliance or any of its subsidiaries or terminate or withdraw from, or amend, any Alliance employee benefit plan, (ii) make any distributions from such employee benefit plans, except as required by the terms of such plans or (iii) fund or in any other way secure the payment of compensation or benefits under any Alliance employee benefit plan;

make any change in any tax or accounting principles, practices or methods or systems of internal accounting controls, except as may be required to conform to changes in regulatory accounting requirements or GAAP;

commence any litigation other than in the ordinary course of business consistent with past practice, or settle, waive or release or agree or consent to the issuance of any order in connection with any litigation (1) involving any liability of Alliance or any of its subsidiaries for money damages in excess of \$100,000 or (2) arising out of or relating to the transactions contemplated by the merger agreement;

enter into, renew, extend, modify, amend or terminate specified contracts;

enter into any new line of business or change in any material respect its lending, investment, risk and asset-liability management, interest rate, fee pricing or other material banking or operating policies (including any change in the maximum ratio or similar limits as a percentage of its capital exposure applicable with respect to its loan portfolio or any segment thereof);

make, or commit to make, any capital expenditures in excess of \$100,000 individually or \$250,000 in the aggregate;

except as required by law or applicable regulatory authorities, make any material changes in its policies and practices with respect to (i) underwriting, pricing, originating, acquiring, selling, servicing, or buying or selling rights to service loans, or (ii) its hedging practices and policies;

cancel or release any material indebtedness owed to any person or any claims held by any person, except for (1) sales of loans and sales of investment securities, in each case in the ordinary course of business consistent with past practice, or (2) as expressly required by the terms of any contracts in force at the date of the merger agreement;

permit the commencement of any construction of new structures or facilities upon, or purchase or lease any real property in respect of any branch or other facility, or make any application to open, relocate or close any

branch or other facility;

materially change or restructure its investment securities portfolio policy or its hedging practices or policies, or change its policies with respect to the classification or reporting of such portfolios, or invest in any mortgage-backed or mortgage-related securities which would be considered high-risk securities under applicable regulatory pronouncements or change its interest rate exposure through purchases, sales or otherwise, or the manner in which its investment securities portfolios are classified or reported;

alter materially its interest rate or fee pricing policies with respect to depository accounts of Alliance or Alliance Bank or waive any material fees with respect thereto;

make, change or revoke any material tax election, change any material method of tax accounting, adopt or change any taxable year or period, file any amended material tax returns, agree to an extension or waiver of any statute of limitations with respect to the assessment or determination of taxes, settle or compromise any material tax liability of Alliance or any of its subsidiaries, enter into any closing agreement with respect to any material tax or surrender any right to claim a material tax refund;

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take any action, or knowingly fail to take any action, which action or failure to act prevents or impedes, or could reasonably be expected to prevent or impede, the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

enter into any securitizations of any loans or create any special purpose funding or variable interest entity other than on behalf of clients;

foreclose upon or take a deed or title to any commercial real estate without first conducting a Phase I environmental assessment (except where such an assessment has been conducted in the preceding 12 months) of the property or foreclose upon any commercial real estate if such environmental assessment indicates the presence of hazardous material;

make or acquire any loan or issue a commitment (including a letter of credit) or renew or extend an existing commitment for any Loan, or amend or modify in any material respect any loan (including in any manner that would result in any additional extension of credit, principal forgiveness, or effect any uncompensated release of collateral, i.e., at a value below the fair market value thereof as determined by Alliance), except (i) new loans not in excess of \$3,000,000, (ii) loans or commitments for loans that have previously been approved by Alliance prior to the date of the merger agreement not in excess of \$3,000,000, (iii) with respect to amendments or modifications that have previously been approved by Alliance prior to the date of the merger agreement, amend or modify in any material respect any existing loan rated special mention or worse by Alliance, as rated by Alliance or by a regulatory authority of Alliance, with total credit exposure not in excess of \$1,000,000, or (iv) with respect to any such actions that have previously been approved by Alliance prior to the date of the merger agreement, modify or amend any loan in a manner that would result in any additional extension of credit, principal forgiveness, or effect any uncompensated release of collateral, i.e., at a value below the fair market value thereof as determined by Alliance, in each case not in excess of \$1,000,000; or

agree to take, make any commitment to take or adopt any resolutions of the Alliance board of directors in support of any of the above prohibited actions.

WSFS has agreed that prior to the effective time of the merger or termination of the merger agreement, unless the prior written consent of Alliance has been obtained (which consent Alliance may not unreasonably withhold, condition or delay) and except as otherwise expressly contemplated in the merger agreement, WSFS will not, and will not permit any of its subsidiaries to, among other things, undertake the following actions:

amend WSFS certificate of incorporation or bylaws or other governing documents of WSFS or its significant subsidiaries in a manner that would adversely affect Alliance or its shareholders relative to other holders of WSFS common stock;

take any action, or knowingly fail to take any action, which action or failure to act prevents or impedes, or could reasonably be expected to prevent or impede, the merger from qualifying as a reorganization within the meaning of Section 368(a) of the Code;

take any action that could reasonably be expected to impede or materially delay (i) the receipt of any approvals of any regulatory authority required to consummate the transactions contemplated by the merger agreement or (ii) the consummation of the transactions contemplated by the merger agreement; or

agree to take, make any commitment to take or adopt any resolutions of the WSFS board of directors in support of, any of the above prohibited actions.

*Regulatory Matters.* WSFS and Alliance have agreed to file all reports required to be filed with regulatory authorities between the execution of the merger agreement and the consummation of the merger contemplated thereby, and to deliver to the other party copies of all such reports promptly after the same are filed. If financial statements are contained in any such reports filed with the SEC, such financial statements will fairly present the consolidated financial position of the entity filing such statements as of the dates indicated and the consolidated

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results of operations, changes in stockholders' equity, and cash flows for the period then ended in accordance with GAAP (subject in the case of interim financial statements to normal recurring year-end adjustments that are not material).

*Tax Matters.* WSFS and Alliance have agreed to use their respective reasonable best efforts to cause the merger to qualify as a reorganization within the meaning of Section 368(a) of the Code, and to take no action that would cause the merger not to so qualify.

*Employee Matters.* The merger agreement provides that employees of Alliance or its subsidiaries generally will be eligible to receive benefits that are, as a whole, comparable to those provided to similarly situated WSFS employees. Additionally, employees of Alliance or its subsidiaries generally will receive service credit based on their service with Alliance or its subsidiaries for purposes of participation in the WSFS benefit plans and credit for covered expenses incurred prior to the effective time of the merger for purposes of satisfying deductibles and out-of-pocket expenses under health care plans.

Immediately prior to the effective time of the merger, Alliance will terminate the Alliance ESOP, and following receipt of a favorable determination letter from the IRS for termination of the Alliance ESOP, account balances in the Alliance ESOP will be distributed or rolled over to an eligible retirement plan or individual retirement account, as a participant or beneficiary may direct. Additionally, prior to the effective time of the merger, if requested by WSFS, Alliance will (1) terminate the Alliance 401(k) Plan and (2) cooperate with WSFS to amend, freeze, terminate or modify any other Alliance benefit plan to the extent and in the matter determined by WSFS effective upon the closing of the merger.

*D&O Indemnification and Insurance.* The merger agreement provides that for six years after the effective time of the merger, WSFS will indemnify, defend and hold harmless each of the present and former directors and officers of Alliance and its subsidiaries against all liabilities arising out of actions or omissions arising out of such persons' services in such capacities to the fullest extent permitted by applicable law and Alliance's governing documents in effect on the date of the merger agreement (including any provisions relating to the advancement of expenses incurred in the defense of any litigation).

The merger agreement requires WSFS to use its reasonable best efforts to maintain for a period of six years after the effective time of the merger Alliance's existing directors' and officers' liability insurance policy, or policies of at least the same coverage and amounts and containing terms and conditions which are substantially no less advantageous than the current policy (or, with the consent of Alliance prior to the effective time of the merger, any other policy), with respect to claims arising from facts or events that occurred prior to the effective time of the merger, and covering such individuals who are currently covered by such insurance. In lieu of the insurance described in the preceding sentence, prior to the effective time of the merger, WSFS, or Alliance, in consultation with WSFS, may obtain a six-year tail prepaid policy providing coverage equivalent to such insurance.

*Certain Additional Covenants.* The merger agreement also contains additional covenants, including covenants relating to the filing of this proxy statement/prospectus, obtaining required consents, the listing of the shares of WSFS common stock to be issued in the merger and public announcements with respect to the transactions contemplated by the merger agreement.

## **Agreement Not to Solicit Other Offers**

Alliance has agreed that it and its subsidiaries will not, and will cause their respective representatives not to, directly or indirectly:

solicit, initiate, encourage (including by providing information or assistance), facilitate or induce any acquisition proposal;

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participate in any discussions or negotiations regarding, or furnish or cause to be furnished to any third party any nonpublic information with respect to, or take any other action to facilitate any inquiries or the making of any offer or proposal that constitutes, or may reasonably be expected to lead to, an acquisition proposal;

approve, agree to, accept, endorse or recommend any acquisition proposal; or

approve, agree to, accept, endorse or recommend, or propose to approve, agree to, accept, endorse or recommend any acquisition agreement contemplating or otherwise relating to any acquisition transaction.

However, if prior to the Alliance special meeting, Alliance receives an unsolicited written acquisition proposal by any third party that did not result from or arise in connection with a breach of the non-solicitation provisions described above, Alliance and its representatives may, prior to (but not after) the Alliance special meeting, take the following actions if the Alliance board of directors (or any committee thereof) has (1) determined, in its good faith judgment (after consultation with Alliance's financial advisors and outside legal counsel), that such acquisition proposal constitutes or could reasonably be expected to lead to a superior proposal and that the failure to take such action more likely than not would cause the Alliance board of directors to violate its fiduciary duties under applicable law, and (2) obtained from such third party an executed confidentiality agreement containing terms at least as restrictive with respect to such third party as the terms of Alliance's confidentiality agreement with WSFS is with respect to WSFS: (A) furnish information to (but only if Alliance has provided such information to WSFS prior to furnishing it to such third party), and (B) enter into discussions and negotiations with, such third party with respect to such written acquisition proposal.

Alliance has also agreed to promptly (but in no event more than 24 hours) following the receipt of any acquisition proposal, or any request for nonpublic information or any inquiry that could reasonably be expected to lead to an acquisition proposal, provide WSFS with written notice of its receipt of such acquisition proposal, request or inquiry, and the terms and conditions of such acquisition proposal, request or inquiry (including the identity of the person making the acquisition proposal, request or inquiry), and to provide WSFS as promptly as practicable with a copy of such acquisition proposal, if in writing, or a written summary of the material terms of such acquisition proposal, if oral. In addition, Alliance has agreed to provide to WSFS all such information as is necessary to keep WSFS informed on a current basis in all material respects of all communications regarding such an acquisition proposal, request or inquiry (including material amendments or proposed material amendments thereto).

At any time prior to the Alliance special meeting, if Alliance has received a superior proposal (after giving effect to the terms of any revised offer by WSFS), the Alliance board of directors may change its unanimous recommendation that the Alliance shareholders adopt and approve the merger agreement, if the Alliance board of directors has determined in good faith, after consultation with outside legal counsel, that the failure to take such action more likely than not would be a violation of the directors' fiduciary duties under applicable law; provided, that the Alliance board of directors may not take such action unless:

Alliance has complied in all material respects with the terms of the merger agreement relating to such action;

Alliance has provided prior written notice to WSFS at least four business days in advance of taking such action, which notice shall advise WSFS that the Alliance board of directors has received a superior proposal and shall include a copy of such superior proposal;



during the four business days prior to taking such action, Alliance has and has caused its financial advisors and outside legal counsel to, negotiate with WSFS in good faith (to the extent WSFS desires to so negotiate) to make such adjustments in the terms and conditions of the merger agreement so that such superior proposal ceases to constitute (in the judgment of the Alliance board of directors) a superior proposal; and

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the Alliance board of directors has determined in good faith, after considering the results of such negotiations and giving effect to any proposals, amendments or modifications made or agreed to by WSFS, if any, that such superior proposal remains a superior proposal.

Notwithstanding any change in the recommendation of the Alliance board of directors of Alliance that the Alliance shareholders adopt and approve the merger agreement, the merger agreement will be submitted to the Alliance shareholders for the purpose of voting on the adoption and approval of the merger agreement. In such event, the Alliance board of directors may submit the merger agreement to the Alliance shareholders without recommendation and communicate the basis for its lack of a recommendation to the Alliance shareholders in this proxy statement/prospectus. In addition to the foregoing, Alliance may not submit to the vote of its shareholders any acquisition proposal other than the merger unless the merger agreement is terminated in accordance with its terms.

Alliance has agreed to, and to direct its representatives to, immediately cease and cause to be terminated any existing activities, discussions or negotiations with any third party conducted prior to March 2, 2015, with respect to any offer or proposal that constitutes, or may reasonably be expected to lead to, an acquisition proposal, to request the prompt return or destruction of all confidential information previously furnished to any third party that has made or indicated an intention to make an acquisition proposal and not to waive or amend any standstill provision or provisions of similar effect to which it is a party or of which it is a beneficiary, and to strictly enforce any such provisions.

For purposes of the merger agreement,

an acquisition agreement means a letter of intent, agreement in principle, merger agreement, acquisition agreement, option agreement or other similar agreement;

an acquisition proposal means any offer, inquiry, proposal or indication of interest (whether communicated to Alliance or announced publicly to Alliance shareholders and whether binding or non-binding) by any third party for an acquisition transaction;

an acquisition transaction means any transaction or series of related transactions (other than the transactions contemplated by the merger agreement) involving: (1) any acquisition or purchase, direct or indirect, from Alliance by any third party of 20 percent or more in interest of the total outstanding voting securities of Alliance or any of its subsidiaries, or any tender offer or exchange offer that if consummated would result in any third party beneficially owning 20 percent or more in interest of the total outstanding voting securities of Alliance or any of its subsidiaries, or any merger, consolidation, business combination or similar transaction involving Alliance or any of its subsidiaries pursuant to which the Alliance shareholders immediately preceding such transaction hold less than 80 percent of the equity interests in the surviving or resulting entity (which includes the parent corporation of any constituent corporation to any such transaction) of such transaction; (2) any sale, lease, exchange, transfer, license, acquisition or disposition of 20 percent or more of the assets of Alliance and its subsidiaries, taken as a whole; or (3) any liquidation or dissolution of Alliance; and

superior proposal means any unsolicited bona fide written acquisition proposal with respect to which the Alliance board of directors determines in its good faith judgment (based on, among other things, the advice of outside legal counsel and a financial advisor) to be more favorable, from a financial point of view, to

Alliance shareholders than the merger and the other transactions contemplated by the merger agreement (as it may be proposed to be amended by WSFS), taking into account all relevant factors (including the acquisition proposal and the merger agreement (including any proposed changes to the merger agreement that may be proposed by WSFS in response to such acquisition proposal)); provided, that for purposes of the definition of superior proposal, the references to 20 percent and 80 percent in the definitions of acquisition proposal and acquisition transaction are deemed to be references to 100 percent.

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### **Alliance Shareholder Meeting and Recommendation of Alliance Board of Directors**

Alliance has agreed to hold a meeting of its shareholders for the purpose of voting upon adoption and approval of the merger agreement as promptly as reasonably practicable after the registration statement of which this proxy statement/prospectus is a part is declared effective by the SEC. Alliance will use its reasonable best efforts to obtain from its shareholders the requisite shareholder approval of the merger agreement, including by recommending that its shareholders adopt and approve the merger agreement.

The Alliance board of directors has agreed, subject to certain conditions in the merger agreement, to recommend that Alliance shareholders vote in favor of adoption and approval of the merger agreement and to not withdraw, qualify or modify (or publicly propose to withdraw, qualify or modify) such recommendation in any manner adverse to WSFS, or take any action or make any public statement, filing or release inconsistent with such recommendation (which is referred to as a change in Alliance's recommendation).

### **Conditions to Consummation of the Merger**

Our respective obligations to consummate the merger are subject to the fulfillment or waiver of the following conditions:

the adoption and approval by Alliance shareholders of the merger agreement and the transactions contemplated thereby;

the receipt of all regulatory approvals, consents, non-objections and waivers required from the Federal Reserve, the OCC, the FDIC and the Department, and any other required regulatory approvals or consents, the failure of which to obtain would reasonably be expected to have a material adverse effect on WSFS or Alliance (considered as a consolidated entity), in each case required to consummate the transactions contemplated by the merger agreement, and expiration of all related statutory waiting periods; provided that no such required regulatory approval may impose a burdensome condition on WSFS;

the absence of any rule, regulation, law, judgment, injunction or order (whether temporary, preliminary or permanent) by any court or regulatory authority of competent jurisdiction prohibiting, restricting or making illegal consummation of the transactions contemplated by the merger agreement;

the effectiveness of the registration statement of which this proxy statement/prospectus is a part under the Securities Act and the absence of any stop order, action, suit, proceeding or investigation by the SEC to suspend the effectiveness of the registration statement;

the approval of the listing on the NASDAQ Global Select Market of the WSFS common stock to be issued in the merger;

receipt by each of WSFS and Alliance of an opinion of Covington & Burling as to certain tax matters; and

the accuracy of the representations and warranties of the other party in the merger agreement as of the date of the merger agreement and as of the effective time of the merger, subject to the materiality standards provided in the merger agreement, and the performance by the other party in all material respects of all agreements and covenants of such party under the merger agreement prior to the effective time of the merger (and the receipt by each party of a certificate from the other party to such effect).

We cannot provide assurance as to when or if all of the conditions to the merger can or will be satisfied or waived by the appropriate party. As of the date of this proxy statement/prospectus, we have no reason to believe that any of these conditions will not be satisfied.

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**Termination of the Merger Agreement**

The merger agreement can be terminated at any time prior to the effective time of the merger by mutual consent, or by either party in the following circumstances:

any regulatory authority denies a requisite regulatory approval and this denial has become final and nonappealable, or a regulatory authority has issued a final and nonappealable rule, regulation, law, judgment, injunction or order permanently restraining, enjoining or otherwise prohibiting the consummation of the transactions contemplated by the merger agreement, so long as the party seeking to terminate the merger agreement has used its reasonable best efforts to contest, appeal and change or remove such denial, law or order;

the Alliance shareholders fail to adopt and approve the merger agreement and the transactions contemplated thereby at the Alliance special meeting;

the merger has not been completed by December 31, 2015, which is referred to as the outside date, if the failure to consummate the transactions contemplated by the merger agreement by that date is not caused by the terminating party's breach of the merger agreement; or

any of the conditions precedent described above to the obligations of the terminating party to consummate the merger cannot be satisfied or fulfilled by the outside date, if the failure of such condition to be satisfied or fulfilled by such date is not a result of the terminating party's failure to perform, in any material respect, any of its material covenants or agreements contained in the merger agreement, or the material breach of any of its material representations or warranties contained in the merger agreement, and, in the case of Alliance, is not a result of Alliance's breach of its non-solicitation obligations, obligations with respect to other acquisition proposals or obligations to call, give notice of, convene and/or hold a shareholders' meeting or to use its reasonable best efforts to obtain the approval of its shareholders in accordance with the terms of the merger agreement.

In addition, WSFS may terminate the merger agreement if:

the Alliance board of directors fails to recommend the merger and adoption and approval of the merger agreement by the Alliance shareholders;

the Alliance board of directors breaches its non-solicitation obligations and obligations with respect to other acquisition proposals in any respect adverse to WSFS; or

the Alliance board of directors breaches its obligations to call, give notice of, convene and/or hold a shareholders' meeting or to use reasonable best efforts to obtain the adoption and approval of the merger agreement by the Alliance shareholders.

In addition, Alliance may terminate the merger agreement if the price of WSFS common stock declines by more than 20% from \$75.36 and underperforms an index of banking companies by more than 20% over a designated measurement period unless WSFS agrees to increase the number of shares of WSFS common stock to be issued to holders of Alliance common stock who are to receive the Stock Consideration in the merger. This termination right is not applicable to the expected change in the trading price of a share of WSFS common stock as a result of the three-for-one stock split of WSFS common stock which will be effected on May 18, 2015.

**Effect of Termination**

If the merger agreement is terminated, it will become void, except that (i) designated provisions of the merger agreement will survive the termination, including those relating to payment of fees and expenses and the confidential treatment of information and (ii) both WSFS and Alliance will remain liable for any liability resulting from breaches by such party of the merger agreement.

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### **Termination Fee**

Alliance will pay WSFS a \$4.0 million termination fee if:

either WSFS or Alliance terminates the merger agreement as a result of (i) denial of a requisite regulatory approval, a law or order permanently restrains, enjoins or prohibits the consummation of the merger or the failure of the Alliance shareholders to adopt and approve the merger agreement, or (ii) the merger having not been consummated by December 31, 2015, and at the time of such termination a third party has made and not withdrawn, or has publicly announced an intention to make and has not withdrawn, an acquisition proposal, and within six months of such termination Alliance either consummates an acquisition transaction or enters into an acquisition agreement with respect to an acquisition transaction; or

WSFS terminates the merger agreement because the Alliance board of directors has failed to recommend the adoption and approval of the merger agreement by the Alliance shareholders, has breached its non-solicitation obligations and obligations with respect to other acquisition proposals in any respect adverse to WSFS, or has breached its obligations to call, give notice of, convene and/or hold a shareholders meeting to obtain approval of the merger proposal by the Alliance shareholders.

Alliance's payment of the \$4.0 million termination fee would constitute liquidated damages and be WSFS's sole remedy in the event of such a termination.

### **Expenses and Fees**

Each of WSFS and Alliance will be responsible for all direct costs and expenses incurred by it in connection with the transactions contemplated by the merger agreement. The costs and expenses of printing this proxy statement/prospectus, and all filing fees paid to the SEC in connection with this proxy statement/prospectus, will be borne equally by Alliance and WSFS.

### **Amendment, Waiver and Extension of the Merger Agreement**

To the extent permitted by law, the merger agreement may be amended by a subsequent writing signed by each of the parties upon the approval of each of the parties, whether before or after Alliance shareholders have approved the merger agreement; however, after obtaining the Alliance shareholder approval, no amendment that requires further approval by Alliance shareholders shall be made unless such further approval by Alliance shareholders is obtained.

At any time prior to the effective time of the merger, each of Alliance and WSFS, acting through its respective board of directors, chief executive officer or other authorized officer, may waive any default in the performance of any term of the merger agreement by the other party, waive or extend the time for the performance of any of the obligations of the other party, or waive any or all conditions precedent to the other party's obligations under the merger agreement, except any condition which, if not satisfied, would result in a violation of law.

### **Accounting Treatment**

The merger will be accounted for as an acquisition by WSFS using the acquisition method of accounting in accordance with FASB ASC Topic 805, Business Combinations. Accordingly, the assets (including identifiable intangible assets) and liabilities (including executory contracts and other commitments) of Alliance as of the effective



time of the merger will be recorded at their respective fair values and added to those of WSFS. Any excess of purchase price over the net fair values is recorded as goodwill. Consolidated financial statements of WSFS issued after the merger would reflect these fair values and would not be restated retroactively to reflect the historical financial position or results of operations of Alliance.

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**MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES OF THE MERGER**

The following is a general discussion of certain material U.S. federal income tax consequences of the merger to U.S. holders (as defined below) of Alliance common stock that exchange their shares of Alliance common stock for the Merger Consideration in the merger. The following discussion is based upon the Code, the U.S. Treasury regulations promulgated thereunder and judicial and administrative authorities, rulings, and decisions, all as in effect on the date of this proxy statement/prospectus. These authorities may change, possibly with retroactive effect, and any such change could affect the accuracy of the statements and conclusions set forth in this discussion. This discussion does not address any tax consequences arising under the laws of any state, local or foreign jurisdiction, or under any U.S. federal laws other than those pertaining to the income tax.

The following discussion applies only to U.S. holders of shares of Alliance common stock who hold such shares as a capital asset within the meaning of Section 1221 of the Code (generally, property held for investment). Further, this discussion does not purport to consider all aspects of U.S. federal income taxation that might be relevant to U.S. holders in light of their particular circumstances and does not apply to U.S. holders subject to special treatment under the U.S. federal income tax laws (such as, for example, dealers or brokers in securities, commodities or foreign currencies, traders in securities that elect to apply a mark-to-market method of accounting, banks and certain other financial institutions, insurance companies, mutual funds, tax-exempt organizations, holders subject to the alternative minimum tax provisions of the Code, partnerships, S corporations or other pass-through entities or investors in partnerships, regulated investment companies, real estate investment trusts, controlled foreign corporations, passive foreign investment companies, former citizens or residents of the United States, holders whose functional currency is not the U.S. dollar, holders who hold shares of Alliance common stock as part of a hedge, straddle, constructive sale or conversion transaction or other integrated investment, holders who exercise appraisal rights, or holders who actually or constructively own more than 5% of Alliance common stock).

For purposes of this discussion, the term U.S. holder means a beneficial owner of Alliance common stock that is for U.S. federal income tax purposes (1) an individual citizen or resident of the United States, (2) a corporation (or entity treated as a corporation for U.S. federal income tax purposes) organized in or under the laws of the United States or any state thereof or the District of Columbia, (3) a trust if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust or (b) such trust has made a valid election to be treated as a U.S. person for U.S. federal income tax purposes, or (4) an estate, the income of which is includible in gross income for U.S. federal income tax purposes regardless of its source.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds Alliance common stock, the tax treatment of a partner in such partnership generally will depend on the status of the partner and the activities of the partnership. Any entity treated as a partnership for U.S. federal income tax purposes that holds Alliance common stock, and any partners in such partnership, should consult their own tax advisors.

**Determining the actual tax consequences of the merger to you may be complex and will depend on your specific situation and on factors that are not within our control. You should consult with your own tax advisor as to the specific tax consequences of the merger in your particular circumstances, including the applicability and effect of the alternative minimum tax and any state, local, foreign and other tax laws and of changes in those laws.**

**Tax Consequences of the Merger Generally**

The parties intend for the merger to qualify as a reorganization for U.S. federal income tax purposes. It is a condition to the obligations of each of WSFS and Alliance that they receive an opinion from Covington & Burling, in form

reasonably satisfactory to WSFS, to the effect that the merger will qualify as a reorganization

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within the meaning of Section 368(a) of the Code. Neither WSFS nor Alliance currently intends to waive this opinion condition to its obligation to consummate the merger. If either WSFS or Alliance waives this opinion condition after this registration statement is declared effective by the SEC, and if the tax consequences of the merger to Alliance shareholders have materially changed, WSFS and Alliance will recirculate appropriate soliciting materials to resolicit the votes of Alliance shareholders. These opinions will be based on representation letters provided by WSFS and Alliance and on customary factual assumptions. Neither of the opinions described above will be binding on the Internal Revenue Service, which we refer to as the IRS, or any court. WSFS and Alliance have not sought and will not seek any ruling from the IRS regarding any matters relating to the merger, and as a result, there can be no assurance that the IRS will not assert, or that a court would not sustain, a position contrary to any of the conclusions set forth below. In addition, if any of the representations or assumptions upon which those opinions are based are inconsistent with the actual facts, the U.S. federal income tax consequences of the merger could be adversely affected.

Provided the merger qualifies as a reorganization within the meaning of Section 368(a) of the Code,

if you receive solely Stock Consideration in the merger, upon exchanging your Alliance common stock for WSFS common stock, you generally will not recognize gain or loss, except with respect to cash received instead of fractional shares of WSFS common stock (as discussed below);

if you receive solely Cash Consideration in the merger, you will recognize gain or loss upon surrendering your Alliance common stock in an amount equal to the difference between the amount of cash that you receive and your aggregate adjusted tax basis in the shares of Alliance common stock that you surrender; and

if you receive both Cash Consideration (other than cash received instead of fractional shares of WSFS common stock) and Stock Consideration in the merger, (i) you will not recognize any loss upon surrendering your Alliance common stock and (ii) you will recognize gain upon surrendering your Alliance common stock equal to the lesser of (a) the excess, if any, of (1) the sum of the amount of cash that you receive plus the fair market value (determined as of the effective date of the merger) of the WSFS common stock that you receive over (2) your aggregate adjusted tax basis in the shares of Alliance common stock that you surrender and (b) the amount of Cash Consideration that you receive.

Gain or loss described in the second bullet point above generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such shares exceeds one year. Long-term capital gains of individuals are generally eligible for reduced rates of taxation. The deductibility of capital losses is subject to limitations.

Any gain described in the third bullet point above will be capital gain unless your receipt of cash has the effect of a distribution of a dividend, in which case the gain will be treated as a dividend to the extent of your ratable share of Alliance's accumulated earnings and profits, as calculated for U.S. federal income tax purposes. For purposes of determining whether your receipt of cash has the effect of a distribution of a dividend, you will be treated as if you first exchanged all of your Alliance common stock solely in exchange for WSFS common stock and then WSFS immediately redeemed a portion of that stock for the cash that you actually received in the merger (referred to herein as the deemed redemption). Receipt of cash will generally not have the effect of a dividend to you if such receipt is not essentially equivalent to a dividend or substantially disproportionate, each within the meaning of Section 302(b) of the Code. In order for the deemed redemption to be not essentially equivalent to a dividend, the deemed redemption must result in a meaningful reduction in the shareholder's deemed percentage stock ownership of WSFS following the

merger. The determination generally requires a comparison of the percentage of the outstanding stock of WSFS that you are considered to have owned immediately before the deemed redemption to the percentage of the outstanding stock of WSFS that you own immediately after the deemed redemption. The IRS has indicated in rulings that any reduction in the interest of a minority shareholder that owns a small number of shares in a publicly and widely held corporation and that exercises no control over corporate affairs would result in capital gain (as opposed to dividend) treatment. For purposes of applying the foregoing tests, a shareholder will be deemed to own the stock the shareholder actually

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owns and the stock the shareholder constructively owns under the attribution rules of Section 318 of the Code. Under Section 318 of the Code, a shareholder will be deemed to own the shares of stock owned by certain family members, by certain estates and trusts of which the shareholder is a beneficiary, and by certain affiliated entities, as well as shares of stock subject to an option actually or constructively owned by the shareholder or such other persons. If, after applying these tests, the deemed redemption results in a capital gain, the capital gain will be long-term if your holding period for your Alliance common stock is more than one year as of the date of the exchange. If, after applying these tests, the deemed redemption results in the gain recognized being classified as a dividend, such dividend will be treated as either ordinary income or qualified dividend income. Any gain treated as qualified dividend income will be taxable to you at the long-term capital gains rate, provided you held the shares giving rise to such income for more than 60 days during the 121 day period beginning 60 days before the effective date of the merger. The determination as to whether you will recognize a capital gain or dividend income as a result of your exchange of Alliance common stock for a combination of WSFS common stock and cash in the merger is complex and is determined on a shareholder-by-shareholder basis. Accordingly, we urge you to consult your own tax advisor with respect to any such determination that is applicable to your individual situation.

The aggregate tax basis of the WSFS common stock that you receive in the merger, including any fractional shares deemed received and redeemed for cash as described below, will equal your aggregate adjusted tax basis in the shares of Alliance common stock that you surrender in the merger, decreased by the amount of any Cash Consideration (other than cash received instead of fractional shares of WSFS common stock) received and increased by the amount of any gain recognized. Your holding period for the shares of WSFS common stock that you receive in the merger (including any fractional share deemed received and redeemed for cash as described below) will include your holding period for the shares of Alliance common stock that you surrender in the merger. If you acquired different blocks of Alliance common stock at different times or at different prices, gain or loss must be calculated separately for each identifiable block of shares of Alliance common stock surrendered in the merger, and a loss realized on one block of shares may not be used to offset a gain realized on another block of shares. Holders should consult their tax advisors regarding the manner in which cash and shares of WSFS common stock should be allocated among different blocks of their Alliance common stock surrendered in the merger. The basis and holding period of each block of WSFS common stock you receive will be determined on a block-for-block basis depending on the basis and holding period of the blocks of Alliance common stock exchanged for such block of WSFS common stock.

**Cash Instead of Fractional Shares**

If you receive cash instead of a fractional share of WSFS common stock, you will be treated as having received such fractional share of WSFS common stock pursuant to the merger and then as having received cash in exchange for such fractional share of WSFS common stock. As a result, you generally will recognize gain or loss equal to the difference between the amount of cash received instead of a fractional share and the basis in your fractional share of WSFS common stock as set forth above. Such gain or loss generally will be capital gain or loss and will be long-term capital gain or loss if, as of the effective date of the merger, the holding period for such fractional share (including the holding period of shares of Alliance common stock surrendered therefor) exceeds one year.

**Net Investment Income Tax**

A holder that is an individual is subject to a 3.8% tax on the lesser of: (i) his or her net investment income for the relevant taxable year; or (ii) the excess of his or her modified adjusted gross income for the taxable year over a certain threshold (between \$125,000 and \$250,000 depending on the individual's U.S. federal income tax filing status). Estates and trusts are subject to similar rules. Net investment income generally would include any capital gain recognized in connection with the merger (including any gain treated as a dividend), as well as, among other items, other interest, dividends, capital gains and rental or royalty income received by such individual. Holders should consult their tax

advisors as to the application of this additional tax to their circumstances.

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### **Possible Treatment of Merger as a Taxable Transaction**

The IRS may determine that the merger does not qualify as a nontaxable reorganization under Section 368(a) of the Code. In that case, each Alliance shareholder would recognize a gain or loss equal to the difference between the (i) the sum of the fair market value of WSFS common stock and cash received by the Alliance shareholder in the merger, and (ii) the Alliance shareholder's adjusted tax basis in the shares of Alliance common stock exchanged therefor. The likely tax treatment of the merger will not be known until the closing date of the merger, as the aggregate value of the WSFS common stock to be received by Alliance shareholders will fluctuate with the market price of the WSFS common stock.

### **Information Reporting and Backup Withholding**

If you are a non-corporate holder of Alliance common stock, you may be subject, under certain circumstances, to information reporting and backup withholding (currently at a rate of 28 percent) on any cash payments you receive. You generally will not be subject to backup withholding, however, if you:

furnish a correct taxpayer identification number, certify that you are not subject to backup withholding and otherwise comply with all the applicable requirements of the backup withholding rules; or

provide proof that you are otherwise exempt from backup withholding.

Any amounts withheld under the backup withholding rules are not an additional tax and will generally be allowed as a refund or credit against your U.S. federal income tax liability, provided you timely furnish the required information to the IRS.

### **Certain Reporting Requirements**

If a U.S. holder that receives WSFS common stock in the merger is considered a significant holder, such U.S. holder will be required (a) to file a statement with its U.S. federal income tax return providing certain facts pertinent to the merger, including such U.S. holder's tax basis in, and the fair market value of, the Alliance common stock surrendered by such U.S. holder, and (b) to retain permanent records of these facts relating to the merger. A significant holder is any Alliance shareholder that, immediately before the merger, (y) owned at least 5% (by vote or value) of the outstanding stock of Alliance or (z) owned Alliance securities with a tax basis of \$1.0 million or more.

**This discussion of certain material U.S. federal income tax consequences is for general information purposes only and is not tax advice. Holders of Alliance common stock are urged to consult their tax advisors with respect to the application of U.S. federal income tax laws to their particular situations as well as any tax consequences arising under the U.S. federal estate or gift tax rules, or under the laws of any state, local, foreign or other taxing jurisdiction or under any applicable tax treaty.**



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**INFORMATION ON ALLIANCE S BUSINESS**

**General**

Alliance is a Pennsylvania corporation and a savings and loan holding company which owns 100% of the capital stock of Alliance Bank, which is a Pennsylvania-chartered savings bank headquartered in Broomall, Pennsylvania.

On January 18, 2011, Alliance Mutual Holding Company and Alliance Bancorp, Inc. of Pennsylvania, the federally chartered former mid-tier holding company for Alliance Bank, or the Mid-Tier Holding Company, completed a reorganization and conversion, or the second step conversion, pursuant to which Alliance (a new Pennsylvania corporation) acquired all the issued and outstanding shares of Alliance Bank s common stock.

Alliance is the successor to the Mid-Tier Holding Company and references to Alliance include reference to the former Mid-Tier Holding Company where applicable.

Alliance Bank operates a total of eight banking offices located in Delaware and Chester Counties, Pennsylvania, which are suburbs of Philadelphia. Alliance s primary business consists of attracting deposits from the general public and using those funds, together with funds it borrows, to originate loans to its customers and invest in securities such as U.S. government and agency securities, mortgage-backed securities and municipal obligations. At December 31, 2014, Alliance had \$420.8 million of total assets, \$344.8 million of total deposits and stockholders equity of \$66.5 million.

Alliance is subject to supervision and regulation by the Federal Reserve. Alliance Bank is subject to regulation by the Department as its chartering authority and primary regulator, and by the FDIC, which insures Alliance Bank s deposits up to applicable limits.

**Market Area and Competition**

The primary market areas served by Alliance Bank are Delaware and Chester Counties, Philadelphia, and the suburban areas to the west and south of Philadelphia, including southern New Jersey.

Delaware and Chester Counties have a large, well-educated, and skilled labor force, with nearly one quarter of the counties population having earned a four-year college degree. In addition, Philadelphia s central location in the Northeast corridor, infrastructure, and other factors have made Alliance Bank s primary market area attractive to many large corporate employers, including Comcast, Boeing, State Farm Insurance, Main Line Health Systems, Janseen Pharmaceuticals, United Parcel Service, PECO Energy, SAP America, Inc. and Wawa.

The Philadelphia area economy is typical of many large northeastern cities where the traditional manufacturing-based economy has declined and been replaced by the service sector, including the health care market. Crozer/Keystone Health System, Main Line Health, Jefferson Health System, Mercy Health Corp., and Astra-Zeneca are among the larger health care employers within Alliance Bank s market area. According to the Delaware County Chamber of Commerce, there are more than 65 degree-granting institutions in the Delaware Valley region, representing a higher density of colleges and universities than any other area in the United States.

The population of Delaware County is reported at over 500,000 residents and is the fifth most populated county in the Commonwealth of Pennsylvania. Much of the growth and development continues to be in the western part of the county and in adjacent Chester County. Chester County s growth rate is expected to increase even further in the next decade, and some of the communities in Chester County that are experiencing the most rapid growth East Whiteland

Township, New Garden Township and East Goshen Township surround Alliance Bank's Chester County branch. Alliance Bank faces strong competition, both in attracting deposits and making real estate and commercial loans. Alliance Bank's most direct competition for deposits has historically come from other savings banks, credit unions, and commercial banks located in its market area. This includes

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many large regional financial institutions and internet banks which have even greater financial and marketing resources available to them. The ability of Alliance Bank to attract and retain core deposits depends on its ability to provide a competitive rate of return, liquidity, and service convenience comparable to those offered by competing investment opportunities. Alliance Bank management remains focused on attracting core deposits through its branch network, business development efforts, and commercial business relationships.

**Lending Activities**

*General.* At December 31, 2014, Alliance's total portfolio of loans receivable amounted to \$311.0 million, or 73.9%, of Alliance's \$420.8 million of total assets at such time. Over the past 16 years, Alliance has placed an emphasis on loans secured by commercial real estate properties. Consistent with such approach, commercial real estate loans amounted to \$121.1 million or 38.9% of the total loan portfolio at December 31, 2014 while single family residential mortgage loans amounted to \$121.3 million or 39.0% of the total loan portfolio. To a lesser extent, Alliance also originates multi-family loans, land and construction loans, consumer loans and commercial business loans. At December 31, 2014, such loan categories amounted to \$24.5 million, \$25.9 million, \$3.8 million and \$14.4 million, respectively, or 7.8%, 8.3%, 1.2% and 4.6% of the total loan portfolio, respectively.

For the year ended December 31, 2014, Alliance's single-family mortgage loans decreased by \$2.9 million or 2.3% to \$121.3 million. For the year ended December 31, 2014 Alliance's commercial real estate loans decreased by \$1.7 million or 1.4% to \$121.1 million.

More recently, Alliance has increased the originations of both residential and commercial construction real estate loans as well as commercial business loans. For the year ended December 31, 2014 total real estate construction loans increased \$6.1 million or 30.9% to \$25.9 million. For the year ended December 31, 2014 commercial business loans increased by \$4.0 million or 38.4% to \$14.4 million.

*Loan Portfolio Composition.* The following table sets forth the composition of Alliance's loan portfolio by type of loan at the dates indicated.

	2014		2013		December 31, 2012		2011		2010	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
(Dollars in Thousands)										
Real estate loans:										
Single-family <sup>(1)</sup>	\$ 121,336	39.02%	\$ 124,223	40.88%	\$ 126,676	44.48%	\$ 118,059	40.76%	\$ 114,985	39.44%
Multi-family <sup>(2)</sup>	24,512	7.88	22,181	7.30	20,935	7.35	10,757	3.71	6,293	2.16
Commercial	121,069	38.94	122,814	40.41	111,309	39.09	130,191	44.95	131,509	45.11
Land and construction: <sup>(3)</sup>										
Residential	6,824	2.19	4,035	1.33	2,198	0.77	7,369	2.54	8,881	3.05
Commercial	19,078	6.13	15,757	5.18	8,456	2.97	7,226	2.49	14,876	5.10
Total real estate loans	289,819	94.16	289,010	95.10	269,574	94.66	273,602	94.45	276,544	94.86

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Consumer:										
Student	3,550	1.14	4,239	1.39	5,021	1.77	6,178	2.13	6,747	2.31
Savings account	161	0.05	223	0.08	297	0.10	398	0.14	362	0.13
Other	47	0.02	33	0.01	30	0.01	40	0.01	43	0.02
Total consumer loans	3,758	1.21	4,495	1.48	5,348	1.88	6,616	2.28	7,152	2.46
Commercial business loans	14,402	4.63	10,403	3.42	9,852	3.46	9,481	3.27	7,822	2.68
Total loans receivable	310,979	100.00%	303,908	100.00%	284,774	100.00%	289,699	100.00%	291,518	100.00%
Less:										
Deferred fees	735		788		979		402		372	
Allowance for loan losses	4,465		4,243		4,919		4,000		5,090	
Loans receivable, net	\$ 305,779		\$ 298,877		\$ 278,876		\$ 285,297		\$ 286,056	

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- (1) At December 31, 2014, 2013, 2012, 2011, and 2010, includes \$12.2 million, \$12.5 million, \$13.9 million, \$17.1 million, and \$18.6 million, respectively, of home equity loans and lines.
- (2) At December 31, 2014, 2013, 2012, 2011, and 2010, includes \$4.8 million, \$8.0 million, \$4.3 million, \$4.5 million, and \$5.1 million, of loans reclassified from commercial real estate loans and land and construction loans to multi-family loans.
- (3) At December 31, 2014, 2013, 2012, 2011, and 2010, excludes \$18.1 million, \$14.2 million, \$8.8 million, \$4.2 million, and \$5.9 million, respectively, of undisbursed funds on land and construction loans.

*Contractual Maturities.* The following table sets forth the scheduled contractual maturities of Alliance's loans receivable at December 31, 2014. Demand loans, loans having no stated schedule of repayments and no stated maturity, and overdraft loans are reported as due in one year or less. Adjustable-rate loans are reported on a contractual basis rather than on a repricing basis. The amounts shown for each period do not take into account loan prepayments and normal amortization of Alliance's loan portfolio.

	Real Estate Loans				Consumer Loans	Commercial Business Loans	Total
	Single- family	Multi-family	Commercial	Land and Construction			
(Dollars in Thousands)							
Amounts due in:							
One year or less	\$ 6,567	\$ 2,290	\$ 15,988	\$ 20,879	\$ 10	\$ 3,783	\$ 49,517
After one year through three years	4,386	247	8,152	4,573	69	7,802	25,229
After three years through five years	9,139	9,400	15,127	450	436	2,637	37,189
After five years through fifteen years	67,925	12,030	72,240		3,036	180	155,411
Over fifteen years	33,319	545	9,562		207		43,633
<b>Total<sup>(1)</sup></b>	<b>\$ 121,336</b>	<b>\$ 24,512</b>	<b>\$ 121,069</b>	<b>\$ 25,902</b>	<b>\$ 3,758</b>	<b>\$ 14,402</b>	<b>\$ 310,979</b>

Interest rate terms on  
amounts due after one year:

Fixed	\$ 101,627	\$ 21,521	\$ 86,295	\$ 5,023	\$ 42	\$ 10,619	\$ 225,127
Adjustable	\$ 13,142	\$ 701	\$ 18,786		\$ 3,706		\$ 36,335

(1) Does not include the effects relating to the allowance for loan losses and unearned income. Scheduled contractual amortization of loans does not reflect the expected term of Alliance's loan portfolio. The average life of loans is substantially less than their contractual terms because of prepayments and due-on-sale clauses, which gives Alliance the right to declare a conventional loan immediately due and payable in the event, among other things, that the borrower sells the real property subject to the mortgage and the loan is not repaid. The average life of mortgage loans tends to increase when current mortgage loan rates are higher than rates on existing mortgage loans and, conversely, decrease when rates on existing mortgage loans are lower than current mortgage loan rates (due to refinancings of adjustable-rate and fixed-rate loans at lower rates). Under the latter circumstance, the weighted

average yield on the loan portfolio decreases as higher-yielding loans are repaid or refinanced at lower rates.

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The following table shows origination, purchase and sale activity of Alliance with respect to its loans during the periods indicated.

	Year Ended December 31,		
	2014	2013	2012
	(Dollars in Thousands)		
<b>Real estate loan originations:</b>			
Single-family <sup>(1)</sup>	\$ 10,401	\$ 12,740	\$ 13,894
Multi-family			
Commercial	19,554	34,497	27,998
<b>Land and construction:</b>			
Residential	10,296	20,429	13,476
Commercial	9,860	14,616	10,037
<b>Total real estate loan originations</b>	<b>50,111</b>	<b>82,282</b>	<b>65,405</b>
<b>Consumer originations:</b>			
Savings account	62	96	104
Other	1		
<b>Total consumer loan originations</b>	<b>63</b>	<b>96</b>	<b>104</b>
<b>Commercial business originations</b>	<b>4,805</b>	<b>1,996</b>	<b>1,945</b>
<b>Total loan originations</b>	<b>54,979</b>	<b>84,374</b>	<b>67,454</b>
<b>Purchase of real estate loans:</b>			
Single-family			
Multi-family			
Residential construction			
Commercial		893	128
Commercial construction	4,351		
<b>Total real estate loan purchases</b>	<b>4,351</b>	<b>893</b>	<b>128</b>
<b>Total loan originations and purchases</b>	<b>59,330</b>	<b>85,267</b>	<b>67,582</b>
<b>Less:</b>			
Principal loan repayments	(51,735)	(61,981)	(68,536)
Transfers to OREO	(243)	(2,385)	(4,442)
Loans and participations sold			
Other, net <sup>(2)</sup>	(450)	(900)	(1,025)
<b>Net increase (decrease)</b>	<b>\$ 6,902</b>	<b>\$ 20,001</b>	<b>\$ (6,421)</b>

- (1) Includes \$545,000, \$538,000, and \$719,000 of home equity lines of credit originated during the years ended December 31, 2014, 2013 and 2012, respectively.
- (2) Includes provision for loan losses.

*Origination, Purchase and Sale of Loans.* The lending activities of Alliance are subject to the written, non-discriminatory, underwriting standards and loan origination procedures established by the Alliance board of directors and management. Loan originations are obtained by a variety of sources, including referrals from real estate brokers, builders, existing customers, advertising, walk-in customers and, to a significant extent, mortgage brokers who obtain credit reports, appraisals and other documentation involved with a loan. In most cases, property valuations are performed by independent outside appraisers. Title and hazard insurance are generally required on all security property other than property securing a home equity loan, in which case Alliance obtains a title opinion. The majority of Alliance's loans are secured by property located in its primary lending area.



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The following matrices detail Alliance's lending authorities for commercial and residential lending.

**Commercial Lending Authority Matrix**

Approval Authority	Real Estate	Collateral Type				Reporting/Ratification
		Non-Real Estate (a)	Unsecured			
Board of Directors (BOD)	\$3,000,001 Bank Internal Lending Limit	\$1,000,001 Bank Internal Lending Limit	\$500,001 Bank Internal Lending Limit			Monthly Reporting
Senior Loan Committee (SLC)	\$1,000,001 \$3,000,000	\$250,001 \$1,000,000	\$100,001 \$500,000			Monthly Reporting to the BOD / Senior Mgmt.
Chief Executive Officer (CEO) and one member of SLC	Up to \$1,000,000	Up to \$250,000	Up to \$100,000			Monthly Reporting to the BOD / Senior Mgmt.
Chief Lending Officer (CLO) and one Loan Officer	Up to \$500,000	Up to \$100,000	Up to \$50,000			Monthly Reporting to the BOD / Senior Mgmt.

(a) Non-real estate secured loans include categories such as business assets, equipment, stocks/bonds, intangible assets, etc.

**Residential & Consumer Lending Authority Matrix**

Approval Authority	Residential RE (a)	Collateral Type			Reporting/Ratification
		Home Equity (b) (c)	Other Consumer (d)		
BOD	\$3,000,000 Bank Internal Lending Limit	N/A	N/A		Monthly Reporting
SLC	\$1,000,001 \$3,000,000	N/A	N/A		Monthly Reporting to the BOD / Senior Mgmt.
CLO and one Officer	Up to \$1,000,000	Up to \$750,000	Up to \$100,000		Monthly Reporting to the BOD / Senior Mgmt.
Senior Vice President and one loan Officer or Underwriter	Up to \$500,000	Up to \$250,000	N/A		Monthly Reporting to the BOD / Senior Mgmt.

Assistant Vice President or Vice President and Underwriter	Up to \$250,000	Up to \$100,000	N/A	Monthly Reporting to the BOD / Senior Mgmt.
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- (a) Residential loans include 1-4 family owner-occupied mortgages for primary & secondary homes held for Alliance Bank's portfolio.
- (b) Home equity includes home equity loans and home equity lines of credit for primary & secondary 1-4 family owner-occupied home equity loans and home equity lines currently limited to \$750,000 by policy.
- (c) Subject to review and consideration of all existing senior liens.
- (d) Other consumer loans are currently limited to \$100,000 by policy and include auto, passbook, Overdraft Protection, personal lines of credit, etc.

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Alliance's single-family loan originations amounted to \$10.4 million and \$12.7 million during 2014 and 2013, respectively. When possible, Alliance emphasizes the origination of single-family residential adjustable-rate mortgage loans, or ARMs. Originations of such loans amounted to \$0- and \$125,000 during 2014 and 2013, respectively. Alliance also originates fixed-rate single-family residential real estate loans with terms of five, ten, 15, 20, 25 and 30 years. In the past, as part of its asset/liability strategies, fixed rate residential mortgage loans with terms greater than 15 years have been originated pursuant to commitments to sell such loans to correspondent mortgage-banking institutions in order to reduce the proportion of the loan portfolio comprised of such assets and reduce its interest rate risk. Loans were sold without any recourse to Alliance by the purchaser in the event of default on the loan by the borrower and are generally sold with servicing released. Alliance had no sales of residential mortgage loans for the years ended December 31, 2014 and December 31, 2013. More recently Alliance has been originating and portfolioing a 30 year fixed rate single-family loan with a balloon payment due in 10 or 15 years.

In accordance with Alliance's increased emphasis on commercial real estate loan originations in recent years, such originations amounted to \$19.6 million and \$34.5 million during 2014 and 2013, respectively. In addition, land and construction loan originations amounted to \$20.2 million and \$35.1 million during 2014 and 2013, respectively.

Since 1999, Alliance has originated some single-family residential loan products to borrowers that did not meet the underwriting criteria of the Federal Home Loan Mortgage Corporation, or FHLMC, and the Federal National Mortgage Association, or FNMA, and where the borrower's credit score is below 660. Alliance recognizes that these loans, which are considered subprime loans, have additional risk factors as compared to typical single-family residential lending. These loans are generally not saleable in the secondary market due to the credit risk characteristics of the borrower, the underlying documentation, the loan-to-value ratio, or the size of the loan, among other factors. At December 31, 2014 and 2013, Alliance's single-family loan portfolio included \$14.1 million or 11.6% and \$15.5 million or 12.4%, respectively, of such subprime loans. Alliance reported \$435,000 or 3.1% and \$433,000 or 2.8% of these loans as nonperforming at December 31, 2014 and December 31, 2013, respectively. Alliance recognizes the additional risk factors associated with subprime lending and utilizes a higher risk-weighting factor in maintaining its allowance for loan losses with respect to these loans. In addition, Alliance management calculates and reports the delinquency ratio of its subprime loan portfolio to the Alliance board of directors on a monthly basis.

Historically, Alliance has not been an active purchaser of loans. However, Alliance purchased \$4.4 million of loans during the year ended December 31, 2014 and \$893,000 during the year ended December 31, 2013. Substantially all of Alliance's purchased loans were secured by properties located in Pennsylvania. As of December 31, 2014, the outstanding balance of Alliance's purchased loans amounted to \$2.6 million and included \$290,000 of multifamily real estate loans, \$171,000 of single-family residential real estate loans, and \$1.7 million of commercial real estate loans.

As a Pennsylvania-chartered savings bank, Alliance Bank adheres to Pennsylvania law generally prohibiting loans outstanding to any one borrower in excess of 15% of a savings bank's capital. Alliance Bank has further adopted an in-house policy applying this limit to affiliated borrowers as if they were a single borrower.

*Single-Family Residential Real Estate Loans.* Alliance originates residential loans secured primarily by first mortgage liens on existing single-family residences. Alliance also originates shorter term home equity loans which may be secured by first or second mortgages. At December 31, 2014, \$121.3 million or 39.0% of Alliance's total loan portfolio consisted of single-family residential real estate loans. Of the \$121.3 million of such loans at December 31, 2014, \$13.7 million or 11.3% had adjustable rates of interest and \$107.6 million or 88.7% had fixed rates of interest.

Alliance's ARMs typically provide for an interest rate which adjusts every year after an initial period of three, five, seven or ten years in accordance with a designated index (the national monthly median cost of funds



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or the weekly average yield on U.S. Treasury securities adjusted to a constant comparable maturity of one year) plus a margin. Such loans are typically based on a 30-year amortization schedule. The amount of any increase or decrease in the interest rate is presently limited to 200 basis points per year, with a limit of 600 basis points over the life of the loan. Alliance has not engaged in the practice of using a cap on the payments that could allow the loan balance to increase rather than decrease, resulting in negative amortization. The adjustable-rate loans offered by Alliance, like many other financial institutions, provide for initial rates of interest below the rates which would prevail when the index used for repricing is applied. However, Alliance underwrites loans on the basis of the borrower's ability to pay at the initial rate which would be in effect without the discount. Although Alliance continues to offer ARMs, such loan products have not been as attractive due to the lower interest rate environment which has prevailed since the recession, resulting in a greater demand for fixed rate loans.

Adjustable-rate loans decrease the risks to Alliance that are associated with changes in interest rates but involve other risks, primarily because as interest rates rise, the payment by the borrower rises to the extent permitted by the terms of the loan, thereby increasing the potential for default. Alliance believes that these risks, which have not had a material adverse effect on Alliance to date, generally are less than the risks associated with holding fixed-rate loans in an increasing interest rate environment.

Alliance has continued to originate a limited amount of fixed-rate mortgage loans with terms up to 30 years. Generally, Alliance emphasizes the origination of fixed-rate loans with terms of 15 years or less for its portfolio. In addition, while Alliance offers balloon loans with five, seven, ten, and 15 year terms based on a 20 to 30 year amortization schedule, Alliance has only originated a small amount of such loans. Many of these types of loans may not qualify under the new regulatory guidelines known as qualified residential mortgages, or QRM, after December 31, 2015. As a result of these new rules Alliance is reevaluating the risks associated with making loans that are outside QRM guidelines which although are permissible result in other types of risks.

Alliance also offers home equity loans with fixed rates of interest and terms of 15 years or less. Alliance does not require that it hold the first mortgage on the secured property; however, the balance on all mortgages on the secured property cannot exceed 90% of the value of the secured property. At December 31, 2014, Alliance held a first lien on a majority of the properties securing home equity loans from Alliance. At December 31, 2014, home equity loans and lines amounted to \$12.2 million or 3.9% of the total loan portfolio, which are included in single family loans.

Alliance is permitted to lend up to 100% of the appraised value of the real property securing a residential loan; however, if the amount of a residential loan originated or refinanced exceeds 90% of the appraised value, Alliance is required by federal regulations to obtain private mortgage insurance on the portion of the principal amount that exceeds 80% of the appraised value of the security property. Pursuant to underwriting guidelines adopted by the Alliance board of directors, Alliance may lend up to an 80% loan-to-value ratio without private mortgage insurance unless it is determined that additional collateral in the form of private mortgage insurance or other acceptable collateral is needed. Alliance may lend up to a 90% loan-to-value ratio on a one or two family owner-occupied residential property as long as additional collateral in the form of private mortgage insurance or other acceptable collateral enhancements are obtained. Exceptions to this policy may be made to assist in Alliance's community outreach efforts if deemed prudent by Alliance management and with additional collateral enhancements to reduce the risk inherent in the loan(s).

*Multi-Family Residential and Commercial Real Estate Loans.* Alliance originates and, to a lesser extent, purchases mortgage loans for the acquisition and refinancing of existing multi-family residential and commercial real estate properties. At December 31, 2014, \$24.5 million or 7.9% of Alliance's total loan portfolio consisted of loans secured by existing multi-family residential real estate. At December 31, 2014, \$121.1 million or 38.9% of Alliance's total loan portfolio consisted of loans secured by commercial real estate.

The majority of Alliance's multi-family residential loans are secured primarily by multi-unit residential and apartment buildings, while Alliance's commercial real estate loans are primarily secured by office buildings, hotels, small retail establishments, restaurants and other facilities. These types of properties constitute the

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majority of Alliance's commercial real estate loan portfolio. The majority of the multi-family residential and commercial real estate loan portfolio at December 31, 2014 was secured by properties located in Alliance's primary market area. As of December 31, 2014, the five largest multi-family residential and commercial real estate loan relationships had outstanding balances of \$11.4 million, \$8.5 million, \$7.0 million, \$6.4 million and \$5.0 million, respectively, all of which were performing in accordance with their terms and were current at such date.

Multi-family residential and commercial real estate loans are made on terms up to 30 years, some of which include call or balloon provisions ranging from five to 15 years. Alliance will originate and purchase these loans either with fixed interest rates or with interest rates which adjust in accordance with a designated index. Loan to value ratios on Alliance's multi-family residential and commercial real estate loans are typically limited to 75% of appraised value at the time the loan is granted. As part of the criteria for underwriting multi-family residential and commercial real estate loans, Alliance generally imposes a debt coverage ratio (the ratio of net cash from operations before payment of debt service to debt service) of not less than 1.20. It is also Alliance's general policy to obtain corporate or personal guarantees, as applicable, on its multi-family residential and commercial real estate loans from the principals of the borrower.

Multi-family residential and commercial real estate lending entails significant additional risks as compared with single-family residential property lending. Such loans typically involve large loan balances to single borrowers or groups of related borrowers. The payment experience on such loans is typically dependent on the successful operation of the real estate project. The success of such projects is sensitive to changes in supply and demand conditions in the market for multi-family and commercial real estate as well as economic conditions generally. At December 31, 2014, Alliance had no nonperforming multi-family residential loans and three nonperforming commercial real estate loans with balances of \$849,000. At December 31, 2014, Alliance had no multi-family loans and ten commercial real estate loans in the amount of \$6.0 million that were considered performing troubled debt restructurings.

*Construction Loans.* Alliance also originates residential and commercial construction loans, and to a limited degree, land acquisition and development loans. Construction loans are classified as either residential construction loans or commercial real estate construction loans at the time of origination, depending on the nature of the property securing the loan. Alliance's construction lending activities generally are limited to Alliance's primary market area. At December 31, 2014, construction loans amounted to \$25.9 million or 8.3% of Alliance's total loan portfolio, which consisted of \$6.8 million of residential and \$19.1 million of commercial real estate construction loans.

Alliance's residential construction loans are primarily made to local real estate builders and developers for the purpose of constructing single-family homes and single-family residential developments. Upon successful application, credit review and analysis of personal and corporate financial statements, Alliance will grant local builders construction loans, construction to permanent loans, and/or lines of credit up to designated amounts. These loans may be used for the purpose of constructing model homes, including a limited number for inventory. In some instances, lines of credit will also be granted for purposes of acquiring improved lots or the purchase of construction in process and developing of speculative properties thereon. Once approved for a construction loan or credit line, a developer submits a progress report and a request for payment. Generally, Alliance makes payments under the stage of completion method. Prior to making payment, Alliance inspects all construction sites and verifies that the work being submitted for payments has been performed.

Alliance's commercial construction loans are generally made to local developers and others for the purpose of developing commercial real estate properties such as small office buildings and hotels, storage facilities and commercial building renovations. The application, credit review and disbursement process are similar to those mentioned above for Alliance's residential construction loans. As of December 31, 2014 the five largest real estate construction loans had outstanding balances of \$3.9 million, \$3.1 million, \$2.1 million, \$2.1 million, and \$1.1 million,

respectively, all of which were performing in accordance with their terms and were current at such date.



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Alliance's construction loans generally have maturities of 12 to 36 months, with payments being made monthly on an interest-only basis. These interest payments are generally paid out of an interest reserve, which is established in connection with the origination of the loan. Generally, such loans adjust monthly based on the prime rate plus a margin of up to 2.0%. Residential and commercial real estate construction loans are generally made with maximum loan to value ratios of 80% and 75%, respectively, on an as completed basis. Alliance utilizes interest rate floors on commercial loans and lines of credit whenever possible.

Construction lending is generally considered to involve a higher level of risk as compared to single-family residential lending, due to the concentration of principal in a limited number of loans and borrowers and the effects of general economic conditions on developers and builders. Moreover, a construction loan can involve additional risks because of the inherent difficulty in estimating both a property's value at completion of the project and the estimated cost (including interest) of the project. The nature of these loans is such that they are generally more difficult to evaluate and monitor. In addition, construction loans may include speculative construction loans to a builder where the homes are not necessarily pre-sold and thus pose a greater potential risk to Alliance than construction loans to individuals on their personal residences.

Alliance has attempted to minimize the foregoing risks by, among other things, limiting the number of units built to one or two sample units plus any units under agreement of sale and limiting the extent of its construction lending. Alliance's underwriting guidelines impose stringent loan-to-value, debt service, borrower liquidity, and other requirements for loans which are believed to involve higher elements of credit risk, by limiting the geographic area in which Alliance will do business and by working with builders with whom it has established relationships. At December 31, 2014, Alliance had no nonperforming construction loans.

*Consumer Loans.* Alliance offers consumer loans in order to provide a full range of financial services to its customers and because such loans generally have shorter terms and higher interest rates than mortgage loans. The consumer loans presently offered by Alliance include deposit account secured loans and lines of credit. Alliance withdrew from providing student loans in 2010. Consumer loans amounted to \$3.8 million or 1.2% of the total loan portfolio at December 31, 2014. Student loans amounted to \$3.6 million or 1.1% of the total loan portfolio at December 31, 2014. Such loans were made to local students for a term of ten years, presently with adjustable interest rates. The interest rate is determined by the U.S. Department of Education. Loan repayment obligations do not begin until the student has completed his or her education. The principal and interest on such loans is guaranteed by the U.S. government. Loans secured by deposit accounts amounted to \$161,000 or 0.1% of the total loan portfolio at December 31, 2014. Such loans are originated for up to 90% of the account balance, with a hold placed on the account restricting the withdrawal of the account balance.

Consumer loans generally have shorter terms and higher interest rates than mortgage loans but generally involve more credit risk than mortgage loans because of the type and nature of the collateral and, in certain cases, the absence of collateral. In addition, consumer lending collections are dependent on the borrower's continuing financial stability, and thus are more likely to be adversely effected by job loss, divorce, illness and personal bankruptcy. In most cases, any repossessed collateral for a defaulted consumer loan will not provide an adequate source of repayment of the outstanding loan balance because of improper repair and maintenance of the underlying collateral. The remaining deficiency often does not warrant further substantial collection efforts against the borrower. Alliance believes that the generally higher yields earned on consumer loans compensate for the increased credit risk associated with such loans and that consumer loans are important to its efforts to provide a full range of services to its customers. At December 31, 2014, there were 69 nonperforming student loans which amounted to \$235,000, compared to 113 nonperforming student loans which amounted to \$412,000 at December 31, 2013. All of these nonperforming student loans are fully guaranteed by the U.S. government.

*Commercial Business Loans.* Alliance has a commercial loan department, which provides a full range of commercial loan products to small business customers in its primary marketing area. These loans generally have shorter terms and higher interest rates as compared to mortgage loans. Such loans amounted to \$14.4 million or 4.6% of the total loan portfolio at December 31, 2014 and were primarily secured by receivables, equipment, and other business assets.

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Although commercial business loans generally are considered to involve greater credit risk than other certain types of loans, Alliance management intends to continue to offer commercial business loans to small businesses located in its primary market area. At December 31, 2014, Alliance had no nonperforming commercial business loans.

*Loan Fee Income.* In addition to interest earned on loans, Alliance receives income from fees in connection with loan originations, loan modifications, late payments, prepayments and for miscellaneous services related to its loans. Income from these activities varies from period to period with the volume and type of loans made and competitive conditions. Alliance charges loan origination fees which are calculated as a percentage of the amount borrowed. Loan origination and commitment fees and all incremental direct loan origination costs are deferred and recognized over the contractual remaining lives of the related loans on a level yield basis. Discounts and premiums on loans purchased are amortized in the same manner.

**Asset Quality**