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DELTA REPORT

10-Q

WSFS - WSFS FINANCIAL CORP

10-Q - MARCH 31, 2024 COMPARED TO 10-Q - SEPTEMBER 30, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	1065
CHANGES	341
DELETIONS	450
ADDITIONS	274

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended September 30, 2023 March 31, 2024

OR

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

For the transition period from __________to __________

Commission File Number 001-35638

WSFS FINANCIAL CORPORATION

(Exact name of registrant as specified in its charter)

Delaware	**22-2866913**
(State or other jurisdiction of Incorporation or organization)	**(I.R.S. Employer Identification Number)**

500 Delaware Ave,
Wilmington, Delaware, 19801
(Address of principal executive offices) (Zip Code)

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

Not Applicable
(Former name or former address, if changed since last report)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol(s)	Name of each exchange on which registered
Common Stock, par value $0.01 per share	WSFS	Nasdaq Global Select Market

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or such shorter period that the registrant was required to submit such files). Yes x No ☐

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

Large accelerated filer	x	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
Emerging growth company	☐		

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act. ☐

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No x

Number of shares outstanding of the issuer's common stock, as of the latest practicable date: 60,731,884 60,093,741 shares as of October 31, 2023 May 2, 2024.

WSFS FINANCIAL CORPORATION

FORM 10-Q

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FORWARD-LOOKING STATEMENTS

This Quarterly Report on Form 10-Q, and exhibits hereto, contains estimates, predictions, opinions, projections and other "forward-looking statements" as that phrase is defined in the Private Securities Litigation Reform Act of 1995. Such statements include, without limitation, references to the Company's predictions or expectations of future business or financial performance as well as its goals and objectives for future operations, financial and business trends, business prospects and management's outlook or expectations for earnings, revenues, expenses, capital levels, liquidity levels, asset quality or other future financial or business performance, strategies or expectations. The words "believe," "expect," "anticipate," "plan," "estimate," "target," "project" and similar expressions, among others, generally identify forward-looking statements. Such forward-looking statements are based on various assumptions (some of which may be beyond the Company's control) and are subject to risks and uncertainties (which change over time) and other factors which could cause actual results to differ materially from those currently anticipated. Such risks and uncertainties include, but are not limited to:

- difficult market conditions and unfavorable economic trends in the United States generally and in financial markets, particularly in the markets in which the Company operates and in which its loans are concentrated, including difficult and unfavorable conditions and trends related to housing markets, costs of living, unemployment levels, interest rates, supply chain issues, inflation, and economic growth;
- the impacts related to or resulting from recent bank failures and other economic and industry volatility, including potential increased regulatory requirements and costs and potential impacts to macroeconomic conditions;
- possible additional loan losses and impairment of the collectability of loans;
- the Company's level of nonperforming assets and the costs associated with resolving problem loans including litigation and other costs and complying with government-imposed foreclosure moratoriums;
- changes in market interest rates, which may increase funding costs and reduce earning asset yields and thus reduce margin;
- the impact of changes in interest rates and the credit quality and strength of underlying collateral and the effect of such changes on the market value of the Company's investment securities portfolio; portfolio, which could impact market confidence in our operations;
- possible additional loan losses and impairment of the collectability of loans;
- the Company's level of nonperforming assets and the costs associated with resolving problem loans including litigation and other costs and complying with government-imposed foreclosure moratoriums;
- the credit risk associated with the substantial amount of commercial real estate, commercial and industrial, and construction and land development and commercial and industrial loans in the Company's loan portfolio;
- the extensive federal and state regulation, supervision and examination governing almost every aspect of the Company's operations, and potential expenses associated with complying with such regulations;
- the Company's ability to comply with applicable capital and liquidity requirements, including its ability to generate liquidity internally or raise capital on favorable terms;
- possible changes in trade, monetary and fiscal policies and stimulus programs, laws and regulations and other activities of governments, agencies, and similar organizations, and the uncertainty of the short- and long-term impacts of such changes;

- any impairments of the Company's goodwill or other intangible assets;
- the discontinued publication of London Inter-Bank Offered Rate (LIBOR) and the transition to Secured Overnight Financing Rate (SOFR) as an alternative reference interest rate;
- the success of the Company's growth plans, including its plans to grow plans;
- failure of the commercial small business leasing, residential, small business and Small Business Administration (SBA) portfolios and wealth management business; financial and/or operational controls of the Company's Cash Connect® and/or Wealth Management segments;
- the Company's ability to successfully integrate and fully realize the cost savings and other benefits of its acquisitions, manage risks related to business disruption following those acquisitions, and post-acquisition Customer acceptance of the Company's products and services and related Customer disintermediation;
- negative perceptions or publicity with respect to the Company generally and, in particular, the Company's trust and wealth management business;
- failure of the financial and/or operational controls of the Company's Cash Connect® and/or Wealth Management divisions;
- adverse judgments or other resolution of pending and future legal proceedings, and cost incurred in defending such proceedings;
- the Company's reliance on third parties for certain important functions, including the operation of its core systems, and any failures by such third parties;
- system failures or cybersecurity incidents or other breaches of the Company's network security, particularly given widespread remote working arrangements;
- the Company's ability to recruit and retain key Associates;
- the effects of problems encountered by other financial institutions that adversely affect the Company or the banking industry generally;

- the effects of weather, including climate change, and natural disasters such as floods, droughts, wind, tornadoes and hurricanes as well as effects from geopolitical instability, armed conflicts, public health crises and man-made disasters including terrorist attacks;
- the effects of regional or national civil unrest (including any resulting branch or ATM closures or damage);

- possible changes in the speed of loan prepayments by the Company's Customers and loan origination or sales volumes;
- possible changes in market valuations and/or the speed of prepayments of mortgage-backed securities (MBS) due to changes in the interest rate environment and the related acceleration of premium amortization on prepayments in the event that prepayments accelerate;
- regulatory limits on the Company's ability to receive dividends from its subsidiaries and pay dividends to its stockholders;
- any reputation, credit, interest rate, market, operational, litigation, legal, liquidity, regulatory and compliance risk resulting from developments related to any of the risks discussed above;
- any compounding effects or unexpected interaction interactions of the risks discussed above; and
- other risks and uncertainties, including those discussed herein under the heading "Risk Factors" and in other documents filed by the Company with the Securities and Exchange Commission (SEC) from time to time.

The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date they are made. The Company disclaims any duty to revise or update any forward-looking statement, whether written or oral, that may be made from time to time by or on behalf of the Company for any reason, except as specifically required by law.

As used in this Quarterly Report on Form 10-Q, the terms "WSFS", "the Company", "registrant", "we", "us", and "our" mean WSFS Financial Corporation and its subsidiaries, on a consolidated basis, unless the context indicates otherwise.

The following are registered trademarks of the Company: Bryn Mawr Trust®, Cash Connect®, NewLane Finance®, Powdermill® Financial Solutions, WSFS Institutional Services®, WSFS Mortgage® and WSFS Wealth® Investments. Any other trademarks appearing in this Quarterly Report on Form 10-Q are the property of their respective holders.

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited)

		Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands, except per share and share data)	*(Dollars in thousands, except per share and share data)*	**2023**	2022	**2023**	2022
(Dollars in thousands, except per share and share data)					

(Dollars in thousands, except per share and share data)					
Interest income:					
Interest income:					
Interest income:	**Interest income:**				
Interest and fees on loans and leases	Interest and fees on loans and leases	**$ 218,903**	$ 152,887	**$ 620,511**	$ 401,110
Interest and fees on loans and leases					
Interest and fees on loans and leases					
Interest on mortgage-backed securities					
Interest on mortgage-backed securities					
Interest on mortgage-backed securities	Interest on mortgage-backed securities	**26,654**	28,338	**81,310**	78,828
Interest and dividends on investment securities:	Interest and dividends on investment securities:				
Interest and dividends on investment securities:					
Interest and dividends on investment securities:					
Taxable					
Taxable					
Taxable	Taxable	**699**	703	**2,103**	2,107
Tax-exempt	Tax-exempt	**1,481**	1,278	**4,496**	2,535
Tax-exempt					
Tax-exempt					
Other interest income	Other interest income	**3,402**	3,359	**10,871**	6,142
		251,139	186,565	**719,291**	490,722
Other interest income					
Other interest income					
		261,622			
		261,622			
		261,622			
Interest expense:					
Interest expense:					
Interest expense:	**Interest expense:**				
Interest on deposits	Interest on deposits	**57,255**	6,643	**142,501**	13,537
Interest on deposits					
Interest on deposits					
Interest on Federal Home Loan Bank advances					
Interest on Federal Home Loan Bank advances					
Interest on Federal Home Loan Bank advances	Interest on Federal Home Loan Bank advances	**167**	42	**5,135**	42
Interest on senior and subordinated debt	Interest on senior and subordinated debt	**2,453**	2,061	**7,360**	5,939
Interest on senior and subordinated debt					
Interest on senior and subordinated debt					
Interest on federal funds purchased					
Interest on federal funds purchased					
Interest on federal funds purchased	Interest on federal funds purchased	**185**	28	**1,324**	28

Interest on trust preferred borrowings	Interest on trust preferred borrowings	**1,764**	951	**4,954**	2,146
Interest on trust preferred borrowings					
Interest on trust preferred borrowings					
Interest on other borrowings	Interest on other borrowings	**6,713**	9	**11,041**	26
		68,537	9,734	**172,315**	21,718
Interest on other borrowings					
Interest on other borrowings					
		86,344			
		86,344			
		86,344			
Net interest income					
Net interest income					
Net interest income	Net interest income	**182,602**	176,831	**546,976**	469,004
Provision for credit losses	Provision for credit losses	**18,414**	7,454	**63,255**	34,693
Provision for credit losses					
Provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses					
Net interest income after provision for credit losses	Net interest income after provision for credit losses	**164,188**	169,377	**483,721**	434,311
Noninterest income:	**Noninterest income:**				
Noninterest income:					
Noninterest income:					
Credit/debit card and ATM income					
Credit/debit card and ATM income					
Credit/debit card and ATM income	Credit/debit card and ATM income	**14,869**	10,993	**42,660**	27,446
Investment management and fiduciary income	Investment management and fiduciary income	**32,720**	29,504	**95,575**	90,877
Investment management and fiduciary income					
Investment management and fiduciary income					
Deposit service charges					
Deposit service charges					
Deposit service charges	Deposit service charges	**6,534**	6,262	**18,850**	18,158
Mortgage banking activities, net	Mortgage banking activities, net	**1,254**	1,420	**3,680**	6,529
Mortgage banking activities, net					
Mortgage banking activities, net					
Loan and lease fee income					
Loan and lease fee income					
Loan and lease fee income	Loan and lease fee income	**1,621**	1,425	**4,183**	4,457
Unrealized (loss) gain on equity investments, net		**(5)**	—	**(9)**	5,988
Unrealized loss on equity investments, net					
Unrealized loss on equity investments, net					
Unrealized loss on equity investments, net					
Bank owned life insurance income					
Bank owned life insurance income					

Bank owned life insurance income	Bank owned life insurance income	**1,697**	195	**3,967**	674
Other income	Other income	**13,978**	12,852	**33,760**	41,125
		72,668	62,651	**202,666**	195,254
Other income					
Other income					
		75,857			
		75,857			
		75,857			
Noninterest expense:					
Noninterest expense:					
Noninterest expense:	**Noninterest expense:**				
Salaries, benefits and other compensation	Salaries, benefits and other compensation	**74,453**	72,294	**219,669**	211,413
Salaries, benefits and other compensation					
Salaries, benefits and other compensation					
Occupancy expense					
Occupancy expense					
Occupancy expense	Occupancy expense	**9,529**	9,699	**30,069**	30,393
Equipment expense	Equipment expense	**10,563**	9,913	**31,165**	30,674
Equipment expense					
Equipment expense					
Data processing and operations expenses					
Data processing and operations expenses					
Data processing and operations expenses	Data processing and operations expenses	**4,867**	5,362	**14,362**	16,009
Professional fees	Professional fees	**4,612**	3,561	**15,169**	12,285
Professional fees					
Professional fees					
Marketing expense					
Marketing expense					
Marketing expense	Marketing expense	**2,049**	2,082	**5,930**	4,985
FDIC expenses	FDIC expenses	**2,534**	1,540	**7,979**	4,399
FDIC expenses					
FDIC expenses					
Loan workout and other credit costs					
Loan workout and other credit costs					
Loan workout and other credit costs	Loan workout and other credit costs	**(189)**	1,001	**292**	1,103
Corporate development expense	Corporate development expense	**113**	1,248	**3,649**	41,679
Corporate development expense					
Corporate development expense					
Restructuring expense					
Restructuring expense					
Restructuring expense	Restructuring expense	**—**	1,344	**(787)**	22,792
Other operating expense	Other operating expense	**31,158**	24,873	**86,490**	65,691
		139,689	132,917	**413,987**	441,423

Other operating expense					
Other operating expense					
		149,072			
		149,072			
		149,072			
Income before taxes					
Income before taxes					
Income before taxes	Income before taxes	**97,167**	99,111	**272,400**	188,142
Income tax provision	Income tax provision	**22,904**	25,767	**66,880**	49,929
Income tax provision					
Income tax provision					
Net income	Net income	**$ 74,263**	$ 73,344	**$ 205,520**	$ 138,213
Less: Net income (loss) attributable to noncontrolling interest		**97**	(38)	**272**	287
Net income					
Net income					
Less: Net (loss) income attributable to noncontrolling interest					
Less: Net (loss) income attributable to noncontrolling interest					
Less: Net (loss) income attributable to noncontrolling interest					
Net income attributable to WSFS					
Net income attributable to WSFS					
Net income attributable to WSFS	Net income attributable to WSFS	**$ 74,166**	$ 73,382	**$ 205,248**	$ 137,926
Earnings per share:	**Earnings per share:**				
Earnings per share:					
Earnings per share:					
Basic					
Basic					
Basic	Basic	**$ 1.22**	$ 1.16	**$ 3.35**	$ 2.15
Diluted	Diluted	**$ 1.22**	$ 1.16	**$ 3.34**	$ 2.15
Diluted					
Diluted					
Weighted average shares of common stock outstanding:					
Weighted average shares of common stock outstanding:					
Weighted average shares of common stock outstanding:	**Weighted average shares of common stock outstanding:**				
Basic	Basic	**60,941,922**	63,047,675	**61,264,862**	64,064,488
Basic					
Basic					
Diluted	Diluted	**61,039,317**	63,227,983	**61,367,802**	64,282,992
Diluted					
Diluted					

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

WSFS FINANCIAL CORPORATION

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)

(Unaudited)

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	**2023**	2022	2023	2022
Net income	**$ 74,263**	$ 73,344	**$ 205,520**	$ 138,213
Less: Net income (loss) attributable to noncontrolling interest	**97**	(38)	**272**	287
Net income attributable to WSFS	**74,166**	73,382	**205,248**	137,926
Other comprehensive (loss) income:				
Net change in unrealized losses on investment securities available-for-sale				
Net unrealized losses arising during the period, net of tax benefit of $40,270, $63,954, $36,278, and $178,061, respectively	**(127,523)**	(202,520)	**(114,880)**	(563,860)
Net change in securities held-to-maturity				
Net change unrealized gains (losses) on available-for-sale securities reclassified to held-to-maturity, net of tax (benefit) expense of $(1,379), $(1,884), $(4,080), and $35,955, respectively(1)	**4,366**	5,966	**12,924**	(113,858)
Net change in unfunded pension liability				
Change in unfunded pension liability related to unrealized gain and prior service cost, net of tax expense of $16, $10, $44, and $27, respectively	**(51)**	(31)	**(140)**	(86)
Net change in cash flow hedge				
Net unrealized loss arising during the period, net of tax benefit of $508, $—, $869, and $—, respectively	**(1,608)**	—	**(2,752)**	—
Amortization of unrealized gain on terminated cash flow hedges, net of tax expense of $9, $13, $34, and $38, respectively	**(28)**	(41)	**(107)**	(120)
	(1,636)	(41)	**(2,859)**	(120)
Net change in equity method investments				
Net change in other comprehensive income of equity method investments, net of tax expense of $61, $8, $28, and $67, respectively	**192**	25	**88**	213
Total other comprehensive loss	**(124,652)**	(196,601)	**(104,867)**	(677,711)
Total comprehensive (loss) income	**$ (50,486)**	$ (123,219)	**$ 100,381**	$ (539,785)

(1) Includes $119.8 million, net of tax benefit, of unrealized losses on transferred investment securities with a book value of $1.1 billion from available-for-sale to held-to-maturity that were transferred in June 2022.

	Three Months Ended March 31,	
(Dollars in thousands)	**2024**	2023
Net income	**$ 65,723**	$ 62,662
Less: Net (loss) income attributable to noncontrolling interest	**(38)**	258
Net income attributable to WSFS	**65,761**	62,404
Other comprehensive (loss) income:		
Net change in unrealized (losses) gains on investment securities available-for-sale		
Net unrealized (losses) gains arising during the period, net of tax (benefit) expense of $(12,634) and $16,740, respectively	**(40,007)**	53,010
Net change in securities held-to-maturity		
Net change in unrealized gains on available-for-sale securities reclassified to held-to-maturity, net of tax benefit of $1,158 and $1,315, respectively	**3,669**	4,165
Net change in unfunded pension liability		
Change in unfunded pension liability related to unrealized gain and prior service cost, net of tax expense of $39 and $11, respectively	**(124)**	(35)
Net change in cash flow hedge		
Net unrealized (loss) gain arising during the period, net of tax (benefit) expense of $(2,031) and $105, respectively	**(6,433)**	332
Amortization of unrealized gain on terminated cash flow hedges, net of tax benefit of $— and $13, respectively	**—**	(40)
	(6,433)	292
Net change in equity method investments		
Net change in other comprehensive income of equity method investments, net of tax benefit of $7 and $1, respectively	**(21)**	(3)
Total other comprehensive (loss) income	**(42,916)**	57,429
Total comprehensive income	**$ 22,845**	$ 119,833

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

WSFS FINANCIAL CORPORATION

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

(Unaudited)

(Dollars in thousands, except per share and share data)	(Dollars in thousands, except per share and share data)	**September 30, 2023**	December 31, 2022	(Dollars in thousands, except per share and share data)	**March 31, 2024**	December 31, 2023
Assets:	**Assets:**					
Assets:						
Assets:						
Cash and due from banks						
Cash and due from banks						
Cash and due from banks	Cash and due from banks	**$ 260,200**	$ 332,961			
Cash in non-owned ATMs	Cash in non-owned ATMs	**345,754**	499,017			
Interest-bearing deposits in other banks including collateral (restricted cash) of $5,010 at September 30, 2023 and $4,650 at December 31, 2022		**5,526**	5,280			
Interest-bearing deposits in other banks including collateral (restricted cash) of $2,453 at March 31, 2024 and $4,270 at December 31, 2023						
Total cash, cash equivalents, and restricted cash	Total cash, cash equivalents, and restricted cash	**611,480**	837,258			
Investment securities, available-for-sale (amortized cost of $4,584,190 at September 30, 2023 and $4,834,550 at December 31, 2022		**3,691,541**	4,093,060			
Investment securities, held-to-maturity, net of allowance for credit losses of $8 at September 30, 2023 and $10 at December 31, 2022 (fair value $927,680 at September 30, 2023 and $1,040,104 at December 31, 2022)		**1,068,871**	1,111,619			
Investment securities, available-for-sale (amortized cost of $4,444,676 at March 31, 2024 and $4,504,342 at December 31, 2023						
Investment securities, held-to-maturity, net of allowance for credit losses of $8 at March 31, 2024 and December 31, 2023 (fair value $949,727 at March 31, 2024 and $985,931 at December 31, 2023)						
Other investments	Other investments	**21,741**	26,120			

Loans, held for sale at fair value	Loans, held for sale at fair value	**36,658**	42,985
Loans and leases, net of allowance for credit losses of $175,988 at September 30, 2023 and $151,861 at December 31, 2022		**12,502,404**	11,759,992
Loans and leases, net of allowance for credit losses of $192,629 at March 31, 2024 and $186,126 at December 31, 2023			
Bank owned life insurance	Bank owned life insurance	**101,424**	101,935
Stock in Federal Home Loan Bank (FHLB) of Pittsburgh at cost	Stock in Federal Home Loan Bank (FHLB) of Pittsburgh at cost	**12,199**	24,116
Other real estate owned	Other real estate owned	**298**	833
Accrued interest receivable	Accrued interest receivable	**81,909**	74,448
Premises and equipment	Premises and equipment	**105,001**	115,603
Goodwill		**885,898**	883,637
Intangible assets		**122,574**	128,595
Goodwill and intangible assets			
Goodwill and intangible assets			
Goodwill and intangible assets			
Other assets	Other assets	**798,994**	714,554
Total assets	**Total assets**	**$ 20,040,992**	$ 19,914,755
Liabilities and Stockholders' Equity	**Liabilities and Stockholders' Equity**		
Liabilities:	**Liabilities:**		
Liabilities:			
Liabilities:			
Deposits:	Deposits:		
Deposits:			
Deposits:			
Noninterest-bearing			
Noninterest-bearing			
Noninterest-bearing	Noninterest-bearing	**$ 4,913,517**	$ 5,739,647
Interest-bearing	Interest-bearing	**11,072,852**	10,463,922
Total deposits	Total deposits	**15,986,369**	16,203,569
Federal funds purchased		**25,000**	—
FHLB advances		**—**	350,000
Total deposits			
Total deposits			
Trust preferred borrowings			
Trust preferred borrowings			

Trust preferred borrowings	Trust preferred borrowings	**90,589**	90,442
Senior and subordinated debt	Senior and subordinated debt	**218,342**	248,169
Other borrowed funds	Other borrowed funds	**583,902**	38,283
Accrued interest payable	Accrued interest payable	**42,481**	5,174
Other liabilities	Other liabilities	**858,931**	777,232
Total liabilities	**Total liabilities**	**17,805,614**	17,712,869
Stockholders' Equity:	**Stockholders' Equity:**		
Common stock $0.01 par value, 90,000,000 shares authorized; issued 76,043,902 at September 30, 2023 and 75,921,997 at December 31, 2022		**761**	759
Common stock $0.01 par value, 90,000,000 shares authorized; issued 76,133,596 at March 31, 2024 and 76,095,094 at December 31, 2023			
Common stock $0.01 par value, 90,000,000 shares authorized; issued 76,133,596 at March 31, 2024 and 76,095,094 at December 31, 2023			
Common stock $0.01 par value, 90,000,000 shares authorized; issued 76,133,596 at March 31, 2024 and 76,095,094 at December 31, 2023			
Capital in excess of par value	Capital in excess of par value	**1,981,474**	1,974,210
Accumulated other comprehensive loss	Accumulated other comprehensive loss	**(780,711)**	(675,844)
Retained earnings	Retained earnings	**1,588,858**	1,411,243
Treasury stock at cost, 15,316,263 shares at September 30, 2023 and 14,310,085 shares at December 31, 2022		**(547,587)**	(505,255)
Treasury stock at cost, 16,049,631 shares at March 31, 2024 and 15,557,263 shares at December 31, 2023			
Total stockholders' equity of WSFS	**Total stockholders' equity of WSFS**	**2,242,795**	2,205,113
Noncontrolling interest	Noncontrolling interest	**(7,417)**	(3,227)
Total stockholders' equity	**Total stockholders' equity**	**2,235,378**	2,201,886
Total liabilities and stockholders' equity	**Total liabilities and stockholders' equity**	**$ 20,040,992**	$ 19,914,755

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

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY
(Unaudited)

Three Months Ended September 30, 2023									
Three Months Ended March 31, 2024									
(Dollars in thousands, except per share and share amounts)	**Shares**	**Common Stock**	**Capital in Excess of Par Value**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Treasury Stock**	**Total Stockholders' Equity of WSFS**	**Non-controlling Interest**	**Total Stockholders' Equity**
Balance, June 30, 2023	**76,021,963**	**$ 760**	**$ 1,977,945**	**$ (656,059)**	**$ 1,523,849**	**$ (531,836)**	**$ 2,314,659**	**$ (7,275)**	**$ 2,307,384**
Balance, December 31, 2023									
Net income	**—**	**—**	**—**	**—**	**74,166**	**—**	**74,166**	**97**	**74,263**
Other comprehensive loss	**—**	**—**	**—**	**(124,652)**	**—**	**—**	**(124,652)**	**—**	**(124,652)**
Cash dividend, $0.15 per share	**—**	**—**	**—**	**—**	**(9,157)**	**—**	**(9,157)**	**—**	**(9,157)**
Distributions to noncontrolling shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(239)**	**(239)**
Issuance of common stock including proceeds from exercise of common stock options									
Issuance of common stock including proceeds from exercise of common stock options									
Issuance of common stock including proceeds from exercise of common stock options	**21,939**	**1**	**2,057**	**—**	**—**	**—**	**2,058**	**—**	**2,058**
Stock-based compensation expense	**—**	**—**	**1,472**	**—**	**—**	**—**	**1,472**	**—**	**1,472**
Stock-based compensation expense									
Stock-based compensation expense									
Repurchases of common shares (1)	**—**	**—**	**—**	**—**	**—**	**(15,751)**	**(15,751)**	**—**	**(15,751)**
Balance, September 30, 2023	**76,043,902**	**$ 761**	**$ 1,981,474**	**$ (780,711)**	**$ 1,588,858**	**$ (547,587)**	**$ 2,242,795**	**$ (7,417)**	**$ 2,235,378**
Balance, March 31, 2024									
Nine Months Ended September 30, 2023									

(Dollars in thousands, except per share and share amounts)	**Shares**	**Common Stock**	**Capital in Excess of Par Value**	**Accumulated Other Comprehensive Loss**	**Retaine Earning**

(Dollars in thousands, except per share and share amounts)	Shares	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity of WSFS	Non-controlling Interest	Total Stockholders' Equity
Balance, December 31, 2022	**75,921,997**	**$ 759**	**$ 1,974,210**	**$ (675,844)**	**$ 1,411,243**	**$ (505,255)**	**$ 2,205,113**	**$ (3,227)**	**$ 2,201,886**
Net income	**—**	**—**	**—**	**—**	**205,248**	**—**	**205,248**	**272**	**205,520**
Other comprehensive loss	**—**	**—**	**—**	**(104,867)**	**—**	**—**	**(104,867)**	**—**	**(104,867)**
Cash dividend, $0.45 per share	**—**	**—**	**—**	**—**	**(27,633)**	**—**	**(27,633)**	**—**	**(27,633)**
Distributions to noncontrolling shareholders	**—**	**—**	**—**	**—**	**—**	**—**	**—**	**(4,462)**	**(4,462)**
Issuance of common stock including proceeds from exercise of common stock options	**121,905**	**2**	**2,418**	**—**	**—**	**—**	**2,420**	**—**	**2,420**
Stock-based compensation expense	**—**	**—**	**7,211**	**—**	**—**	**—**	**7,211**	**—**	**7,211**
Repurchases of common stock (2)	**—**	**—**	**(2,365)**	**—**	**—**	**(42,332)**	**(44,697)**	**—**	**(44,697)**
Balance, September 30, 2023	**76,043,902**	**$ 761**	**$ 1,981,474**	**$ (780,711)**	**$ 1,588,858**	**$ (547,587)**	**$ 2,242,795**	**$ (7,417)**	**$ 2,235,378**

(1) Repurchase of common stock includes 386,900 492,368 shares repurchased in connection with the Company's share repurchase program approved by the Board of Directors.

(2)

	Three Months Ended March 31, 2023								
(Dollars in thousands, except per share and share amounts)	Shares	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity of WSFS	Non-controlling Interest	Total Stockholders' Equity
Balance, December 31, 2022	75,921,997	$ 759	$ 1,974,210	$ (675,844)	$ 1,411,243	$ (505,255)	$ 2,205,113	$ (3,227)	$ 2,201,886
Net income	—	—	—	—	62,404	—	62,404	258	62,662
Other comprehensive income	—	—	—	57,429	—	—	57,429	—	57,429
Cash dividend, $0.15 per share	—	—	—	—	(9,255)	—	(9,255)	—	(9,255)
Distributions to noncontrolling shareholders	—	—	—	—	—	—	—	(49)	(49)
Issuance of common stock including proceeds from exercise of common stock options	36,603	—	362	—	—	—	362	—	362
Stock-based compensation expense	—	—	3,185	—	—	—	3,185	—	3,185
Repurchases of common shares (1)	—	—	—	—	—	(12,876)	(12,876)	—	(12,876)
Balance, March 31, 2023	75,958,600	$ 759	$ 1,977,757	$ (618,415)	$ 1,464,392	$ (518,131)	$ 2,306,362	$ (3,018)	$ 2,303,344

(1) Repurchase of common stock includes 1,006,178 262,000 shares repurchased in connection with the Company's share repurchase program approved by the Board of Directors, and 45,489 shares withheld to cover tax liabilities.

	Three Months Ended September 30, 2022								
(Dollars in thousands, except per share and share amounts)	Shares	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity of WSFS	Non-controlling Interest	Total Stockholders' Equity
Balance, June 30, 2022	75,870,300	$ 759	$ 1,968,175	$ (518,878)	$ 1,272,192	$ (406,888)	$ 2,315,360	$ (2,484)	$ 2,312,876
Net income (loss)	—	—	—	—	73,382	—	73,382	(38)	73,344
Other comprehensive loss	—	—	—	(196,601)	—	—	(196,601)	—	(196,601)
Cash dividend, $0.15 per share	—	—	—	—	(9,535)	—	(9,535)	—	(9,535)

(Dollars in thousands, except per share and share amounts)	Shares	Common Stock	Capital in Excess of Par Value	Accumulated Other Comprehensive Loss	Retained Earnings	Treasury Stock	Total Stockholders' Equity of WSFS	Non-controlling Interest	Total Stockholders' Equity
Contributions from noncontrolling shareholders	—	—	—	—	—	—	—	(240)	(240)
Issuance of common stock including proceeds from exercise of common stock options	26,054	—	2,087	—	—	—	2,087	—	2,087
Stock-based compensation expense	—	—	1,366	—	—	—	1,366	—	1,366
Repurchases of common shares (1)	—	—	—	—	—	(82,466)	(82,466)	—	(82,466)
Balance, September 30, 2022	75,896,354	$ 759	$ 1,971,628	$ (715,479)	$ 1,336,039	$ (489,354)	$ 2,103,593	$ (2,762)	$ 2,100,831

	Nine Months Ended September 30, 2022								
(Dollars in thousands, except per share and share amounts)	**Shares**	**Common Stock**	**Capital in Excess of Par Value**	**Accumulated Other Comprehensive Loss**	**Retained Earnings**	**Treasury Stock**	**Total Stockholders' Equity of WSFS**	**Non-controlling Interest**	**Total Stockholders' Equity**
Balance, December 31, 2021	57,695,676	$ 577	$ 1,058,997	$ (37,768)	$ 1,224,614	$ (307,321)	$ 1,939,099	$ (2,083)	$ 1,937,016
Net income	—	—	—	—	137,926	—	137,926	287	138,213
Other comprehensive loss	—	—	—	(677,711)	—	—	(677,711)	—	(677,711)
Cash dividend, $0.41 per share	—	—	—	—	(26,501)	—	(26,501)	—	(26,501)
Contributions from noncontrolling shareholders	—	—	—	—	—	—	—	(53)	(53)
Issuance of common stock including proceeds from exercise of common stock options	83,830	1	2,518	—	—	—	2,519	—	2,519
Issuance of common stock in acquisition of BMT	18,116,848	181	907,835	—	—	—	908,016	—	908,016
Noncontrolling interest assumed in acquisition	—	—	—	—	—	—	—	(913)	(913)
Stock-based compensation expense	—	—	4,427	—	—	—	4,427	—	4,427
Repurchases of common stock (2)	—	—	(2,149)	—	—	(182,033)	(184,182)	—	(184,182)
Balance, September 30, 2022	75,896,354	$ 759	$ 1,971,628	$ (715,479)	$ 1,336,039	$ (489,354)	$ 2,103,593	$ (2,762)	$ 2,100,831

(1) Repurchase of common stock includes 1,664,550 shares repurchased in connection with the Company's share repurchase program approved by the Board of Directors, and 4,872 shares withheld to cover tax liabilities.

(2) Repurchase of common stock includes 3,789,137 shares repurchased in connection with the Company's share repurchase program approved by the Board of Directors and 104,965 8,258 shares withheld to cover tax liabilities.

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

WSFS FINANCIAL CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

		Nine Months Ended September 30,				
		Three Months Ended March 31,				Three Months Ended March 31,
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	*(Dollars in thousands)*	**2024**	2023
Operating activities:	**Operating activities:**					

Operating activities:			
Operating activities:			
Net income			
Net income			
Net income	Net income	**$ 205,520**	$ 138,213
Adjustments to reconcile net income to net cash provided by operating activities:	Adjustments to reconcile net income to net cash provided by operating activities:		
Provision for credit losses			
Provision for credit losses			
Provision for credit losses	Provision for credit losses	**63,255**	34,693
Depreciation of premises and equipment, net	Depreciation of premises and equipment, net	**13,552**	20,009
Accretion of fees and discounts, net	Accretion of fees and discounts, net	**(20,891)**	(16,965)
Amortization of intangible assets	Amortization of intangible assets	**11,596**	14,505
Amortization of right-of-use lease assets	Amortization of right-of-use lease assets	**11,559**	14,715
Decrease in operating lease liability	Decrease in operating lease liability	**(9,328)**	(12,856)
Income from mortgage banking activities, net	Income from mortgage banking activities, net	**(3,680)**	(6,529)
Loss (gain) on sale of other real estate owned and valuation adjustments, net		**195**	(235)
Loss on sale of other real estate owned and valuation adjustments, net			
Loss on sale of other real estate owned and valuation adjustments, net			
Loss on sale of other real estate owned and valuation adjustments, net			
Stock-based compensation expense	Stock-based compensation expense	**7,211**	4,427
Unrealized loss (gain) on equity investments, net		**9**	(5,988)
Unrealized loss on equity investments, net			

Deferred income tax benefit	Deferred income tax benefit	**(1,681)**	(6,439)
Deferred income tax benefit			
Deferred income tax benefit			
Increase in accrued interest receivable	Increase in accrued interest receivable	**(7,461)**	(11,096)
Decrease in other assets		**(42,228)**	(39,991)
(Increase) decrease in other assets			
Origination of loans held for sale	Origination of loans held for sale	**(206,979)**	(453,952)
Proceeds from sales of loans held for sale	Proceeds from sales of loans held for sale	**144,990**	421,098
Decrease (increase) in value of bank owned life insurance		**511**	(437)
Decrease in value of bank owned life insurance			
Increase in capitalized interest, net	Increase in capitalized interest, net	**(1,702)**	(1,650)
Increase in accrued interest payable		**37,307**	1,590
Increase in other liabilities		**86,052**	313,791
(Decrease) increase in accrued interest payable			
Increase (decrease) in other liabilities			
Net cash provided by operating activities	**Net cash provided by operating activities**	**$ 287,807**	$ 406,903
Net cash provided by operating activities			
Net cash provided by operating activities			
Investing activities:	**Investing activities:**		
Purchases of investment securities held to maturity		**$ —**	$ (120,868)
Repayments, maturities and calls of investment securities held-to-maturity			

Repayments, maturities and calls of investment securities held-to-maturity			
Repayments, maturities and calls of investment securities held-to-maturity	Repayments, maturities and calls of investment securities held-to-maturity	**57,826**	49,768
Purchases of investment securities available-for-sale	Purchases of investment securities available-for-sale	**(21,080)**	(1,218,022)
Purchases of investment securities available-for-sale			
Purchases of investment securities available-for-sale			
Repayments, maturities and calls of investment securities available-for-sale	Repayments, maturities and calls of investment securities available-for-sale	**269,156**	911,125
Proceeds from bank-owned life insurance death benefit		**—**	1,437
Net (increase) decrease in loans		**(486,508)**	11,642
Net cash (paid for) from business combinations		**(3,000)**	573,745
Net increase in loans			
Net increase in loans			
Net increase in loans			
Purchase of loans held-for-investment			
Purchase of loans held-for-investment			
Purchase of loans held-for-investment	Purchase of loans held-for-investment	**(238,047)**	(252,185)
Purchases of stock of Federal Home Loan Bank of Pittsburgh	Purchases of stock of Federal Home Loan Bank of Pittsburgh	**(119,479)**	(15,318)
Redemptions of stock of Federal Home Loan Bank of Pittsburgh	Redemptions of stock of Federal Home Loan Bank of Pittsburgh	**131,396**	6
Sales of other real estate owned	Sales of other real estate owned	**833**	1,844

Investment in premises and equipment	Investment in premises and equipment	**(2,953)**	(7,665)
Sales of premises and equipment	Sales of premises and equipment	**3**	891
Net cash used in investing activities	**Net cash used in investing activities**	**$ (411,853)**	$ (63,600)

		Nine Months Ended September 30,				
		Three Months Ended March 31,				Three Months Ended March 31,
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	*(Dollars in thousands)*	**2024**	2023
Financing activities:	**Financing activities:**					
Net decrease in demand and saving deposits	Net decrease in demand and saving deposits	**$ (816,546)**	$ (466,105)			
Increase (decrease) in time deposits		**612,672**	(132,825)			
Decrease in brokered deposits		**(33,486)**	(37,704)			
Net decrease in demand and saving deposits						
Net decrease in demand and saving deposits						
Increase in time deposits						
(Decrease) increase in brokered deposits						
Receipts from FHLB advances						
Receipts from FHLB advances						
Receipts from FHLB advances	Receipts from FHLB advances	**5,945,000**	458,100			
Repayments of FHLB advances	Repayments of FHLB advances	**(6,295,000)**	(458,100)			
Receipts from federal funds purchased	Receipts from federal funds purchased	**6,033,000**	310,001			
Repayments of federal funds purchased	Repayments of federal funds purchased	**(6,008,000)**	(310,001)			
Receipts from Bank Term Funding Program	Receipts from Bank Term Funding Program	**565,000**	—			

Distributions to noncontrolling shareholders	Distributions to noncontrolling shareholders	**(4,462)**	(53)
Cash dividend	Cash dividend	**(27,633)**	(26,501)
Issuance of common stock including proceeds from exercise of common stock options	Issuance of common stock including proceeds from exercise of common stock options	**2,420**	2,519
Redemption of senior and subordinated debt	Redemption of senior and subordinated debt	**(30,000)**	—
Repurchases of common shares	Repurchases of common shares	**(44,697)**	(184,182)
Repurchases of common shares			
Repurchases of common shares			
Net cash used in financing activities	**Net cash used in financing activities**	**$ (101,732)**	$ (844,851)
Decrease in cash, cash equivalents, and restricted cash		**(225,778)**	(501,548)
(Decrease) increase in cash, cash equivalents, and restricted cash			
Cash, cash equivalents, and restricted cash at beginning of period	Cash, cash equivalents, and restricted cash at beginning of period	**837,258**	1,532,939
Cash, cash equivalents, and restricted cash at end of period	Cash, cash equivalents, and restricted cash at end of period	**$ 611,480**	$ 1,031,391
Supplemental disclosure of cash flow information:	**Supplemental disclosure of cash flow information:**		
Cash paid during the period for:	Cash paid during the period for:		
Cash paid during the period for:			
Cash paid during the period for:			
Interest			
Interest			
Interest	Interest	**$ 135,008**	$ 16,886

Income taxes	Income taxes	**72,789**	26,237
Non-cash information:	**Non-cash information:**		
Loans transferred to other real estate owned	Loans transferred to other real estate owned	**$ 298**	$ 502
Loans transferred to other real estate owned			
Loans transferred to other real estate owned			
Loans transferred to portfolio from held-for-sale at fair value	Loans transferred to portfolio from held-for-sale at fair value	**68,022**	84,829
Held-to-maturity securities purchased, not settled		**—**	5,136
Securities transferred to held-to-maturity from available-for-sale at fair value		**—**	931,421
Fair value of assets acquired, net of cash received		**7,993**	4,713,544
Fair value of liabilities assumed		**4,993**	4,379,273
Available-for-sale securities purchased, not settled			

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

WSFS FINANCIAL CORPORATION
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2023 MARCH 31, 2024
(UNAUDITED)

1. BASIS OF PRESENTATION

General

These unaudited Consolidated Financial Statements include the accounts of WSFS Financial Corporation (WSFS, and together with its subsidiaries, the Company), and its consolidated subsidiaries. WSFS' primary subsidiary is Wilmington Savings Fund Society, FSB (WSFS Bank or the Bank). As of September 30, 2023 March 31, 2024, the other subsidiaries of WSFS include The Bryn Mawr Trust Company of Delaware (BMT-DE), Bryn Mawr Capital Management, LLC (BMCM), WSFS Wealth Management, LLC (Powdermill®), WSFS SPE Services, LLC, and 601 Perkasie, LLC. The Company also has three unconsolidated subsidiaries: WSFS Capital Trust III, Royal Bancshares Capital Trust I, and Royal Bancshares Capital Trust II. WSFS Bank has two wholly-owned subsidiaries: Beneficial Equipment Finance Corporation (BEFC) and 1832 Holdings, Inc., and one majority-owned subsidiary, NewLane Finance Company (NewLane Finance®).

On January 1, 2023, WSFS completed the merger and brand conversion of WSFS Capital Management, LLC (West Capital) and Cypress Capital Management, LLC and renamed the combined entity Bryn Mawr Capital Management, LLC. BMCM is registered as an investment advisor with the U.S. Securities and Exchange Commission and is a wholly-owned subsidiary of WSFS.

Overview

Founded in 1832, the Bank is one of the ten oldest bank and trust companies continuously operating under the same name in the United States (U.S.). The Company provides residential and commercial real estate, mortgage, commercial and consumer lending services, as well as consumer deposit and treasury management services. The Company's core banking business is commercial lending funded primarily by customer-generated deposits. In addition, the Company offers a variety of wealth management and trust services to individuals, institutions and corporations. The Federal Deposit Insurance Corporation (FDIC) insures the Company's customers' deposits to their legal maximums. The Company serves its customers primarily from 116 114 offices located in Pennsylvania (59 57), Delaware (40), New Jersey (14), Florida (1), Nevada (1) and Virginia (1), its ATM network, website at **www.wsfsbank.com** and mobile app. Information on the website is not incorporated by reference into this Quarterly Report on Form 10-Q.

The Company's leasing business is conducted by NewLane Finance®. NewLane Finance® originates small business leases and provides commercial financing to businesses nationwide, targeting various equipment categories including technology, software, office, medical, veterinary and other areas. In addition, NewLane Finance® offers captive insurance through its subsidiary, Prime Protect.

Basis of Presentation

In preparing the unaudited Consolidated Financial Statements, the Company is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Amounts subject to significant estimates include the allowance for credit losses (including loans and leases held for investment, investment securities available-for-sale and held-to-maturity), loans held for sale, lending-related commitments, goodwill, intangible assets, post-retirement benefit obligations, the fair value of financial instruments, and income taxes. Among other effects, changes to these estimates could result in future impairments of investment securities, goodwill and intangible assets, the establishment of additional allowance and lending-related commitment reserves, changes in the fair value of financial instruments, as well as increased post-retirement benefits and income tax expense.

The Company's accounting and reporting policies conform to Generally Accepted Accounting Principles in the U.S. (GAAP), prevailing practices within the banking industry for interim financial information and Rule 10-01 of SEC Regulation S-X (Rule 10-01). Rule 10-01 does not require us to include all information and notes that would be required in audited financial statements. Certain prior period amounts have been reclassified to conform with current period presentation. Operating results for the periods presented are not necessarily indicative of the results that may be expected for any future quarters or for the year ending December 31, 2023 December 31, 2024. These unaudited, interim Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements and related notes included in the Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023 (the 2022 2023 Annual Report on Form 10-K) that was filed with the SEC on February 28, 2023 February 29, 2024 and is available at **www.sec.gov** or on the website at **www.wsfsbank.com**. All significant intercompany accounts and transactions were eliminated in consolidation.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

SIGNIFICANT ACCOUNTING POLICIES:

The significant accounting policies used in preparation of the Consolidated Financial Statements are disclosed in the Company's 2022 2023 Annual Report on Form 10-K. Those significant accounting policies remain unchanged at September 30, 2023, except for the following:

Past Due and Nonaccrual Loans

Past due loans are defined as loans contractually past due 90 days or more as to principal or interest payments. Past due loans 90 days or more that remain in accrual status are considered well secured and in the process of collection.

Nonaccruing loans are those on which the accrual of interest has ceased. Loans are placed on nonaccrual status immediately if, in the opinion of the Company, collection is doubtful, or when principal or interest is past due 90 days or more and the loan is not well secured and in the process of collection. Interest accrued but not collected at the date a loan is placed on nonaccrual status is reversed and charged against interest income. In addition, the amortization of net deferred loan fees is suspended when a loan is placed on nonaccrual status. Subsequent cash receipts are applied either to the outstanding principal balance or recorded as interest income, depending on the Company's assessment of the ultimate collectability of principal and interest. Loans are returned to accrual status when the Company assesses that the borrower has the ability to make all principal and interest payments in accordance with the terms of the loan (i.e., a consistent repayment record, generally six consecutive payments, has been demonstrated) March 31, 2024.

For loans greater than 90 days past due, unless loans are well-secured and collection is imminent, their respective reserves are generally charged off once the loss has been confirmed. Expected recoveries do not exceed the aggregate of amounts previously charged off and expected to be charged off.

A loan, for which the terms have been modified in the current reporting period in the form of principal forgiveness, an interest rate reduction, an other than-insignificant payment delay, or a term extension to a borrower experiencing financial difficulty, is considered a troubled loan. The assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification.

Principal balances are generally not forgiven when a loan is modified as a troubled loan. Nonaccruing troubled loans remain in nonaccrual status until there has been a period of sustained repayment performance demonstrated and repayment is reasonably assured. Since the effect of most troubled loans are already included in the Company's estimate of expected credit losses, a change to the allowance for credit losses is generally not recorded upon modification.

For additional detail regarding past due and nonaccrual loans, see Note 7.

Allowance for Credit Losses - Loans and Leases

The Company establishes its allowance in accordance with guidance provided in ASC 326, *Financial Instruments - Credit Losses*. The allowance for credit losses includes quantitative and qualitative factors that comprise the Company's current estimate of expected credit losses, including the Company's portfolio mix and segmentation, modeling methodology, historical loss experience, relevant available information from internal and external sources relating to qualitative adjustment factors, prepayment speeds and reasonable and supportable forecasts about future economic conditions.

The Company's portfolio segments, established based on similar risk characteristics and loss behaviors, are:

- Commercial Loans and Leases: Commercial and industrial - real estate secured, commercial and industrial - non-real estate secured, owner-occupied commercial, commercial mortgages, construction and commercial small business leases, and
- Residential and Consumer Loans: Residential mortgage, equity secured lines and loans, installment loans, unsecured lines of credit, originated education loans and previously acquired education loans.

Expected credit losses are net of expected recoveries and estimated over the contractual term, adjusted for expected prepayments. The contractual term excludes any extensions, renewals and modifications unless they are not unconditionally cancellable. Expected recoveries do not exceed the aggregate of amounts previously charged-off and expected to be charged-off. Expected prepayments are based on historical experience and considers adjustments for current and future economic conditions.

The allowance includes two primary components: (i) an allowance established on loans which share similar risk characteristics collectively evaluated for credit losses (collective basis) and (ii) an allowance established on loans which do not share similar risk characteristics with any loan segment and are individually evaluated for credit losses (individual basis).

Loans that share similar risk characteristics are collectively reviewed for credit loss and are evaluated based on historical loss experience, adjusted for current economic conditions and future economic forecasts. Estimated losses are determined differently for commercial and residential and consumer loans, and each portfolio segment is further segmented by internally assessed risk ratings.

The Company uses a single scenario third-party economic forecast to adjust the calculated historical loss rates of the portfolio segments to incorporate the effects of current and future economic conditions. The Company's economic forecast considers the general health of the economy, the interest rate environment, real estate pricing and market risk. The Company's forecast extends out 6 quarters (the forecast period) and reverts to the historical loss rates on a straight-line basis over 4 quarters (the reversion period) as it believes this to be reasonable and supportable in the current environment. The economic forecast and reversion periods will be evaluated periodically by the Company and updated as appropriate.

The historical loss rates for commercial loans are estimated by determining the probability of default (PD) and expected loss given default (LGD) and are applied to the loans' exposure at default. The probability of default is calculated based on the historical rate of migration to an event of credit loss during the look-back period. The historical loss rates for consumer loans is calculated based on average net loss rates over the same look-back period. The current look-back period is 51 quarters which ensures historical loss rates are adequately considering losses within a full credit cycle.

Loans that do not share similar risk characteristics with any loan segments are evaluated on an individual basis. These loans, which may include troubled loans, are not included in the collective basis evaluation. When it is probable the Company will not collect all principal and interest due according to their contractual terms, which is assessed based on the credit characteristics of the loan and/or payment status, these loans are individually reviewed and measured for potential credit loss.

The amount of the potential credit loss is measured using any of the following three methods: (i) the present value of expected future cash flows discounted at the loan’s effective interest rate; (ii) the fair value of collateral if the loan is collateral dependent; or (iii) the loan’s observable market price. If the measured fair value of the loan is less than the amortized cost basis of the loan, an allowance for credit loss is recorded.

For collateral dependent loans, the expected credit losses at the individual asset level are the difference between the collateral's fair value (less cost to sell) and the amortized cost.

Qualitative adjustment factors consider various internal and external conditions which are allocated among loan segments and take into consideration:

- Current underwriting policies, staff and portfolio concentrations,
- Risk rating accuracy, credit and administration,
- Internal risk emergence (including internal trends of delinquency, and criticized loans by segment),
- Economic forecasts and conditions - locally and nationally (including market trends impacting collateral values), which is separate from or in addition to the third-party economic forecast described above, and
- Competitive environment, as it could impact loan structure and underwriting.

These factors are based on their relative standing compared to the period in which historical losses are used in quantitative reserve estimates and current directional trends, and reasonable and supportable forecasts. Qualitative factors can add to or subtract from quantitative reserves.

The Company's loan officers and risk managers meet at least quarterly to discuss and review the conditions and risks associated with individual problem loans. In addition, various regulatory agencies periodically review the Company's loan ratings and allowance for credit losses and the Bank's internal loan review department performs recurring loan reviews.

Accrued interest receivable on loans is excluded from the estimate of credit losses and is included in *Accrued interest receivable* on the unaudited Consolidated Statements of Financial Condition.

For additional detail regarding the allowance for credit losses and the provision for credit losses, see Note 7.

RECENT ACCOUNTING PRONOUNCEMENTS

Accounting Guidance Adopted in 2023

ASU No. 2022-02, Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures: In March 2022, The following accounting pronouncements were adopted by the FASB issued *ASU No. 2022-02*Company during the three months ended March 31, 2024, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures.* The guidance eliminates the accounting guidance for troubled debt restructurings by creditors (ASC 310-40) while enhancing disclosure requirements for certain loan refinancings and restructurings by creditors when but did not have a borrower is experiencing financial difficulty. The guidance also requires that an entity disclose current-period write-offs by year of origination for financing receivables and net investments in leases within the scope of Topic 326. The Company adopted this guidance prospectively on January 1, 2023. For further details material impact on the impact of the adoption and accounting policies, see updated Significant Accounting Policies, as described above, and troubled loans disclosures in Note 7 - *Allowance for Credit Losses and Credit Quality Information*.unaudited Consolidated Financial Statements.

Accounting Guidance Pending Adoption as of September 30, 2023

- ASU No. 2023-01, Leases (Topic 842) — *Common Control Agreements:* In March 2023, the FASB issued ASU No. 2023-01*, Leases (Topic 842) Common Control Agreements.*

The amendment clarifies the accounting for leasehold improvements associated with common control leases by allowing the lessee to amortize the leasehold improvements over the useful life of the common control group's use of the underlying asset, regardless of the lease term. The guidance is effective for fiscal years beginning after December 15, 2023. Early adoption is permitted. Adoption is required on a modified retrospective basis, consistent with the Company's adoption of Topic 842. The Company does not expect this update to have a material impact on the Consolidated Financial Statements. Agreements

- ASU No. 2023-02, Investments— Investments — *Equity Method and Joint Ventures (Topic 323) Accounting for Investments in Tax Credit Structures Using the Proportional Amortization* *Method:* *Method*

There were no other applicable material accounting pronouncements adopted by the Company since December 31, 2023.

Accounting Guidance Pending Adoption as of March 31, 2024

ASU No. 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures: In November 2023, the FASB issued ASU 2023-07, *Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures*. The amendments are intended to improve reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses that are regularly provided to the chief operating decision maker and included within each reported measure of segment profit or loss. The amendments are effective for fiscal years beginning after December 15, 2023, and interim periods within fiscal years beginning after December 15, 2024. Early adoption is permitted. Adoption is required retrospectively for all prior periods presented in the financial statements. The Company is currently evaluating this update to determine the impact on the Company's disclosures.

ASU No. 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures: In March 2023, The FASB issued ASU 2023-02, *Investments—Equity Method and Joint Ventures (Topic 323) Accounting for Investments in Tax Credit Structures Using the Proportional Amortization Method*. The amendments permit reporting entities to elect to account for any equity investments in a tax credit program using the proportional amortization method if certain conditions are met. The amendments are effective for fiscal years beginning after December 15, 2023 December 15, 2024. Early adoption is permitted. Adoption is required on a prospective, modified retrospective, or retrospective basis depending on the amendment. The Company does not expect is currently evaluating this update to have a material determine the impact on the Consolidated Financial Statements. Company's disclosures.

3. NONINTEREST INCOME

Credit/debit card and ATM income

The following table presents the components of credit/debit card and ATM income:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,						
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	**2023**	2022	*(Dollars in thousands)*	**2024**	2023
Bailment fees	Bailment fees	**$ 9,982**	$ 6,306	**$ 28,051**	$ 13,105			
Interchange fees	Interchange fees	**3,885**	3,870	**11,764**	11,859			
Other card and ATM fees	Other card and ATM fees	**1,002**	817	**2,845**	2,482			
Total credit/debit card and ATM income	Total credit/debit card and ATM income	**$ 14,869**	$ 10,993	**$ 42,660**	$ 27,446			

Credit/debit card and ATM income is composed of bailment fees, interchange fees, and other card and ATM fees. Bailment fees are earned from bailment arrangements with customers. Bailment arrangements are legal relationships in which property is delivered to another party without a transfer of ownership. The party who transferred the property (the bailor) retains ownership interest of the property. In the event that the bailee files for bankruptcy protection, the property is not included in the bailee's assets. The bailee pays an agreed-upon fee for the use of the bailor's property in exchange for the bailor allowing use of the assets at the bailee's site. Bailment fees are earned from cash that is made available for customers' use at an offsite location, such as cash located in an ATM at a customer's place of business. These fees are typically indexed to a market interest rate. This revenue stream generates fee income through monthly billing for bailment services.

Credit/debit card and ATM income also includes interchange fees. Interchange fees are paid by a merchant's bank to a bank that issued a debit or credit card used in a transaction to compensate the issuing bank for the value and benefit the merchant receives from accepting electronic payments. These revenue streams generate fee income at the time a transaction occurs and are recorded as revenue at the time of the transaction.

Investment management and fiduciary income

The following table presents the components of investment management and fiduciary income:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,						
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	**2023**	2022	*(Dollars in thousands)*	**2024**	2023
Trust fees	Trust fees	**$ 22,062**	$ 19,170	**$ 64,514**	$ 58,658			
Wealth management and advisory fees	Wealth management and advisory fees	**10,658**	10,334	**31,061**	32,219			
Total investment management and fiduciary income	Total investment management and fiduciary income	**$ 32,720**	$ 29,504	**$ 95,575**	$ 90,877			

Investment management and fiduciary income is composed of trust fees and wealth management and advisory fees. Trust fees are based on revenue earned from custody, escrow, trustee and trustee related services on structured finance transactions; indenture trustee, administrative agent and collateral agent services to individuals, institutions and corporations; commercial domicile and independent director services; and investment and trustee services to families and individuals. Most fees are flat fees, except for a portion of personal and corporate trustee fees where the Company earns a percentage on the assets under management or assets held within a trust. This revenue stream primarily generates fee income through monthly, quarterly and annual billings for services provided.

Wealth management and advisory fees consists of fees from Bryn Mawr Trust (excluding BMT-DE), BMCM, Powdermill®, and WSFS Wealth® Investments. Wealth management and advisory fees are based on revenue earned from services including asset management, financial planning, family office, and brokerage. The fees are based on the market value of assets, are assessed as a flat fee, or are brokerage commissions. This revenue stream primarily generates fee income through monthly, quarterly and annual billings for the services.

Deposit service charges

The following table presents the components of deposit service charges:

		Three Months Ended September 30,		Nine Months Ended September 30,				
		Three Months Ended March 31, Three Months Ended March 31, Three Months Ended March 31,						
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	**2023**	2022	*(Dollars in thousands)*	**2024**	2023

Service fees	Service fees	**$ 4,382**	$ 3,933	**$ 12,833**	$ 11,789
Return and overdraft fees	Return and overdraft fees	**1,851**	2,164	**5,218**	5,835
Other deposit service fees	Other deposit service fees	**301**	165	**799**	534
Total deposit service charges	Total deposit service charges	**$ 6,534**	$ 6,262	**$ 18,850**	$ 18,158

Deposit service charges includes revenue earned from core deposit products, certificates of deposit, and brokered deposits. The Company generates fee revenues from deposit service charges primarily through service charges and overdraft fees. Service charges consist primarily of monthly account maintenance fees, treasury management fees, foreign ATM fees and other maintenance fees. All of these revenue streams generate fee income through service charges for monthly account maintenance and similar items, transfer fees, late fees, overlimit fees, and stop payment fees. Revenue is recorded at the time of the transaction.

Other income

The following table presents the components of other income:

	Three Months Ended September 30,		Nine Months Ended September 30,	
(Dollars in thousands)	**2023**	2022	**2023**	2022
Managed service fees	**$ 5,301**	$ 4,866	**$ 15,316**	$ 13,091
Currency preparation	**1,331**	1,104	**3,955**	2,904
ATM loss protection	**643**	681	**1,938**	1,963
Capital markets revenue	**3,581**	793	**8,170**	5,738
Miscellaneous products and services(1)	**3,122**	5,408	**4,381**	17,429
Total other income	**$ 13,978**	$ 12,852	**$ 33,760**	$ 41,125

(1) Includes commissions income from BMT Insurance Advisors (BMTIA) in 2022. The BMTIA business was sold at the end of the second quarter of 2022.

	Three Months Ended March 31,	
(Dollars in thousands)	**2024**	2023
Managed service fees	**$ 5,586**	$ 4,799
Currency preparation	**1,675**	1,282
ATM loss protection	**859**	648
Capital markets revenue	**3,001**	2,879
Miscellaneous products and services	**1,282**	(357)
Total other income	**$ 12,403**	$ 9,251

Other income consists of managed service fees, which are primarily courier fees related to treasury management and are partially offset in noninterest expense, currency preparation, ATM loss protection, capital markets revenue, and other miscellaneous products and services offered by the Bank. These fees are primarily generated through monthly billings or at the time of the transaction. Capital markets revenue consists of fees related to interest rate swaps, risk participation agreements, foreign exchange contracts, letters of credit, and trade finance products and services offered by the Bank. Through its subsidiary BMTIA, the Bank earned commissions from the sale of insurance policies, which are generally calculated as a percentage of the policy premium, and contingent income, which is calculated based on the volume and

Arrangements with multiple performance of the policies held by each carrier. Obligations for the sale of insurance policies are generally satisfied at the point in time which the policy is executed and are recognized at the point in time in which the amounts are known and collection is reasonably assured. Performance metrics for contingent income are generally satisfied over time, not exceeding one year, and are recognized at the point in time in which the amounts are known and collection is reasonably assured. obligations

The Company's contracts with customers may include multiple performance obligations. For such arrangements, the Company allocates revenue to each performance obligation based on its relative standalone selling price. The Company generally determines standalone selling prices based on the prices charged to customers.

Practical expedients and exemptions

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less and (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice for services performed.

See Note 14 for further information about the disaggregation of noninterest income by segment.

4. EARNINGS PER SHARE

The following table shows the computation of basic and diluted earnings per share:

		Three Months Ended September 30,		Nine Months Ended September 30,	
		Three Months Ended March 31,			
		Three Months Ended March 31,			
		Three Months Ended March 31,			
(Dollars and shares in thousands, except per share data)					
(Dollars and shares in thousands, except per share data)					
(Dollars and shares in thousands, except per share data)	*(Dollars and shares in thousands, except per share data)*	**2023**	2022	**2023**	2022
Numerator:	**Numerator:**				
Numerator:					
Numerator:					
Net income attributable to WSFS					
Net income attributable to WSFS					
Net income attributable to WSFS	Net income attributable to WSFS	**$ 74,166**	$ 73,382	**$ 205,248**	$ 137,926
Denominator:	**Denominator:**				
Denominator:					
Denominator:					
Weighted average basic shares					
Weighted average basic shares					
Weighted average basic shares	Weighted average basic shares	**60,942**	63,048	**61,265**	64,064
Dilutive potential common shares	Dilutive potential common shares	**97**	180	**103**	219
Dilutive potential common shares					
Dilutive potential common shares					
Weighted average fully diluted shares					
Weighted average fully diluted shares					
Weighted average fully diluted shares	Weighted average fully diluted shares	**61,039**	63,228	**$ 61,368**	$ 64,283
Earnings per share:	Earnings per share:				
Earnings per share:					
Earnings per share:					
Basic					
Basic					
Basic	Basic	**$ 1.22**	$ 1.16	**$ 3.35**	$ 2.15
Diluted	Diluted	**$ 1.22**	$ 1.16	**$ 3.34**	$ 2.15
Diluted					
Diluted					
Outstanding common stock equivalents having no dilutive effect	Outstanding common stock equivalents having no dilutive effect	**18**	2	**18**	**7**
Outstanding common stock equivalents having no dilutive effect					

Outstanding common stock equivalents having no dilutive effect	

Basic earnings per share is calculated by dividing *Net income attributable to WSFS* by the weighted-average basic shares outstanding. Diluted earnings per share is calculated by dividing *Net income attributable to WSFS* by the weighted-average fully diluted shares outstanding, using the treasury stock method. Fully diluted shares include the adjustment for the dilutive effect of common stock awards, which include outstanding stock options and unvested restricted stock units under the 2013 Incentive Plan and the 2018 Incentive Plan and performance stock units under the 2018 Incentive Plan.

5. INVESTMENT SECURITIES

Debt Securities

The following tables detail the amortized cost, allowance for credit losses and the estimated fair value of the Company's investments in available-for-sale and held-to-maturity debt securities. None of the Company's investments in debt securities are classified as trading.

		September 30, 2023				
		March 31, 2024				
(Dollars in thousands)	*(Dollars in thousands)*	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Allowance for Credit Losses	Fair Value
Available-for-Sale Debt Securities	**Available-for-Sale Debt Securities**					
Collateralized mortgage obligation (CMO)						
Collateralized mortgage obligation (CMO)						
Collateralized mortgage obligation (CMO)	Collateralized mortgage obligation (CMO)	$ 573,393	$ —	$ 118,729	$ —	$ 454,664
Fannie Mae (FNMA) mortgage-backed securities (MBS)	Fannie Mae (FNMA) mortgage-backed securities (MBS)	3,608,095	—	694,683	—	2,913,412
Freddie Mac (FHLMC) MBS	Freddie Mac (FHLMC) MBS	128,999	—	18,280	—	110,719
Ginnie Mae (GNMA) MBS	Ginnie Mae (GNMA) MBS	47,621	—	4,870	—	42,751
Government-sponsored enterprises (GSE) agency notes	Government-sponsored enterprises (GSE) agency notes	226,082	—	56,087	—	169,995
		$4,584,190	$ —	$ 892,649	$ —	$3,691,541
	$					
Held-to-Maturity Debt Securities(1)	**Held-to-Maturity Debt Securities**(1)					
FNMA MBS						
FNMA MBS						
FNMA MBS	FNMA MBS	$ 881,844	$ —	$ 129,388	$ —	$ 752,456

(Dollars in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Allowance for Credit Losses	Fair Value
					March 31, 2024

State and political subdivisions	State and political subdivisions	187,035	24	11,827	8	175,224
		$1,068,879	$ 24	$ 141,215	$ 8	$ 927,680
		$				
		$				
		$				

(1) Held-to-maturity securities transferred from available-for-sale are included in held-to-maturity at fair value basis at the time of transfer. The amortized cost of transferred held-to-maturity securities included net unrealized losses of $125.8 million $115.6 million at September 30, 2023 March 31, 2024, which are offset in *Accumulated other comprehensive loss*. At the time of transfer, there was no allowance for credit loss on the available-for-sale securities. Subsequent to transfer, the securities were evaluated for credit loss.

		December 31, 2022				
		December 31, 2023				
(Dollars in thousands)	*(Dollars in thousands)*	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Allowance for Credit Losses	Fair Value
Available-for-Sale Debt Securities	**Available-for-Sale Debt Securities**					
CMO						
CMO						
CMO	CMO	$ 608,834	$ —	$ 102,454	$ —	$ 506,380
FNMA MBS	FNMA MBS	3,823,036	—	572,778	—	3,250,258
FHLMC MBS	FHLMC MBS	135,554	—	13,555	—	121,999
GNMA MBS	GNMA MBS	39,116	—	2,978	—	36,138
GSE agency notes	GSE agency notes	228,010	—	49,725	—	178,285
		$4,834,550	$ —	$ 741,490	$ —	$4,093,060
		$				
Held-to-Maturity Debt Securities(1)	**Held-to-Maturity Debt Securities**(1)					
FNMA MBS	FNMA MBS	$ 909,498	$ —	$ 68,677	$ —	$ 840,821
FNMA MBS						
FNMA MBS						
State and political subdivisions	State and political subdivisions	201,631	532	3,372	10	198,781
Foreign bonds		500	2	—	—	502
		$1,111,629	$ 534	$ 72,049	$ 10	$1,040,104
		$				
		$				
		$				

					December 31, 2023
(Dollars in thousands)	Amortized Cost	Gross Unrealized Gain	Gross Unrealized Loss	Allowance for Credit Losses	Fair Value

(1) Held-to-maturity securities transferred from available-for-sale are included in held-to-maturity at fair value at the time of transfer. The amortized cost of transferred held-to-maturity securities included net unrealized losses of $142.8 million $120.4 million at December 31, 2022 December 31, 2023, which are offset in *Accumulated other comprehensive loss*. At the time of transfer, there was no allowance for credit loss on the available-for-sale securities. Subsequent to transfer, the securities were evaluated for credit loss.

The scheduled maturities of available-for-sale debt securities at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are presented in the table below:

Available-for-Sale	**Available-for-Sale**

(Dollars in thousands)	(Dollars in thousands)	Amortized Cost	Fair Value	(Dollars in thousands)	Amortized Cost	Fair Value
September 30, 2023 (1)						
March 31, 2024 (1)						
Within one year						
Within one year						
Within one year	Within one year	**$ —**	**$ —**			
After one year but within five years	After one year but within five years	**87,314**	**81,548**			
After five years but within ten years	After five years but within ten years	**577,578**	**465,454**			
After ten years	After ten years	**3,919,298**	**3,144,539**			
		$4,584,190	**$3,691,541**			
December 31, 2022 (1)						
	$					
December 31, 2023 (1)						
Within one year						
Within one year						
Within one year	Within one year	$ —	$ —			
After one year but within five years	After one year but within five years	83,014	77,499			
After five years but within ten years	After five years but within ten years	465,777	398,607			
After ten years	After ten years	4,285,759	3,616,954			
		$4,834,550	$4,093,060			
	$					

(1) Actual maturities could differ from contractual maturities.

As of September 30, 2023 March 31, 2024, the Company's available-for-sale investment securities consisted of 964 973 securities, 964 965 of which were in an unrealized loss position.

As of September 30, 2023 March 31, 2024, substantially all of the Corporation's available-for-sale investment securities were mortgage-backed securities or collateral mortgage obligations which were issued or guaranteed by U.S. government-sponsored entities and agencies. As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were no holdings of securities of any one issuer, other than the U.S. government and its agencies, in an amount greater than 10% of shareholders' equity.

The scheduled maturities of held-to-maturity debt securities at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 are presented in the table below:

		Held-to-Maturity			Held-to-Maturity	
		Amortized	Fair		Amortized	Fair
(Dollars in thousands)	*(Dollars in thousands)*	Cost	Value	*(Dollars in thousands)*	Cost	Value
September 30, 2023 (1)						
March 31, 2024 (1)						
Within one year						
Within one year						
Within one year	Within one year	**$ —**	**$ —**			
After one year but within five years	After one year but within five years	**9,793**	**9,373**			
After five years but within ten years	After five years but within ten years	**45,306**	**42,615**			
After ten years	After ten years	**1,013,780**	**875,692**			
		$1,068,879	**$ 927,680**			
December 31, 2022 (1)						
		$				
December 31, 2023 (1)						
Within one year						
Within one year						
Within one year	Within one year	$ 731	$ 732			
After one year but within five years	After one year but within five years	9,530	9,476			

After five years but within ten years	After five years but within ten years	46,170	45,944
After ten years	After ten years	1,055,198	983,952
		$1,111,629	$1,040,104
	$		

(1) Actual maturities could differ from contractual maturities.

MBS may have expected maturities that differ from their contractual maturities. These differences arise because issuers may have the right to call securities and borrowers may have the right to prepay obligations with or without prepayment penalty. The estimated weighted average duration of MBS was 6.0 5.8 years at September 30, 2023 March 31, 2024.

The held-to-maturity debt securities are not collateral-dependent securities as these are general obligation bonds issued by cities, states, counties, or other local and foreign governments.

Investment securities with fair market values aggregating $3.3 billion $3.0 billion and $2.8 billion $3.3 billion were pledged as collateral for investment sweep repurchase agreements, municipal deposits, and other obligations as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

During the nine three months ended September 30, 2023 March 31, 2024 and 2022, 2023, the Company had no sales of debt securities categorized as available-for-sale.

As of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the Company's debt securities portfolio had remaining unamortized premiums of $59.2 million $54.7 million and $66.6 million $56.9 million, respectively, and unaccreted discounts of $21.9 million $20.3 million and $25.2 million $20.9 million, respectively.

For debt securities in an unrealized loss position, the table below shows the gross unrealized losses and fair value by investment category and length of time that individual debt securities were in a continuous unrealized loss position at September 30, 2023 March 31, 2024.

		Duration of Unrealized Loss Position					
		Less than 12 months		12 months or longer		Total	
		Fair	Unrealized	Fair	Unrealized	Fair	Unrealized
(Dollars in thousands)	*(Dollars in thousands)*	Value	Loss	Value	Loss	Value	Loss
Available-for-sale debt securities:	**Available-for-sale debt securities:**						
CMO	CMO	$ —	$ —	$ 454,664	$ 118,729	$ 454,664	$ 118,729
CMO							
CMO							
FNMA MBS	FNMA MBS	8,792	467	2,904,620	694,216	2,913,412	694,683
FHLMC MBS	FHLMC MBS	7	—	110,712	18,280	110,719	18,280
GNMA MBS	GNMA MBS	11,421	654	31,330	4,216	42,751	4,870
GSE agency notes	GSE agency notes	—	—	169,995	56,087	169,995	56,087
	$						
		$ 20,220	$ 1,121	$3,671,321	$ 891,528	$3,691,541	$ 892,649

	Duration of Unrealized Loss Position					
	Less than 12 months		12 months or longer		Total	
	Fair	Unrealized	Fair	Unrealized	Fair	Unrealized
(Dollars in thousands)	Value	Loss	Value	Loss	Value	Loss

For debt securities in an unrealized loss position, the table below shows the gross unrealized losses and fair value by investment category and length of time that individual debt securities were in a continuous unrealized loss position at December 31, 2022 December 31, 2023.

	Duration of Unrealized Loss Position		Duration of Unrealized Loss Position	

(Dollars in thousands)	(Dollars in thousands)	Less than 12 months		12 months or longer		Total		(Dollars in thousands)	Less than 12 months		12 months or longer		Total	
		Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss		Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Available-for-sale debt securities:	**Available-for-sale debt securities:**													
CMO	CMO	$ 158,449	$ 13,855	$ 347,931	$ 88,599	$ 506,380	$ 102,454							
CMO														
CMO														
FNMA MBS	FNMA MBS	1,237,560	145,752	2,012,698	427,026	3,250,258	572,778							
FHLMC MBS	FHLMC MBS	102,321	9,268	19,671	4,287	121,992	13,555							
GNMA MBS	GNMA MBS	32,076	2,265	4,030	713	36,106	2,978							
GSE agency notes	GSE agency notes	—	—	178,285	49,725	178,285	49,725							
	$													
		$1,530,406	$ 171,140	$2,562,615	$ 570,350	$4,093,021	$ 741,490							

The Company does not have the intent to sell, nor is it more likely than not it will be required to sell these securities before it is able to recover the amortized cost basis. The unrealized losses are the result of changes in market interest rates subsequent to purchase, not credit loss, as these are highly rated agency securities with no expected credit loss, in the event of a default. As a result, there is no allowance for credit losses recorded for available-for-sale debt securities as of September 30, 2023 March 31, 2024.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, held-to-maturity debt securities had an amortized cost basis of $1.1 billion $1.0 billion. The held-to-maturity debt security portfolio primarily consists of mortgage-backed securities which were issued or guaranteed by U.S. government-sponsored entities and agencies and highly rated municipal bonds. The Company monitors credit quality of its debt non-government and non-agency securities through credit ratings. The following table summarizes the amortized cost of debt securities held-to-maturity as of September 30, 2023 March 31, 2024, aggregated by credit quality indicator:

(Dollars in thousands)	*(Dollars in thousands)*	**FNMA MBS**	**State and political subdivisions**
(Dollars in thousands)			
(Dollars in thousands)			
A+ rated or higher			
A+ rated or higher			
A+ rated or higher	A+ rated or higher	**$ —**	**$ 187,035**
Not rated	Not rated	**881,844**	**—**
Not rated			
Not rated			
Ending balance	Ending balance	**$ 881,844**	**$ 187,035**
Ending balance			
Ending balance			

The following table summarizes the amortized cost of debt securities held-to-maturity as of December 31, 2022 December 31, 2023, aggregated by credit quality indicator:

(Dollars in thousands)	*(Dollars in thousands)*	FNMA MBS	State and political subdivisions	Foreign bonds
(Dollars in thousands)				
(Dollars in thousands)				
A+ rated or higher				
A+ rated or higher				
A+ rated or higher	A+ rated or higher	$ —	$ 201,631	$ 500
Not rated	Not rated	909,498	—	—
Not rated				

Not rated			
Ending balance	$ 909,498	$ 201,631	$ 500
Ending balance			
Ending balance			

The Company reviewed its held-to-maturity debt securities by major security type for potential credit losses. There was no activity in the allowance for credit losses for FNMA MBS and foreign bond debt securities for the nine three months ended September 30, 2023 March 31, 2024 and 2022. 2023. The following table presents the activity in the allowance for credit losses for state and political subdivisions debt securities for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three months ended September 30,		Nine months ended September 30,	
	Three months ended March 31,			
	Three months ended March 31,			
	Three months ended March 31,			
(Dollars in thousands)				
(Dollars in thousands)				
(Dollars in thousands)	**2023**	2022	**2023**	2022
Allowance for credit losses:				
Allowance for credit losses:				
Allowance for credit losses:				
Beginning balance	**$ 8**	$ 6	**$ 10**	$ 4
Beginning balance				
Beginning balance				
Provision for (recovery of) credit losses				
Provision for (recovery of) credit losses				
Provision for (recovery of) credit losses	**—**	4	**(2)**	6
Ending balance	**$ 8**	$ 10	**$ 8**	$ 10
Ending balance				
Ending balance				

Accrued interest receivable of $1.7 million $3.2 million and $2.4 million $3.7 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively, for held-to-maturity debt securities were excluded from the evaluation of allowance for credit losses. There were no nonaccrual or past due held-to-maturity debt securities as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023.

Equity Investments

The Company had equity investments at fair value of $21.7 million $17.1 million and $26.1 million $17.4 million as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively.

During the three and nine months ended September 30, 2023 March 31, 2024, the Company recognized $0.7 million of net did not recognize any gains and $1.0 million of net or losses respectively, related to our equity method investments within *Other income* on the unaudited Consolidated Statements of Income.investments.

During the nine three months ended September 30, 2022, total nets gains on equity investments of $6.0 million were recorded, driven by an unrealized gain on the Company's investment in CRED.ai presented within *Unrealized gain on equity investment, net* in the Consolidated Statements of Income. During the three and nine months ended September 30, 2022 March 31, 2023, the Company recognized $2.9 million and $4.5 million, respectively, $1.3 million of net gains losses related to our equity method investments within *Other income* on the unaudited Consolidated Statements of Income.

6. LOANS AND LEASES

The following table shows the Company's loan and lease portfolio by category:

(Dollars in thousands)					
(Dollars in thousands)					
(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	December 31, 2022	**March 31, 2024**	December 31, 2023
Commercial and industrial	Commercial and industrial	**$ 2,644,039**	$ 2,575,345		
Owner-occupied commercial	Owner-occupied commercial	**1,924,171**	1,809,582		
Commercial mortgages	Commercial mortgages	**3,645,723**	3,351,084		
Construction	Construction	**1,043,568**	1,044,049		
Commercial small business leases	Commercial small business leases	**605,698**	558,981		
Residential(1)	Residential(1)	**858,111**	761,882		
Consumer(2)	Consumer(2)	**1,957,082**	1,810,930		
		12,678,392	11,911,853		
	12,982,757				
Less:	Less:				
Allowance for credit losses	Allowance for credit losses	**175,988**	151,861		
Allowance for credit losses					
Allowance for credit losses					
Net loans and leases	Net loans and leases	**$12,502,404**	$11,759,992		

(1) Includes reverse mortgages at fair value of $2.5 million at March 31, 2024 and $2.8 million at September 30, 2023 and $2.4 million at December 31, 2022 December 31, 2023.

(2) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

Accrued interest receivable on loans and leases was $66.6 million $71.6 million and $59.3 million $69.8 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Accrued interest receivable on loans and leases was excluded from the evaluation of allowance for credit losses.

7. ALLOWANCE FOR CREDIT LOSSES AND CREDIT QUALITY INFORMATION

The following tables provide the activity of allowance for credit losses and loan balances for the three and nine months ended September 30, 2023 March 31, 2024 and 2022. 2023. The increase was primarily due to the impacts of the economic uncertainty and forecast and net loan growth.

(Dollars in thousands)	*(Dollars in thousands)*	**Commercial and Industrial(1)**	**Owner-occupied Commercial**	**Commercial Mortgages**	**Construction**	**Residential(2)**	**Consumer(3)**	**Total**	*(Dollars in thousands)*	**Commercial and Industrial**	**Owner-occupied Commercial**	**Commercial Mortgages**	**Construction**	**Commercial Small Business Leases**	**Reside**
Three months ended September 30, 2023															
Three months ended March 31, 2024															
Allowance for credit losses															
Allowance for credit losses															

Allowance for credit losses	Allowance for credit losses							
Beginning balance	Beginning balance	$ 62,783	$ 6,335	$ 31,937	$ 9,228	$ 5,043	$ 56,543	$ 171,869
Beginning balance								
Beginning balance								
Charge-offs								
Charge-offs								
Charge-offs	Charge-offs	(10,675)	—	(300)	—	—	(5,872)	(16,847)
Recoveries	Recoveries	2,124	14	1	1	55	357	2,552
Provision	Provision	7,438	1,501	1,549	2,088	253	5,585	18,414
Ending balance	Ending balance	$ 61,670	$ 7,850	$ 33,187	$ 11,317	$ 5,351	$ 56,613	$ 175,988
Nine months ended September 30, 2023								
Allowance for credit losses								
Beginning balance		$ 59,394	$ 6,019	$ 21,473	$ 6,987	$ 4,668	$ 53,320	$ 151,861
Charge-offs		(30,496)	(184)	(300)	—	(33)	(15,374)	(46,387)
Recoveries		5,554	50	4	532	211	906	7,257
Provision		27,218	1,965	12,010	3,798	505	17,761	63,257
Ending balance		$ 61,670	$ 7,850	$ 33,187	$ 11,317	$ 5,351	$ 56,613	$ 175,988
Period-end allowance allocated to:	**Period-end allowance allocated to:**							
Period-end allowance allocated to:								
Period-end allowance allocated to:								
Loans evaluated on an individual basis								
Loans evaluated on an individual basis								
Loans evaluated on an individual basis	Loans evaluated on an individual basis	$ 1,054	$ 161	$ —	$ 1,600	$ —	$ —	$ 2,815
Loans evaluated on a collective basis	Loans evaluated on a collective basis	60,616	7,689	33,187	9,717	5,351	56,613	173,173
Ending balance	Ending balance	$ 61,670	$ 7,850	$ 33,187	$ 11,317	$ 5,351	$ 56,613	$ 175,988
Period-end loan balances:	**Period-end loan balances:**							
Loans evaluated on an individual basis	Loans evaluated on an individual basis	$ 26,355	$ 16,442	$ 7,918	$ 4,828	$ 5,838	$ 1,798	$ 63,179
Loans evaluated on an individual basis								
Loans evaluated on an individual basis								
Loans evaluated on a collective basis	Loans evaluated on a collective basis	3,223,382	1,907,729	3,637,805	1,038,740	849,502	1,955,284	12,612,442
Ending balance	Ending balance	$ 3,249,737	$ 1,924,171	$ 3,645,723	$ 1,043,568	$ 855,340	$ 1,957,082	$ 12,675,621

(1) Includes commercial small business leases.

(2) Period-end loan balance excludes reverse mortgages at fair value of $2.8 million $2.5 million.

(3) (2) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

(Dollars in thousands)	(Dollars in thousands)	Commercial and Industrial(1)	Owner - occupied Commercial	Commercial Mortgages	Construction	Residential(2)	Consumer(3)	Total
Three months ended September 30, 2022								
Three months ended March 31, 2023								
Allowance for credit losses	Allowance for credit losses							
Allowance for credit losses								
Allowance for credit losses								
Beginning balance								
Beginning balance								
Beginning balance	Beginning balance	$ 60,921	$ 5,510	$ 23,663	$ 5,058	$ 4,988	$ 41,830	$ 141,970
Charge-offs	Charge-offs	(5,120)	—	(544)	—	—	(1,834)	(7,498)
Recoveries		3,194	4	101	653	207	114	4,273
Provision (credit)		889	489	(1,686)	788	(377)	7,347	7,450
Ending balance		$ 59,884	$ 6,003	$ 21,534	$ 6,499	$ 4,818	$ 47,457	$ 146,195
Nine months ended September 30, 2022								
Allowance for loan losses								
Beginning balance		$ 49,967	$ 4,574	$ 11,623	$ 1,903	$ 3,352	$ 23,088	$ 94,507
Initial allowance on acquired PCD loans		22,614	595	2,684	71	61	78	26,103
Charge-offs								
Charge-offs	Charge-offs	(11,308)	(179)	(581)	—	(186)	(4,062)	(16,316)
Recoveries	Recoveries	4,667	271	223	653	737	663	7,214
(Credit) provision(4)		(6,056)	742	7,585	3,872	854	27,690	34,687
Provision								
Ending balance	Ending balance	$ 59,884	$ 6,003	$ 21,534	$ 6,499	$ 4,818	$ 47,457	$ 146,195
Period-end allowance allocated to:	**Period-end allowance allocated to:**							
Period-end allowance allocated to:								
Period-end allowance allocated to:								
Loans evaluated on an individual basis								
Loans evaluated on an individual basis								
Loans evaluated on an individual basis	Loans evaluated on an individual basis	$ 5,348	$ —	$ —	$ —	$ —	$ —	$ 5,348
Loans evaluated on a collective basis	Loans evaluated on a collective basis	54,536	6,003	21,534	6,499	4,818	47,457	140,847
Ending balance	Ending balance	$ 59,884	$ 6,003	$ 21,534	$ 6,499	$ 4,818	$ 47,457	$ 146,195

(Dollars in thousands)	Commercial and Industrial	Owner - occupied Commercial	Commercial Mortgages	Construction	Commercial Small Business Leases	Residential(1)	C

Period-end loan balances:	**Period-end loan balances:**							
Loans evaluated on an individual basis	Loans evaluated on an individual basis	$ 21,565	$ 1,713	$ 9,483	$ 5,360	$ 6,451	$ 1,884	$ 46,456
Loans evaluated on an individual basis								
Loans evaluated on an individual basis								
Loans evaluated on a collective basis	Loans evaluated on a collective basis	3,147,913	1,786,878	3,270,896	1,022,843	752,142	1,675,244	11,655,916
Ending balance	Ending balance	$ 3,169,478	$ 1,788,591	$ 3,280,379	$ 1,028,203	$ 758,593	$ 1,677,128	$ 11,702,372

(1) Includes commercial small business leases.

(2) Period-end loan balance excludes reverse mortgages at fair value of $3.0 million $2.7 million.

(3) (2) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

(4) Includes $23.5 million initial provision for credit losses on non-PCD loans.

The following tables show nonaccrual and past due loans presented at amortized cost at the date indicated:

September 30, 2023

March 31, 2024

March 31, 2024

March 31, 2024

(Dollars in thousands)	*(Dollars in thousands)*	30–89 Days Past Due and Still Accruing	Greater Than 90 Days Past Due and Still Accruing	Total Past Due And Still Accruing	Accruing Current Balances	Nonaccrual Loans With No Allowance	Nonaccrual Loans With An Allowance	Total Loans
Commercial and industrial(1)		$ 10,183	$ 1,119	$ 11,302	$ 3,212,140	$ 21,138	$ 5,157	$ 3,249,737
Commercial and industrial								
Owner-occupied commercial	**Owner-occupied commercial**	1,669	—	1,669	1,907,355	14,085	1,062	1,924,171
Commercial mortgages	**Commercial mortgages**	16,691	—	16,691	3,622,326	6,706	—	3,645,723
Construction	**Construction**	8,285	2,016	10,301	1,028,439	726	4,102	1,043,568
Commercial small business leases								
Residential(2) (1)	**Residential(2) (1)**	6,764	—	6,764	846,045	2,531	—	855,340
Consumer(3) (2)	**Consumer(3) (2)**	15,580	11,222	26,802	1,928,327	1,953	—	1,957,082
Total	**Total**	$ 59,172	$ 14,357	$ 73,529	$ 12,544,632	$ 47,139	$ 10,321	$ 12,675,621
% of Total Loans	**% of Total Loans**	0.47 %	0.11 %	0.58 %	98.97 %	0.37 %	0.08 %	100 %

(Dollars in thousands)	30–89 Days Past Due and Still Accruing	Greater Than 90 Days Past Due and Still Accruing	Total Past Due And Still Accruing	Accruing Current Balances	Nonaccrual Loans With No Allowance	Nonaccrual Loans With An Allowance	Total Loans
% of Total Loans	0.34 %	0.09 %	0.43 %	99.06 %	0.40 %	0.11 %	100 %

(1) Residential accruing current balances excludes reverse mortgages at fair value of $2.5 million.

(2) Includes commercial small business leases. $16.1 million of delinquent, but still accruing, U.S. government-guaranteed student loans that carry little risk of credit loss.

December 31, 2023

(Dollars in thousands)	30–89 Days Past Due and Still Accruing	Greater Than 90 Days Past Due and Still Accruing	Total Past Due And Still Accruing	Accruing Current Balances	Nonaccrual Loans With No Allowance(1)	Nonaccrual Loans With An Allowance	Total Loans
Commercial and industrial	$ 1,630	$ 293	$ 1,923	$ 2,518,934	$ 13,645	$ 5,568	$ 2,540,070
Owner-occupied commercial	1,786	487	2,273	1,878,952	4,862	—	1,886,087
Commercial mortgages	1,190	—	1,190	3,777,698	22,292	—	3,801,180
Construction	—	—	—	1,022,913	12,617	—	1,035,530
Commercial small business leases	6,697	772	7,469	616,153	—	—	623,622
Residential(2)	9,261	—	9,261	856,055	2,579	—	867,895
Consumer(3)	15,249	10,032	25,281	1,984,407	2,446	—	2,012,134
Total	$ 35,813	$ 11,584	$ 47,397	$ 12,655,112	$ 58,441	$ 5,568	$ 12,766,518
% of Total Loans	0.28 %	0.09 %	0.37 %	99.13 %	0.46 %	0.04 %	100 %

(1) Excludes nonaccruing loans held-for-sale.

(2) Residential accruing current balances excludes reverse mortgages, at fair value of $2.8 million.

(3) Includes $16.1 million of delinquent, but still accruing, U.S. government-guaranteed student loans that carry little risk of credit loss.

	December 31, 2022					
(Dollars in thousands)	30–89 Days Past Due and Still Accruing	Greater Than 90 Days Past Due and Still Accruing	Total Past Due And Still Accruing	Accruing Current Balances	Nonaccrual Loans(1)	Total Loans
Commercial and industrial(2)	$ 10,767	$ 311	$ 11,078	$ 3,116,478	$ 6,770	$ 3,134,326
Owner-occupied commercial	3,500	474	3,974	1,805,222	386	1,809,582
Commercial mortgages	2,137	237	2,374	3,343,551	5,159	3,351,084
Construction	—	—	—	1,038,906	5,143	1,044,049
Residential(3)	2,563	—	2,563	753,703	3,199	759,465
Consumer(4)	12,263	15,513	27,776	1,781,009	2,145	1,810,930
Total(4)	$ 31,230	$ 16,535	$ 47,765	$ 11,838,869	$ 22,802	$ 11,909,436
% of Total Loans	0.26 %	0.14 %	0.40 %	99.41 %	0.19 %	100 %

(1) There were no nonaccrual loans with an allowance as of December 31, 2022.

(2) Includes commercial small business leases.

(3) Residential accruing current balances excludes reverse mortgages, at fair value of $2.4 million.

(4) Includes $21.1 million $14.5 million of delinquent, but still accruing, U.S. government-guaranteed student loans that carry little risk of credit loss.

The following table presents the amortized cost basis of nonaccruing collateral-dependent loans by class at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023		December 31, 2022					
		March 31, 2024							
		March 31, 2024							
		March 31, 2024						December 31, 2023	
(Dollars in thousands)	(Dollars in thousands)	**Property**	**Equipment and other**	Property	Equipment and other	(Dollars in thousands)	**Property**	**Equipment and other**	Property	Equipment and other
Commercial and industrial(1)	Commercial and industrial(1)	**$ 21,650**	**$ 4,645**	$ 3,848	$ 2,922					
Owner-occupied commercial	Owner-occupied commercial	**15,147**	**—**	386	—					
Commercial mortgages	Commercial mortgages	**6,706**	**—**	5,159	—					
Construction	Construction	**4,828**	**—**	5,143	—					
Residential(2)										

Residential(2)					
Residential(2)	Residential(2)	**2,531**	—	3,199	—
Consumer(3)	Consumer(3)	**1,953**	—	2,145	—
Total	Total	**$ 52,815**	**$ 4,645**	$19,880	$ 2,922

(1) Includes commercial small business leases. Excludes nonaccruing loans held-for-sale in 2023.

(2) Excludes reverse mortgages at fair value.

(3) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

As of September 30, 2023 March 31, 2024, there were 33 32 residential loans and 14 11 commercial loans in the process of foreclosure. The total outstanding balance on these loans was $3.8 million $6.3 million and $3.6 million $1.3 million, respectively. As of December 31, 2022 December 31, 2023, there were 45 31 residential loans and 8 9 commercial loans in the process of foreclosure. The total outstanding balance on these loans was $6.7 million $3.2 million and $1.6 million $1.1 million, respectively. Loan workout and other real estate owned (OREO) (recoveries) expenses were $(0.3) $(0.4) million and less than $0.1 million during the three and nine months ended September 30, 2023, respectively, March 31, 2024 and $0.3 million and $0.5 million $0.2 million during three and nine months ended September 30, 2022, respectively. March 31, 2023. Loan workout and OREO expenses are included in *Loan workout and other credit costs* on the unaudited Consolidated Statements of Income.

Credit Quality Indicators

Below is a description of each of the risk ratings for all commercial loans:

- *Pass*. These borrowers currently show no indication of deterioration or potential problems and their loans are considered fully collectible.
- *Special Mention.* These borrowers have potential weaknesses that deserve management's close attention. Borrowers in this category may be experiencing adverse operating trends, for example, declining revenues or margins, high leverage, tight liquidity, or increasing inventory without increasing sales. These adverse trends can have a potential negative effect on the borrower's repayment capacity. These assets are not adversely classified and do not expose the Bank to significant risk that would warrant a more severe rating. Borrowers in this category may also be experiencing significant management problems, pending litigation, or other structural credit weaknesses.
- *Substandard or Lower*. These borrowers have well-defined weaknesses that require extensive oversight by management. Borrowers in this category may exhibit one or more of the following: inadequate debt service coverage, unprofitable operations, insufficient liquidity, high leverage, and weak or inadequate capitalization. Relationships in this category are not adequately protected by the sound financial worth and paying capacity of the obligor or the collateral pledged on the loan, if any. A distinct possibility exists that the Bank will sustain some loss if the deficiencies are not corrected. In addition, some borrowers in this category could have the added characteristic that the possibility of loss is extremely high. Current circumstances in the credit relationship make collection or liquidation in full highly questionable. Such impending events include: perfecting liens on additional collateral, obtaining collateral valuations, an acquisition or liquidation preceding, proposed merger, or refinancing plan.

Residential and Consumer Loans

The residential and consumer loan portfolios are monitored on an ongoing basis using delinquency information and loan type as credit quality indicators. These credit quality indicators are assessed in the aggregate in these relatively homogeneous portfolios. Loans that are greater than 90 days past due are generally considered nonperforming and placed on nonaccrual status.

The following tables provide an analysis of loans by portfolio segment based on the credit quality indicators used to determine the allowance for credit losses as of September 30, 2023 March 31, 2024.

		Term Loans Amortized Cost Basis by Origination Year(1)								
		2023	2022	2021	2020	2019	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
		Term Loans Amortized Cost Basis by Origination Year(1)								
(Dollars in thousands)	*(Dollars in thousands)*									
Commercial and industrial(2):										
(Dollars in thousands)										

	2024	2023	2022	2021	2020	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
(Dollars in thousands)									

Commercial and industrial:										
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	**$830,232**	**$854,412**	**$321,269**	**$264,724**	**$119,282**	**$396,845**	**$ 8,710**	**$243,969**	**$3,039,443**
Special mention	Special mention	**14,913**	**24,194**	**2,917**	**350**	**798**	**7**	**—**	**861**	**44,040**
Substandard or Lower	Substandard or Lower	**53,341**	**34,854**	**5,908**	**11,086**	**24,982**	**19,568**	**—**	**16,515**	**166,254**
		$898,486	**$913,460**	**$330,094**	**$276,160**	**$145,062**	**$416,420**	**$ 8,710**	**$261,345**	**$3,249,737**
	$									
Current-period gross writeoffs	Current-period gross writeoffs	**$ 399**	**$ 5,410**	**$ 8,437**	**$ 1,398**	**$ 6,435**	**$ 8,417**	**$ —**	**$ —**	**$ 30,496**
Owner-occupied commercial:	**Owner-occupied commercial:**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	**$289,740**	**$269,796**	**$268,593**	**$213,060**	**$206,999**	**$361,669**	**$ —**	**$171,762**	**$1,781,619**
Special mention	Special mention	**2,907**	**2,182**	**6,638**	**1,122**	**9,621**	**5,601**	**—**	**1,615**	**29,686**
Substandard or Lower	Substandard or Lower	**8,936**	**18,540**	**9,523**	**11,588**	**2,831**	**42,725**	**—**	**18,723**	**112,866**
		$301,583	**$290,518**	**$284,754**	**$225,770**	**$219,451**	**$409,995**	**$ —**	**$192,100**	**$1,924,171**
	$									
Current-period gross writeoffs	Current-period gross writeoffs	**$ —**	**$ —**	**$ —**	**$ —**	**$ 184**	**$ —**	**$ —**	**$ —**	**$ 184**
Commercial mortgages:	**Commercial mortgages:**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	**$682,033**	**$478,103**	**$521,669**	**$475,369**	**$494,904**	**$625,112**	**$ —**	**$263,124**	**$3,540,314**
Special mention	Special mention	**9,599**	**—**	**69**	**4,802**	**24,401**	**19,797**	**—**	**294**	**58,962**
Substandard or Lower	Substandard or Lower	**9,913**	**2,584**	**1,343**	**11,041**	**1,249**	**4,846**	**—**	**15,471**	**46,447**
		$701,545	**$480,687**	**$523,081**	**$491,212**	**$520,554**	**$649,755**	**$ —**	**$278,889**	**$3,645,723**
	$									
Current-period gross writeoffs	Current-period gross writeoffs	**$ —**	**$ 83**	**$ —**	**$ 217**	**$ —**	**$ —**	**$ —**	**$ —**	**$ 300**
Construction:	**Construction:**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										

Pass										
Pass	Pass	$361,914	$387,776	$158,656	$ 20,879	$ 2,405	$ 9,241	$ —	$ 41,362	$ 982,233
Special mention	Special mention	14,239	14,338	10,691	—	—	—	—	—	39,268
Substandard or Lower	Substandard or Lower	8,285	—	4,102	8,954	161	—	—	565	22,067
		$384,438	$402,114	$173,449	$ 29,833	$ 2,566	$ 9,241	$ —	$ 41,927	$1,043,568
	$									
Current-period gross writeoffs	Current-period gross writeoffs	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ —
Residential(3):										
Commercial small business leases:										
Risk Rating										
Risk Rating										
Risk Rating	***Risk Rating***									
Performing	Performing	$152,336	$ 68,990	$104,664	$ 57,762	$ 34,205	$431,381	$ —	$ —	$ 849,338
Performing										
Performing										
Nonperforming	Nonperforming	—	170	589	489	1,259	3,495	—	—	6,002
		$152,336	$ 69,160	$105,253	$ 58,251	$ 35,464	$434,876	$ —	$ —	$ 855,340
	$									
Current-period gross writeoffs	Current-period gross writeoffs	$ 33	$ —	$ —	$ —	$ —	$ —	$ —	$ —	$ 33
Consumer(4):										
Residential(2):										
Risk Rating										
Risk Rating										
Risk Rating	***Risk Rating***									
Performing	Performing	$251,967	$598,183	$164,642	$107,950	$ 47,046	$256,796	$523,391	$ 5,188	$1,955,163
Performing										
Performing										
Nonperforming	Nonperforming	—	—	—	199	41	—	1,367	312	1,919
		$251,967	$598,183	$164,642	$108,149	$ 47,087	$256,796	$524,758	$ 5,500	$1,957,082
	$									
Current-period gross writeoffs	Current-period gross writeoffs	$ 787	$ 10,716	$ 3,174	$ 235	$ 142	$ 320	$ —	$ —	$ 15,374
Consumer(3):										
Risk Rating										
Risk Rating										
Risk Rating										
Performing										
Performing										
Performing										
Nonperforming										
	$									
Current-period gross writeoffs										

(1) Origination date represents the most recent underwriting of the loan which includes new relationships, renewals and extensions.

(2) Includes commercial small business leases.

(3) Excludes reverse mortgages at fair value.

(4) (3) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

The following tables provide an analysis of loans by portfolio segment based on the credit quality indicators used to determine the allowance for credit losses, as of December 31, 2022 December 31, 2023.

		Term Loans Amortized Cost Basis by Origination Year								
		2022	2021	2020	2019	2018	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	Total
		Term Loans Amortized Cost Basis by Origination Year(1)								
(Dollars in thousands)	(Dollars in thousands)									
Commercial and industrial(1):										
(Dollars in thousands)										

(Dollars in thousands)	2023	2022	2021	2020	2019	Prior	Revolving loans amortized cost basis	Revolving loans converted to term	To

Commercial and industrial:										
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	$1,123,803	$501,761	$387,225	$211,310	$153,713	$276,588	$ 8,099	$250,486	$2,912,985
Special mention	Special mention	28,672	27,689	7,585	9,451	347	1,010	—	2,596	77,350
Substandard or Lower	Substandard or Lower	32,362	16,162	6,943	37,534	37,133	6,768	—	7,089	143,991
		$1,184,837	$545,612	$401,753	$258,295	$191,193	$284,366	$ 8,099	$260,171	$3,134,326
	$									
Current-period gross writeoffs										
Owner-occupied commercial:	**Owner-occupied commercial:**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	$ 280,898	$325,388	$258,177	$226,717	$106,390	$363,420	$ —	$132,942	$1,693,932
Special mention	Special mention	17,376	—	—	—	—	2,166	—	3,351	22,893
Substandard or Lower	Substandard or Lower	2,981	1,500	23,284	4,401	11,864	35,311	—	13,416	92,757
		$ 301,255	$326,888	$281,461	$231,118	$118,254	$400,897	$ —	$149,709	$1,809,582
	$									
Current-period gross writeoffs										
Commercial mortgages:	**Commercial mortgages:**									
Risk Rating	***Risk Rating***									

Risk Rating										
Risk Rating										
Pass										
Pass										
Pass	Pass	$ 516,783	$600,226	$526,312	$549,788	$276,414	$594,024	$ —	$210,550	$3,274,097
Special mention	Special mention	1,450	75	3,848	6,121	9,596	32,014	—	—	53,104
Substandard or Lower	Substandard or Lower	1,861	1,210	12,552	2,909	3,573	1,209	—	569	23,883
		$ 520,094	$601,511	$542,712	$558,818	$289,583	$627,247	$ —	$211,119	$3,351,084
		$								
Current-period gross writeoffs										
Construction:	**Construction:**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Pass	Pass	$ 448,581	$299,619	$115,667	$ 9,319	$ 26,553	$ 7,539	$ —	$122,116	$1,029,394
Pass										
Pass										
Special mention	Special mention	—	—	—	—	—	—	—	581	581
Substandard or Lower	Substandard or Lower	—	4,200	8,930	183	—	—	—	761	14,074
		$ 448,581	$303,819	$124,597	$ 9,502	$ 26,553	$ 7,539	$ —	$123,458	$1,044,049
		$								
Current-period gross writeoffs										
Commercial small business leases:										
Risk Rating										
Risk Rating										
Risk Rating										
Performing										
Performing										
Performing										
Nonperforming										
		$								
Current-period gross writeoffs										
Residential(2):	**Residential(2):**									
Risk Rating	***Risk Rating***									
Risk Rating										
Risk Rating										
Performing										
Performing										
Performing	Performing	$ 64,500	$110,508	$ 60,625	$ 36,118	$ 45,859	$434,175	$ —	$ —	$ 751,785
Nonperforming	Nonperforming	—	729	502	999	1,218	4,232	—	—	7,680
		$ 64,500	$111,237	$ 61,127	$ 37,117	$ 47,077	$438,407	$ —	$ —	$ 759,465
		$								
Current-period gross writeoffs										
Consumer(3):	**Consumer(3):**									

Risk Rating	Risk Rating									
Risk Rating										
Risk Rating										
Performing										
Performing										
Performing	Performing	$ 595,158	$195,397	$126,456	$ 54,449	$220,039	$ 71,478	$540,308	$ 5,232	$1,808,517
Nonperforming	Nonperforming	—	—	350	—	479	—	1,255	329	2,413
		$ 595,158	$195,397	$126,806	$ 54,449	$220,518	$ 71,478	$541,563	$ 5,561	$1,810,930
		$								
Current-period gross writeoffs										

(1) Includes commercial small business leases. Origination date represents the most recent underwriting of the loan which includes new relationships, renewals and extensions.

(2) Excludes reverse mortgages at fair value.

(3) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

Troubled Loans

The Company offers loan modifications to commercial and consumer borrowers that may result in a payment delay, interest rate reduction, term extension, principal forgiveness, or combination thereof. Loan modifications are offered on a case-by-case basis and are generally term extension, payment delay, and interest rate reduction modification types. Forbearance (due to hardship) programs result in modification types including payment delay and/or term extension. In addition, certain reorganization bankruptcy judgments may result in interest rate reduction, term extension, or principal forgiveness modification types.

The following table shows tables show the period-end amortized cost basis at the end of the reporting period of troubled loans modified during the three months ended March 31, 2024 and 2023, disaggregated by portfolio segment and type of modification granted. granted:

	September 30, 2023						
(Dollars in thousands)	Term Extension	More-Than-Insignificant Payment Delay	Combination- Term Extension and Payment Delay	Combination- Term Extension and Interest Rate Reduction	Combination - Payment Delay and Interest Rate Reduction	Total	% of Total Loan Category
Commercial and industrial(1)	$ 36,683	$ 1,193	$ 10,163	$ 31	$ —	$ 48,070	1.48 %
Owner-occupied commercial	—	—	1,062	209	—	1,271	0.07 %
Commercial mortgages	9,427	—	—	—	—	9,427	0.26 %
Construction	9,194	—	—	—	—	9,194	0.88 %
Residential	563	50	—	—	—	613	0.07 %
Consumer(2)	1,102	2,704	5,154	157	494	9,611	0.49 %
Total	$ 56,969	$ 3,947	$ 16,379	$ 397	$ 494	$ 78,186	0.62 %

	Three Months Ended March 31, 2024						
(Dollars in thousands)	Term Extension	More-Than-Insignificant Payment Delay	Combination- Term Extension and Payment Delay	Combination- Term Extension and Interest Rate Reduction	Combination - Payment Delay and Interest Rate Reduction	Total	% of Total Loan Category
Commercial and industrial	$ 31,865	$ 349	$ 820	$ —	$ —	$ 33,034	1.27 %
Construction	1,910	—	—	—	—	1,910	0.18 %
Consumer(1)	325	702	1,932	—	—	2,959	0.14 %
Total	$ 34,100	$ 1,051	$ 2,752	$ —	$ —	$ 37,903	0.29 %

(1) Includes commercial small business leases. home equity lines of credit, installment loans, unsecured lines of credit and education loans.

	Three months ended March 31, 2023

(Dollars in thousands)	Term Extension	More-Than-Insignificant Payment Delay	Combination- Term Extension and Payment Delay	Combination- Term Extension and Interest Rate Reduction	Combination - Payment Delay and Interest Rate Reduction	Total	% of Total Loan Category
Commercial and industrial	$ 12,837	$ —	$ —	$ —	$ —	$ 12,837	0.41 %
Owner-occupied commercial	—	—	—	148	—	148	0.01 %
Commercial mortgages	2,057	—	—	—	—	2,057	0.06 %
Consumer(1)	803	162	1,777	158	119	3,019	0.16 %
Total	$ 15,697	$ 162	$ 1,777	$ 306	$ 119	$ 18,061	0.15 %

(2) (1) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

The following table describes the financial effect of the modifications made to troubled loans as of September 30, 2023: during the three months ended March 31, 2024 and 2023:

			Three Months Ended March 31, 2024	
			Three Months Ended March 31, 2024	
			Three Months Ended March 31, 2024	
		Term Extension(1)		
		Term Extension(1)		
		Term Extension(1)		
Commercial and industrial				
Commercial and industrial				
Commercial and industrial				
		Term Extension(1)	**Interest Rate Reduction(2)**	**More-Than-Insignificant Payment Delay(3)**
Construction				
Construction				
Construction				
Consumer				
Consumer				
Consumer				
			Three Months Ended March 31, 2023	
			Three Months Ended March 31, 2023	
			Three Months Ended March 31, 2023	
		Term Extension(1)		
		Term Extension(1)		
		Term Extension(1)		
Commercial and industrial				
Commercial and industrial				
Commercial and industrial	**Commercial and industrial**	**1.55**	**4.00%**	**0.09%**
Owner-occupied commercial	**Owner-occupied commercial**	**1.27**	**2.58**	**0.01**
Owner-occupied commercial				
Owner-occupied commercial				
Commercial mortgages	**Commercial mortgages**	**1.33**	**—**	**—**
Construction		**0.27**	**—**	**—**
Residential		**20.18**	**—**	**—**
Commercial mortgages				
Commercial mortgages				
Consumer	**Consumer**	**3.07**	**3.27**	**0.07**
Consumer				
Consumer				

(1) Represents the weighted-average increase in the life of modified loans measured in years, which reduces monthly payment amounts for borrowers.

(2) Represents the weighted-average decrease in the contractual interest rate on the modified loans.

(3) Represents the percentage of loans deferred over the total loan portfolio excluding reverse mortgages at fair value.

As of September 30, 2023 March 31, 2024 and December 31, 2023, the Company had commitments to extend credit of $4.8 million $19.2 million and $18.4 million, respectively, to borrowers experiencing financial difficulty whose terms had been modified.

Upon the Company’s determination that a modified loan (or portion of a loan) has subsequently been deemed uncollectible, the loan (or a portion of the loan) is written off. Therefore, the amortized cost basis of the loan is reduced by the uncollectible amount and the allowance for credit losses is adjusted by the same amount.

The following table shows the amortized cost of loans that received a term extension modification that had a payment default during the period three months ended March 31, 2024 and were modified in the 12 months before default to borrowers experiencing financial difficulty as of September 30, 2023. difficulty. There were no loans that had a payment default during the three months ended March 31, 2023 and were modified in the 12 months before default to borrowers experiencing financial difficulty.

		Term Extension	More-Than-Insignificant Payment Delay	Combination Term Extension & Payment Delay	Total
		Three Months Ended March 31, 2024			
		Three Months Ended March 31, 2024			
		Three Months Ended March 31, 2024			
		Term Extension			
		Term Extension	More-Than-Insignificant Payment Delay		Total
Commercial and industrial	**Commercial and industrial**	$ 707	$ —	$ 10,163	$10,870
Owner-occupied commercial		—	—	1,062	1,062
Consumer		—	101	—	101
Total	**Total**	$ 707	$ 101	$ 11,225	$12,033
Total					
Total					

The Company closely monitors the performance of troubled loans to understand the effectiveness of its modification efforts. The following table shows tables show the performance of loans that have been modified in the last 12 months: months as of March 31, 2024 and 2023:

		September 30, 2023				
		March 31, 2024				
(Dollars in thousands)	*(Dollars in thousands)*	30-89 Days Past Due and Still Accruing	90+ Days Past Due and Still Accruing	Accruing Current Balances	Nonaccrual Loans	Total
Commercial and industrial(1)		$ 428	$ —	$ 36,299	$ 11,343	$ 48,070
Commercial and industrial						
Owner-occupied commercial	**Owner-occupied commercial**	—	—	—	1,271	1,271
Commercial mortgages	**Commercial mortgages**	—	—	9,427	—	9,427
Construction	**Construction**	8,285	—	909	—	9,194

	March 31, 2024				
(Dollars in thousands)	30-89 Days Past Due and Still Accruing	90+ Days Past Due and Still Accruing	Accruing Current Balances	Nonaccrual Loans	Total

Residential(2)	—	—	613	—	613
Consumer(2)	727	207	8,277	400	9,611
Residential					
Residential					
Residential					
Consumer(1)					
Total **Total**	**$ 9,440**	**$ 207**	**$ 55,525**	**$ 13,014**	**$ 78,186**

(1) Includes commercial small business leases.

(2) Includes home equity lines of credit, installment loans, unsecured lines of credit and education loans.

Troubled Debt Restructurings (TDRs) under ASC 326 for periods prior to adoption of ASU 2022-02

The following table presents the balance of TDRs as of the indicated date:

(Dollars in thousands)	December 31, 2022
Performing TDRs	$ 19,737
Nonperforming TDRs	2,006
Total TDRs	$ 21,743

Approximately $0.6 million in related reserves have been established for these loans at December 31, 2022.

The following table presents information regarding the types of loan modifications made for the three and nine months ended September 30, 2022:

	March 31, 2023					March 31, 2023
	30-89 Days Past Due and Still Accruing	30-89 Days Past Due and Still Accruing	90+ Days Past Due and Still Accruing	Accruing Current Balances	Nonaccrual Loans	Total
Commercial and industrial						
Owner-occupied commercial						
Commercial mortgages						

	Three months ended September 30, 2022					Nine months ended September 30, 2022				
	Contractual payment reduction and term extension	Maturity Date Extension	Discharged in bankruptcy	Other(1)	Total	Contractual payment reduction and term extension	Maturity Date Extension	Discharged in bankruptcy	Other(1)	Total
Commercial and industrial	—	—	—	2	2	1	—	—	2	3
Consumer(1)										
Commercial mortgages	—	—	—	—	—	—	1	—	—	1
Construction	—	—	—	—	—	—	1	—	—	1
Residential	—	—	—	—	—	1	—	1	—	2
Consumer	50	8	4	2	64	51	32	7	3	93
Consumer(1)										
Consumer(1)										
Total Total	50	8	4	4	66	53	34	8	5	100

(1) Other includes interest rate reduction, forbearance, Includes home equity lines of credit, installment loans, unsecured lines of credit and interest only payments. education loans.

Principal balances are generally not forgiven when a loan is modified as a TDR. Nonaccruing restructured loans remain in nonaccrual status until there has been a period of sustained repayment performance, which is typically six months, and repayment is reasonably assured. The following table presents loans modified as TDRs during the three and nine months ended September 30, 2022.

	Three months ended September 30, 2022		Nine Months Ended September 30, 2022	
(Dollars in thousands)	Pre Modification	Post Modification	Pre Modification	Post Modification
Commercial	$ 157	$ 157	$ 185	$ 185
Commercial mortgages	2,390	2,390	2,390	2,390
Construction	2,000	2,000	2,000	2,000
Residential	—	—	138	138
Consumer	948	948	1,409	1,409
Total(1)(2)	$ 5,495	$ 5,495	$ 6,122	$ 6,122

(1) During the three and nine months ended September 30, 2022 the TDRs set forth in the table above resulted in a less than $0.1 million increase and a $0.3 million increase in the allowance for credit losses, respectively, and no additional charge-offs in either period. During the three and nine months ended September 30, 2022, no TDRs defaulted that had received troubled debt modification during the past twelve months.

(2) The TDRs set forth in the table above did not occur as a result of the loan forbearance program under the CARES Act.

8. LEASES

As a lessee, the Company enters into leases for its bank branches, corporate offices, and certain equipment. As a lessor, the Company primarily provides financing through its equipment leasing business.

Lessee

The Company's ongoing leases have remaining lease terms of less than one year to 22 21 years, which includes renewal options that are exercised at its discretion. The Company's lease terms to calculate the lease liability and right-of-use asset include options to extend the lease when it is reasonably certain that the Company will exercise the option. The lease liability and right-of-use asset is included in *Other liabilities* and *Other assets*, respectively, in the unaudited Consolidated Statements of Financial Condition. Leases with an initial term of 12 months or less are not recorded on the unaudited Consolidated Statements of Financial Condition. Lease expense is recognized on a straight-line basis over the lease term. Operating lease expense is included in *Occupancy expense* in the unaudited Consolidated Statements of Income. The Company accounts for lease components separately from nonlease components. The Company subleases certain real estate to third parties.

The components of operating lease cost were as follows:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
(Dollars in thousands)					
(Dollars in thousands)					
(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Operating lease cost (1)	Operating lease cost (1)	**$ 3,077**	$ 4,900	**$ 12,593**	$ 15,289
Operating lease cost (1)					
Operating lease cost (1)					
Sublease income					
Sublease income					
Sublease income	Sublease income	**(37)**	(51)	**(118)**	(222)
Net lease cost	Net lease cost	**$ 3,040**	$ 4,849	**$ 12,475**	$ 15,067
Net lease cost					
Net lease cost					

(1) Includes variable lease cost and short-term lease cost.

Supplemental information related to operating leases was as follows:

(Dollars in thousands)	**September 30, 2023**	December 31, 2022
Right-of-use assets	**$ 127,020**	$ 138,182

Lease liabilities	**$**	**147,102**	$	158,269
Lease term and discount rate				
Weighted average remaining lease term (in years)		**12.82**		17.91
Weighted average discount rate		**5.18 %**		4.25 %

(Dollars in thousands)		**March 31, 2024**		December 31, 2023
Right-of-use assets	**$**	**129,996**	$	130,601
Lease liabilities	**$**	**151,255**	$	151,596
Lease term and discount rate				
Weighted average remaining lease term (in years)		**12.86**		13.01
Weighted average discount rate		**5.2 %**		5.2 %

Maturities of operating lease liabilities were as follows:

(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	*(Dollars in thousands)*	**March 31, 2024**
Remaining in 2023		**$ 4,652**		
2024		**17,259**		
Remaining in 2024				
2025	2025	**17,014**		
2026	2026	**16,176**		
2027	2027	**14,865**		
After 2027		**135,220**		
2028				
After 2028				
Total lease payments	Total lease payments	**205,186**		
Less: Interest	Less: Interest	**(58,084)**		
Present value of lease liabilities	Present value of lease liabilities	**$ 147,102**		

Supplemental cash flow information related to operating leases was as follows:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
(Dollars in thousands)					
(Dollars in thousands)					
(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Cash paid for amounts included in the measurement of lease liabilities:	**Cash paid for amounts included in the measurement of lease liabilities:**				
Cash paid for amounts included in the measurement of lease liabilities:					
Cash paid for amounts included in the measurement of lease liabilities:					

Operating cash flows from operating leases	Operating cash flows from operating leases	$ **4,041**	$ 5,196	$ **14,235**	$ 15,911
Right of use assets obtained in exchange for new operating lease liabilities (non-cash)		**—**	—	**—**	13,707
Operating cash flows from operating leases					
Operating cash flows from operating leases					

As of September 30, 2023 March 31, 2024, the Corporation had not entered into any material leases that have not yet commenced.

Lessor Equipment Leasing

The Company provides equipment and small business lease financing through its leasing subsidiary, NewLane Finance®. Interest income from direct financing leases where the Company is a lessor is recognized in *Interest and fees on loans and leases* on the unaudited Consolidated Statements of Income. The allowance for credit losses on finance leases is included in *Provision for credit losses* on the unaudited Consolidated Statements of Income.

The components of direct finance lease income are summarized in the table below:

		Three months ended		Nine months ended	
		Three months ended			
		Three months ended			
		Three months ended			
(Dollars in thousands)					
(Dollars in thousands)					
(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	September 30, 2022	**September 30, 2023**	September 30, 2022
Direct financing leases:	**Direct financing leases:**				
Direct financing leases:					
Direct financing leases:					
Interest income on lease receivable					
Interest income on lease receivable					
Interest income on lease receivable	Interest income on lease receivable	$ **13,682**	$ 10,822	$ **39,200**	$ 30,885
Interest income on deferred fees and costs, net	Interest income on deferred fees and costs, net	**(1,643)**	(925)	**(4,479)**	(2,422)
Interest income on deferred fees and costs, net					
Interest income on deferred fees and costs, net					
Total direct financing lease net interest income	Total direct financing lease net interest income	$ **12,039**	$ 9,897	$ **34,721**	$ 28,463
Total direct financing lease net interest income					
Total direct financing lease net interest income					

Equipment leasing receivables relate to direct financing leases. The composition of the net investment in direct financing leases was as follows:

(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	December 31, 2022	*(Dollars in thousands)*	**March 31, 2024**	December 31, 2023
Lease receivables	Lease receivables	**$ 698,729**	$ 642,369			
Unearned income	Unearned income	**(108,629)**	(95,683)			
Deferred fees and costs	Deferred fees and costs	**15,598**	12,295			
Net investment in direct financing leases	Net investment in direct financing leases	**$ 605,698**	$ 558,981			

9. GOODWILL AND INTANGIBLE ASSETS

In accordance with ASC 805, *Business Combinations* (ASC 805) and ASC 350, *Intangibles - Goodwill and Other* (ASC 350), all assets acquired and liabilities assumed in purchase acquisitions, including goodwill, indefinite-lived intangibles and other intangibles are recorded at fair value as of acquisition date.

WSFS performs its annual goodwill impairment test on October 1, or more frequently if events and circumstances indicate that the fair value of a reporting unit is less than its carrying value. In between annual tests, management performs a qualitative review of goodwill quarterly as part of the Company's review of the overall business to ensure no events or circumstances have occurred that would impact its goodwill evaluation. During the nine three months ended September 30, 2023 March 31, 2024, management determined based on its qualitative assessment that the fair values of our reporting units exceeded their carrying values, and no goodwill impairment existed during the nine three months ended September 30, 2023 March 31, 2024.

The following table shows the allocation of goodwill to the reportable operating segments for purposes of goodwill impairment testing:

(Dollars in thousands)	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Consolidated Company**
December 31, 2022	$ 753,586	$ —	$ 130,051	$ 883,637
Goodwill from business combinations(1)	**—**	**—**	**2,261**	**2,261**
September 30, 2023	**$ 753,586**	**$ —**	**$ 132,312**	**$ 885,898**

(1) During the third quarter of 2023, BMCM acquired the business of a registered investment advisory firm.

(Dollars in thousands)	**WSFS Bank**	**Wealth Management**	**Consolidated Company**
December 31, 2023	$ 753,586	$ 132,312	$ 885,898
Goodwill adjustments	**—**	**—**	**—**
March 31, 2024	**$ 753,586**	**$ 132,312**	**$ 885,898**

ASC 350 requires that an acquired intangible asset be separately recognized if the benefit of the intangible asset is obtained through contractual or other legal rights, or if the asset can be sold, transferred, licensed, rented or exchanged, regardless of the acquirer's intent to do so. The following table summarizes the Company's intangible assets:

(Dollars in thousands)	*(Dollars in thousands)*	**Gross Intangible Assets**	**Accumulated Amortization**	**Net Intangible Assets**	**Amortization Period**	*(Dollars in thousands)*	**Gross Intangible Assets**	**Accumulated Amortization**	**Net Intangible Assets**		**Amor Pe**
September 30, 2023											
March 31, 2024											
Core deposits											
Core deposits											
Core deposits	**Core deposits**	**$104,751**	**$ (48,180)**	**$ 56,571**	**10 years**	**$ 104,751**	**$**	**$(53,327)**	**$ $51,424**	**10 years**	**10 y**

Customer relationships	**Customer relationships**	**73,880**	**(16,795)**	**57,085**	**7-15 years**	**Customer relationships**	**73,880**	**(19,512)**		**(19,512)**	**54,368**		**54,368**	**7-15 years**	
Loan servicing rights(1)	**Loan servicing rights(1)**	**12,201**	**(6,183)**	**6,018**	**10-25 years**										
Loan servicing rights(1)															
Loan servicing rights(1)							**12,734**			**(6,980)**		**5,754**			**10-2[illegible] year[illegible]**
Tradename	**Tradename**	**2,900**	**—**	**2,900**	**indefinite**	**Tradename**	**2,900**	**—**		**—**	**2,900**		**2,900**	**indefinite**	
Total intangible assets	**Total intangible assets**	**$193,732**	**$ (71,158)**	**$122,574**											

December 31, 2022

December 31, 2023

December 31, 2023

December 31, 2023

Core deposits

Core deposits

Core deposits	Core deposits	$104,751	$ (40,443)	$ 64,308	10 years	$ 104,751		$	$(50,754)	$		$53,997	10 years		10 ye[illegible]
Customer relationships	Customer relationships	68,281	(12,937)	55,344	7-15 years	Customer relationships	73,880	(18,153)		(18,153)	55,727		55,727	7-15 years	
Loan servicing rights(2)	Loan servicing rights(2)	11,118	(5,075)	6,043	10-25 years	Loan servicing rights(2)	12,613	(6,575)		(6,575)	6,038		6,038	10-25 years	
Tradename	Tradename	2,900	—	2,900	indefinite	Tradename	2,900	—		—	2,900		2,900	indefinite	
Non-compete agreements		200	(200)	—	1 year										
Total intangible assets	Total intangible assets	$187,250	$ (58,655)	$128,595											

Total intangible assets

Total intangible assets

(1) Includes a reversal of impairment losses of $0.2 million and less than $0.1 million for the three and nine months ended September 30, 2023, respectively. March 31, 2024.

(2) Includes impairment losses of $0.3 less than $0.1 million for the year ended December 31, 2022 December 31, 2023.

The Company recognized amortization expense on intangible assets of $3.9 million and $11.6 million for the three and nine months ended September 30, 2023, respectively, March 31, 2024 compared to $3.9 million and $11.8 million $3.8 million for the three and nine months ended September 30, 2022, respectively.

March 31, 2023.

The following table presents the estimated future amortization expense on definite life intangible assets:

(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	*(Dollars in thousands)*	**March 31, 2024**
Remaining in 2023		$ 4,239		
2024		16,793		
Remaining in 2024				
2025	2025	16,451		
2026	2026	15,775		
2027	2027	15,337		
2028				
Thereafter	Thereafter	51,079		
Total	Total	$ 119,674		

Servicing Assets

The Company records mortgage servicing rights on its mortgage loan servicing portfolio, which includes mortgages that it acquires or originates as well as mortgages that it services for others, and servicing rights on Small Business Administration (SBA) loans. Mortgage servicing rights and SBA loan servicing rights are included in *Intangible Goodwill and intangible assets* in the accompanying unaudited Consolidated Statements of Financial Condition. Mortgage loans which the Company services for others are not included in Loans and leases, net of allowance in the accompanying unaudited Consolidated Statements of Financial Condition. Servicing rights represent the present value of the future net servicing fees from servicing mortgage loans the Company acquires or originates, or that it services for others.

The value of the Company's mortgage servicing rights was $1.8 million $1.7 million at March 31, 2024 and $2.1 million at September 30, 2023 and December 31, 2022 December 31, 2023, respectively, and the value of its SBA loan servicing rights was $4.2 million $4.1 million and $4.0 million $4.3 million at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, respectively. Changes in the value of the Company's servicing rights resulted in impairment losses of $0.1 million for the three months ended March 31, 2024 and a reversal of impairment losses of $0.2 million and less than $0.1 million for the three and nine months ended September 30, 2023, respectively, and impairment losses of $0.1 million and $0.2 million for the three and nine months ended September 30, 2022, respectively. March 31, 2023. Revenues from originating, marketing and servicing mortgage loans as well as valuation adjustments related to capitalized mortgage servicing rights are included in *Mortgage banking activities, net* in the unaudited Consolidated Statements of Income and revenues from the Company's SBA loan servicing rights are included in *Loan and lease fee income* in the unaudited Consolidated Statements of Income.

Besides the impairment on loan servicing rights noted above, there was no impairment of other intangible assets as of September 30, 2023 March 31, 2024 or December 31, 2022 December 31, 2023. Changing economic conditions that may adversely affect the Company's performance and could result in impairment, which could adversely affect earnings in the future.

10. DEPOSITS

The following table shows deposits by category:

(Dollars in thousands)	**September 30, 2023**	December 31, 2022
Noninterest-bearing:		
Noninterest demand	**$ 4,913,517**	$ 5,739,647
Total noninterest-bearing	**$ 4,913,517**	$ 5,739,647
Interest-bearing:		
Interest-bearing demand	**$ 3,027,780**	$ 3,346,682
Savings	**1,680,864**	2,161,858
Money market	**4,559,643**	3,730,778
Customer time deposits	**1,715,460**	1,102,013
Brokered deposits	**89,105**	122,591
Total interest-bearing	**11,072,852**	10,463,922
Total deposits	**$ 15,986,369**	$ 16,203,569

(Dollars in thousands)	**March 31, 2024**	December 31, 2023
Noninterest-bearing:		
Noninterest demand	**$ 4,652,875**	$ 4,917,297
Total noninterest-bearing	**$ 4,652,875**	$ 4,917,297
Interest-bearing:		
Interest-bearing demand	**$ 2,856,366**	$ 2,935,530
Savings	**1,577,264**	1,610,143
Money market	**5,205,835**	5,175,123
Customer time deposits	**1,894,864**	1,784,317
Brokered deposits	**—**	51,676
Total interest-bearing	**11,534,329**	11,556,789
Total deposits	**$ 16,187,204**	$ 16,474,086

11. INCOME TAXES

There were no unrecognized tax benefits as of September 30, 2023 March 31, 2024. The Company records interest and penalties on potential income tax deficiencies as income tax expense. The Company's federal and state tax returns for the 2019 2020 through 2022 2023 tax years are subject to examination as of September 30, 2023 March 31, 2024. The

Company does not expect to record or realize any material unrecognized tax benefits during 2023. 2024.

The amortization of the low-income housing credit investments has been reflected as income tax expense of $1.4 million $1.9 million and $1.2 million $1.4 million for the three months ended September 30, 2023 March 31, 2024 and 2022, respectively, and $4.1 million and $3.6 million of such amortization has been reflected as income tax expense for the nine months ended September 30, 2023 and 2022, 2023, respectively.

The amount of affordable housing tax credits, amortization, and tax benefits recorded as income tax expense for the nine three months ended September 30, 2023 March 31, 2024 were $3.5 million $1.7 million, $4.1 million $1.9 million and $1.4 million $0.6 million, respectively. The carrying value of the investment in affordable housing credits is $64.9 million $85.2 million at September 30, 2023 March 31, 2024, compared to $69.0 million $87.1 million at December 31, 2022.

December 31, 2023 and is included in the *Other assets* line item on the unaudited Consolidated Statements of Financial Condition.

12. FAIR VALUE DISCLOSURES OF FINANCIAL ASSETS AND LIABILITIES

FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

ASC 820-10, *Fair Value Measurement* (ASC 820-10) defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820-10 establishes a fair value hierarchy that prioritizes the use of inputs used in valuation methodologies into the following three levels:

- Level 1: Inputs to the valuation methodology are quoted prices, unadjusted, for identical assets or liabilities in active markets. A quoted price in an active market provides the most reliable evidence of fair value and shall be used to measure fair value whenever available.
- Level 2: Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; inputs to the valuation methodology include quoted prices for identical or similar assets or liabilities in markets that are not active; or inputs to the valuation methodology that are derived principally from or can be corroborated by observable market data by correlation or other means.
- Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Level 3 assets and liabilities include financial instruments whose value is determined using discounted cash flow methodologies, as well as instruments for which the determination of fair value requires significant management judgment or estimation.

The following tables present financial instruments carried at fair value as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 by level in the valuation hierarchy (as described above):

		September 30, 2023								
		March 31, 2024								March 31, 2024
(Dollars in thousands)	*(Dollars in thousands)*	Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value	*(Dollars in thousands)*	Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets measured at fair value on a recurring basis:	**Assets measured at fair value on a recurring basis:**									
Available-for-sale securities:	**Available-for-sale securities:**									
Available-for-sale securities:										
Available-for-sale securities:										
CMO										
CMO										
CMO	**CMO**	$ —	$ 454,664	$ —	$ 454,664					

FNMA MBS	FNMA MBS	—	2,913,412	—	2,913,412
FHLMC MBS	FHLMC MBS	—	110,719	—	110,719
GNMA MBS	GNMA MBS	—	42,751	—	42,751
GSE agency notes	GSE agency notes	—	169,995	—	169,995
Other assets	Other assets	—	203,083	23	203,106
Other assets					
Other assets					
Total assets measured at fair value on a recurring basis	Total assets measured at fair value on a recurring basis	$ —	$ 3,894,624	$ 23	$ 3,894,647
Liabilities measured at fair value on a recurring basis:	Liabilities measured at fair value on a recurring basis:				
Liabilities measured at fair value on a recurring basis:					
Liabilities measured at fair value on a recurring basis:					
Other liabilities					
Other liabilities					
Other liabilities	Other liabilities	$ —	$ 196,821	$ 14,482	$ 211,303
Assets measured at fair value on a nonrecurring basis:	Assets measured at fair value on a nonrecurring basis:				
Assets measured at fair value on a nonrecurring basis:					
Assets measured at fair value on a nonrecurring basis:					
Other investments					
Other investments					
Other investments	Other investments	$ —	$ —	$ 21,741	$ 21,741
Other real estate owned	Other real estate owned	—	—	298	298
Loans held for sale	Loans held for sale	—	36,658	—	36,658

Total assets measured at fair value on a nonrecurring basis	**$ —**	**$ 36,658**	**$ 22,039**	**$ 58,697**

Total assets measured at fair value on a nonrecurring basis

Total assets measured at fair value on a nonrecurring basis

Total assets measured at fair value on a nonrecurring basis

December 31, 2022

December 31, 2023

(Dollars in thousands)	Quoted Prices in Active Markets for Identical Asset (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total Fair Value
Assets measured at fair value on a recurring basis:				
Available-for-sale securities:				
CMO	$ —	$ 506,380	$ —	$ 506,380
FNMA MBS	—	3,250,258	—	3,250,258
FHLMC MBS	—	121,999	—	121,999
GNMA MBS	—	36,138	—	36,138
GSE agency notes	—	178,285	—	178,285
Other assets	—	156,912	81	156,993

(Dollars in thousands)

December 31, 2023

Quoted Prices in Active Markets for Identical Asset (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) | Total Fair Value

Available-for-sale securities:

Available-for-sale securities:

CMO

CMO

Other assets

Other assets

Total assets measured at fair value on a recurring basis	Total assets measured at fair value on a recurring basis	$ —	$4,249,972	$ 81	$4,250,053
Liabilities measured at fair value on a recurring basis:	Liabilities measured at fair value on a recurring basis:				
Liabilities measured at fair value on a recurring basis:					
Liabilities measured at fair value on a recurring basis:					
Other liabilities					
Other liabilities					
Other liabilities	Other liabilities	$ —	$ 156,520	$ 17,102	$ 173,622
Assets measured at fair value on a nonrecurring basis	Assets measured at fair value on a nonrecurring basis				
Assets measured at fair value on a nonrecurring basis					
Assets measured at fair value on a nonrecurring basis					
Other investments					
Other investments					
Other investments	Other investments	$ —	$ —	$ 26,120	$ 26,120
Other real estate owned	Other real estate owned	—	—	833	833
Loans held for sale	Loans held for sale	—	42,985	—	42,985
Total assets measured at fair value on a nonrecurring basis	Total assets measured at fair value on a nonrecurring basis	$ —	$ 42,985	$ 26,953	$ 69,938
Total assets measured at fair value on a nonrecurring basis					
Total assets measured at fair value on a nonrecurring basis					

Fair value is based on quoted market prices, where available. If such quoted market prices are not available, fair value is based on internally developed models or obtained from third parties that primarily use, as inputs, observable market-based parameters. Valuation adjustments may be made to ensure that financial instruments are recorded at fair value. These adjustments may include unobservable parameters. The Company's valuation methodologies may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. While the Company believes its valuation methodologies are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date.

Available-for-sale securities

Securities classified as available-for-sale are reported at fair value using Level 2 inputs. The Company believes that this Level 2 designation is appropriate under ASC 820-10, as these securities are GSEs and GNMA securities with almost all fixed income securities, none are exchange traded, and all are priced by correlation to observed market data. For these securities the Company obtains fair value measurements from an independent pricing service. The fair value measurements consider observable data that may include dealer quotes, market spreads, cash flows, U.S. government and agency yield curves, live trading levels, trade execution data, market consensus prepayment speeds, credit information, and the security's terms and conditions, among other factors.

Other investments

Other investments includes equity investments without readily determinable fair values, and equity method investments, which are categorized as Level 3. The Company's equity investments without readily determinable fair values are held at cost, and are adjusted for any observable price changes in orderly transactions for the identical or a similar investment of the same issuer during the reporting period and its equity method investments are initially recorded at cost based on the Company's percentage ownership in the investee, and are adjusted to reflect the recognition of the Company's proportionate share of income or loss of the investee based on the investee's earnings.

Other real estate owned

Other real estate owned consists of loan collateral which has been repossessed through foreclosure or other measures. Initially, foreclosed assets are recorded at the fair value of the collateral less estimated selling costs. Subsequent to foreclosure, valuations are updated periodically and the assets may be marked down further, reflecting a new cost basis. The fair value of other real estate owned was estimated using Level 3 inputs based on appraisals obtained from third parties.

Loans held for sale

The fair value of loans held for sale is based on estimates using Level 2 inputs. These inputs are based on pricing information obtained from wholesale mortgage banks and brokers and applied to loans with similar interest rates and maturities.

Other assets

Other assets include the fair value of interest rate products, derivatives on the residential mortgage held for sale loan pipeline, and risk participation agreements. Valuation of interest rate products is obtained from an independent pricing service and also from the derivative counterparty. Valuation of the derivative related to the residential mortgage held for sale loan pipeline is based on valuation of the loans held for sale portfolio as described above in *Loans held for sale*. Valuation of risk participation agreements are obtained from an independent pricing service.

Other liabilities

Other liabilities include the fair value of interest rate products, derivatives on the residential mortgage held for sale loan pipeline, foreign exchange forward contracts, risk participation agreements, and derivative related to the sale of certain Visa Class B common shares. Valuation of interest rate products is obtained from an independent pricing service and also from the derivative counterparty. Valuation of the derivative related to the residential mortgage held for sale loan pipeline is based on valuation of the loans held for sale portfolio as described above in *Loans held for sale.* Valuation of foreign exchange forward contracts and risk participation agreements are obtained from an independent pricing service. Valuation of the derivative related to the sale of certain Visa Class B common shares is based on: (i) the agreed upon graduated fee structure; (ii) the length of time until the resolution of the Visa covered litigation; and (iii) the estimated impact of dilution in the conversion ratio of Class B shares resulting from changes in the Visa covered litigation.

FAIR VALUE OF FINANCIAL INSTRUMENTS

The reported fair values of financial instruments are based on a variety of factors. In certain cases, fair values represent quoted market prices for identical or comparable instruments. In other cases, fair values have been estimated based on assumptions regarding the amount and timing of estimated future cash flows that are discounted to reflect current market rates and varying degrees of risk. Accordingly, the fair values may not represent actual values of the financial instruments that could have been realized as of period-end or that will be realized in the future.

The following methods and assumptions were used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:

Cash, cash equivalents, and restricted cash

For cash and short-term investment securities, including due from banks, federal funds sold or purchased under agreements to resell and interest-bearing deposits with other banks, the carrying amount is a reasonable estimate of fair value.

Investment securities

Investment securities include debt securities classified as held-to-maturity or available-for-sale. Fair value is estimated using quoted prices for similar securities, which the Company obtains from a third party vendor. The Company uses one of the largest providers of securities pricing to the industry and management periodically assesses the inputs used by this vendor to price the various types of securities owned by the Company to validate the vendor's methodology as described above in available-for-sale securities.

Other investments

Other investments includes equity investments without readily determinable fair values (see discussion in "Fair Value of Financial Assets and Liabilities" section above). as well as equity method investments.

Loans held for sale

Loans held for sale are carried at their fair value (see discussion in "Fair Value of Financial Assets and Liabilities" section above).

Loans and leases

Loans and leases are segregated by portfolio segments with similar financial characteristics. The fair values of loans and leases, with the exception of reverse mortgages, are estimated by discounting expected cash flows using the current rates at which similar loans would be made to borrowers with comparable credit ratings and for similar remaining maturities. The fair values of reverse mortgages are based on the net present value of the expected cash flows using a discount rate specific to the reverse mortgages portfolio. The fair value of nonperforming loans is based on recent external appraisals of the underlying collateral, if the loan is collateral dependent. Estimated cash flows, discounted using a rate commensurate with current rates and the risk associated with the estimated cash flows, are used if appraisals are not available. This technique does contemplate an exit price.

Stock in the Federal Home Loan Bank (FHLB) of Pittsburgh

The fair value of FHLB stock is assumed to be equal to its cost basis, since the stock is non-marketable but redeemable at its par value.

Accrued interest receivable

The carrying amounts of interest receivable approximate fair value.

Other assets

Other assets include the fair value of interest rate products, derivatives on the residential mortgage held for sale loan pipeline, and risk participation agreements (see discussion in “Fair Value of Financial Assets and Liabilities” section above).

Deposits

The fair value of deposits with no stated maturity, such as noninterest-bearing demand deposits, money market and interest-bearing demand deposits, is assumed to be equal to the amount payable on demand. The fair value of time deposits is based on the discounted value of contractual cash flows. The discount rate is estimated using rates currently offered for deposits with comparable remaining maturities.

Borrowed funds

Rates currently available to the Company for debt with similar terms and remaining maturities are used to estimate the fair value of existing debt.

Off-balance sheet instruments

The fair value of off-balance sheet instruments, including swap guarantees of $7.7 million $6.9 million at September 30, 2023 March 31, 2024 and $10.4 million $7.3 million at December 31, 2022 December 31, 2023, respectively, and standby letters of credit, approximates the recorded net deferred fee amounts. Because letters of credit are generally not assignable by either the Company or the borrower, they only have value to the Company and the borrower. In determining the fair value of the swap guarantees, the Company assesses the underlying credit risk exposure for each borrower in a paying position to the third-party financial institution.

Accrued interest payable

The carrying amounts of interest payable approximate fair value.

Other liabilities

Other liabilities include the fair value of interest rate products, derivatives on the residential mortgage held for sale loan pipeline, foreign exchange forward contracts, risk participation agreements, and derivative related to the sale of certain Visa Class B common shares (see discussion in “Fair Value of Financial Assets and Liabilities” section above).

Financial instruments measured at fair value using significant unobservable inputs (Level 3)

The following tables provide a description of the valuation techniques and significant unobservable inputs for the Company's financial instruments classified as Level 3 as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

(Dollars in thousands)	*(Dollars in thousands)*	September 30, 2023			
Financial Instrument	**Financial Instrument**	**Fair Value**	**Valuation Technique(s)**	**Unobservable Input**	**Range (Weighted Average)**
Other investments	Other investments	$ 21,741	Observed market comparable transactions	Period of observed transactions	May 2022
Other real estate owned	Other real estate owned	298	Fair market value of collateral	Costs to sell	10.0%

(Dollars in thousands)	March 31, 2024				
Financial Instrument	**Fair Value**		**Valuation Technique(s)**	**Unobservable Input**	**Range (Weighted Average)**
Other investments	**$ 14,714**	**Observed market comparable transactions**	**Observed market comparable transactions**	**Period of observed transactions**	**December 2023**
Other real estate owned					

Other real estate owned							**1,210**		**Fair market value of collateral**	**Costs to sell**	**20.0%**
Other assets (Risk participation agreements purchased)	Other assets (Risk participation agreements purchased)	23	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 110 - 360 bps (196 bps) LGD: –% - 30% (30%)	**Other assets (Risk participation agreements purchased)**	**44**		**Credit Value Adjustment**	**CDS Spread and Loss Given Default (LGD)**	**CDS spread: 110 - 360 bps (189 bps) LGD: –% - 30% (30%)**
Other liabilities (Risk participation agreements sold)	Other liabilities (Risk participation agreements sold)	1	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 1 - 250 bps (78 bps) LGD: 30%	**Other liabilities (Risk participation agreements sold)**	**2**	**Credit Value Adjustment**	**Credit Value Adjustment**	**CDS Spread and Loss Given Default (LGD)**	**CDS spread: 1 - 250 bps (81 bps) LGD: –% - 30% (30%)**
Other liabilities (Financial derivative related to sales of certain Visa Class B shares)	Other liabilities (Financial derivative related to sales of certain Visa Class B shares)	14,481	Discounted cash flow	Timing of Visa litigation resolution	1.00 - 5.00 years (3.20 years or 4Q 2025)	**Other liabilities (Financial derivative related to sales of certain Visa Class B shares)**	**13,424**	**Discounted cash flow**	**Discounted cash flow**	**Timing of Visa litigation resolution**	**1.00 - 4.50 years (2.93 years or 4Q 2025)**

(Dollars in thousands)	**December 31, 2022**				
Financial Instrument	**Fair Value**		**Valuation Technique(s)**	**Unobservable Input**	**Range (Weighted Average)**
Other investments	$	26,120	Observed market comparable transactions	Period of observed transactions	May 2022
Other real estate owned		833	Fair market value of collateral	Costs to sell	10.0%
Other assets (Risk participation agreements purchased)		81	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 110 - 250 bps (205 bps) LGD: –% - 30% (30%)
Other liabilities (Risk participation agreements sold)		2	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 1 - 250 bps (158 bps) LGD: 30%
Other liabilities (Financial derivative related to sales of certain Visa Class B shares)		17,100	Discounted cash flow	Timing of Visa litigation resolution	1.00 - 5.75 years (3.61 years or 4Q 2025)

(Dollars in thousands)	**December 31, 2023**				
Financial Instrument	**Fair Value**		**Valuation Technique(s)**	**Unobservable Input**	**Range (Weighted Average)**
Other investments	$	15,206	Observed market comparable transactions	Period of observed transactions	December 2023
Other real estate owned		1,569	Fair market value of collateral	Costs to sell	10.0% - 20.0% (18.1%)
Other assets (Risk participation agreements purchased)		78	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 110 - 360 bps (195 bps) LGD: –% - 30% (30%)
Other liabilities (Risk participation agreements sold)		3	Credit Value Adjustment	CDS Spread and Loss Given Default (LGD)	CDS spread: 1 - 250 bps (95 bps) LGD: 30%
Other liabilities (Financial derivative related to sales of certain Visa Class B shares)		14,023	Discounted cash flow	Timing of Visa litigation resolution	1.00 - 4.75 years (3.06 years or 4Q 2025)

The book value and estimated fair value of the Company's financial instruments are as follows:

	September 30, 2023	December 31, 2022

			March 31, 2024			
(Dollars in thousands)	(Dollars in thousands)	Fair Value Measurement	Book Value	Fair Value	Book Value	Fair Value
Financial assets:	**Financial assets:**					
Cash, cash equivalents, and restricted cash						
Cash, cash equivalents, and restricted cash						
Cash, cash equivalents, and restricted cash	Cash, cash equivalents, and restricted cash	**Level 1**	**$ 611,480**	**$ 611,480**	$ 837,258	$ 837,258
Investment securities available-for-sale	Investment securities available-for-sale	**Level 2**	**3,691,541**	**3,691,541**	4,093,060	4,093,060
Investment securities held-to-maturity, net	Investment securities held-to-maturity, net	**Level 2**	**1,068,871**	**927,680**	1,111,619	1,040,104
Other investments	Other investments	**Level 3**	**21,741**	**21,741**	26,120	26,120
Loans, held for sale	Loans, held for sale	**Level 2**	**36,658**	**36,658**	42,985	42,985
Loans and leases, net(1)	Loans and leases, net(1)	**Level 3**	**12,502,404**	**12,454,772**	11,759,992	11,567,888
Stock in FHLB of Pittsburgh	Stock in FHLB of Pittsburgh	**Level 2**	**12,199**	**12,199**	24,116	24,116
Accrued interest receivable	Accrued interest receivable	**Level 2**	**81,909**	**81,909**	74,448	74,448
Other assets	Other assets	**Levels 2, 3**	**203,106**	**203,106**	156,993	156,993
Financial liabilities:	**Financial liabilities:**					
Deposits	Deposits	**Level 2**	**$15,986,369**	**$15,951,775**	$16,203,569	$16,156,124
Deposits						
Deposits						
Borrowed funds	Borrowed funds	**Level 2**	**917,833**	**917,053**	726,894	709,014
Standby letters of credit	Standby letters of credit	**Level 3**	**663**	**663**	739	739
Accrued interest payable	Accrued interest payable	**Level 2**	**42,481**	**42,481**	5,174	5,174
Other liabilities	Other liabilities	**Levels 2, 3**	**211,303**	**211,303**	173,622	173,622

			March 31, 2024		December 31, 2023	
(Dollars in thousands)	**Fair Value Measurement**	**Book Value**	**Fair Value**		Book Value	Fair Value

(1) Includes reverse mortgage loans.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023 the Company had no commitments to extend credit measured at fair value.

13. DERIVATIVE FINANCIAL INSTRUMENTS

Risk Management Objective of Using Derivatives

The Company is exposed to certain risks arising from both economic conditions and its business operations. The Company principally manages its exposures to a wide variety of business and operational risks through management of its core business activities. The Company manages economic risks, including interest rate, liquidity, and credit risk, primarily by managing the amount, sources, and duration of its assets and liabilities. The Company manages a matched book with respect to its derivative instruments in order to minimize its net risk exposure resulting from such transactions. The Company does not use derivative financial instruments for trading purposes.

Fair Values of Derivative Instruments

The table below presents the fair value of derivative financial instruments as well as their location on the unaudited Consolidated Statements of Financial Condition as of September 30, 2023 March 31, 2024.

	Fair Values of Derivative Instruments									
Fair Values of Derivative Instruments										Fair Values of Derivative Instruments
(Dollars in thousands)	*(Dollars in thousands)*	Count	Notional	Balance Sheet Location	Derivatives (Fair Value)	*(Dollars in thousands)*	Count	Notional	Balance Sheet Location	Derivatives (Fair Value)
Derivatives designated as hedging instruments:	**Derivatives designated as hedging instruments:**									
Interest rate products	Interest rate products	**6**	**$ 500,000**	Other assets	**$ 5,508**					
Interest rate products										
Interest rate products										
Total	Total		**$ 500,000**		**$ 5,508**					
Derivatives not designated as hedging instruments:	**Derivatives not designated as hedging instruments:**									
Interest rate products										
Interest rate products										
Interest rate products	Interest rate products		**$2,226,251**	Other assets	**$ 196,508**					
Interest rate products	Interest rate products		**2,226,251**	Other liabilities	**(196,508)**					
Interest rate lock commitments with customers	Interest rate lock commitments with customers		**32,747**	Other assets	**498**					
Interest rate lock commitments with customers	Interest rate lock commitments with customers		**3,886**	Other liabilities	**(20)**					
Forward sale commitments	Forward sale commitments		**21,500**	Other assets	**203**					
Forward sale commitments	Forward sale commitments		**13,907**	Other liabilities	**(32)**					
FX forwards	FX forwards		**16,687**	Other assets	**366**					
FX forwards	FX forwards		**14,793**	Other liabilities	**(261)**					

Risk participation agreements sold	Risk participation agreements sold	**97,049**	Other liabilities	**(1)**
Risk participation agreements purchased	Risk participation agreements purchased	**115,520**	Other assets	**23**
Financial derivatives related to sales of certain Visa Class B shares	Financial derivatives related to sales of certain Visa Class B shares	**113,177**	Other liabilities	**(14,481)**
Total derivatives	**Total derivatives**	**$ 5,381,768**		**$ (8,197)**

The table below presents the fair value of derivative financial instruments as well as their location on the unaudited Consolidated Statements of Financial Condition as of December 31, 2022 December 31, 2023.

	Fair Values of Derivative Instruments								
	Fair Values of Derivative Instruments								Fair Values of Derivative Instruments
(Dollars in thousands)	*(Dollars in thousands)*	Notional	Balance Sheet Location	Derivatives (Fair Value)	*(Dollars in thousands)*	Count	Notional	Balance Sheet Location	Derivatives (Fair Value)
Derivatives designated as hedging instruments:									
Interest rate products									
Interest rate products									
Interest rate products									
Total									
Derivatives not designated as hedging instruments:	**Derivatives not designated as hedging instruments:**								
Interest rate products	Interest rate products	$ 1,794,678	Other assets	$ 156,414					
Interest rate products	Interest rate products	1,794,678	Other liabilities	(156,414)					
Interest rate products									
Interest rate products									
Interest rate lock commitments with customers	Interest rate lock commitments with customers	24,673	Other assets	385					
Interest rate lock commitments with customers		1,179	Other liabilities	(7)					

Forward sale commitments

Forward sale commitments

Forward sale commitments	Forward sale commitments	9,072	Other assets	75
Forward sale commitments	Forward sale commitments	20,719	Other liabilities	(54)
FX forwards	FX forwards	4,177	Other assets	38
FX forwards	FX forwards	3,052	Other liabilities	(45)
Risk participation agreements sold	Risk participation agreements sold	68,459	Other liabilities	(2)
Risk participation agreements purchased	Risk participation agreements purchased	87,168	Other assets	81
Financial derivatives related to sales of certain Visa Class B shares	Financial derivatives related to sales of certain Visa Class B shares	113,177	Other liabilities	(17,100)
Total derivatives	**Total derivatives**	$3,921,032		$ (16,629)

Effect of Derivative Instruments on the Income Statement

The table below presents the effect of the derivative financial instruments on the unaudited Consolidated Statements of Income for the three and nine months ended September 30, 2023 March 31, 2024 and September 30, 2022 March 31, 2023.

	Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)	**Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)**	**Location of Gain Reclassified from Accumulated OCI into Income (Effective Portion)**
	Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)		
	Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)		

		Amount of (Loss) Gain Recognized in OCI on Derivative (Effective Portion)											Location of Gain Reclassified from Accumulated OCI into Income (Effective Portion)		
(Dollars in thousands)	*(Dollars in thousands)*	Three Months Ended September 30,		Nine Months Ended September 30,											
Derivatives in Cash Flow Hedging Relationships	**Derivatives in Cash Flow Hedging Relationships**	**2023**	2022	**2023**	2022										
Derivatives in Cash Flow Hedging Relationships															
Derivatives in Cash Flow Hedging Relationships															
Interest rate products															
Interest rate products															
Interest rate products	Interest rate products	$ (1,608)	$ —	$ (2,752)	$ —	Interest income		$	(6,433)	$		$	332	Interest income	Interest income
Total	Total	$ (1,608)	$ —	$ (2,752)	$ —										

		Amount of Gain (Loss) Recognized in Income											Location of Gain (Loss) Recognized in Income		
		Amount of Gain (Loss) Recognized in Income		Amount of Gain (Loss) Recognized in Income		Location of Gain (Loss) Recognized in Income									
		Amount of Gain (Loss) Recognized in Income													
		Amount of Gain (Loss) Recognized in Income													
(Dollars in thousands)	*(Dollars in thousands)*	Three Months Ended September 30,		Nine Months Ended September 30,											
Derivatives not designated as hedging instruments	**Derivatives not designated as hedging instruments**	**2023**	2022	**2023**	2022										
Derivatives not designated as hedging instruments															
Derivatives not designated as hedging instruments															
Interest rate products															
Interest rate products															
Interest rate products	Interest rate products	$ 3,427	$ 674	$ 7,397	$ 5,599	Other income		$	2,435	$		$	2,440	Other income	Other income

Interest rate lock commitments with customers	Interest rate lock commitments with customers	**(171)**	(1,032)	**116**	(1,856)	Mortgage banking activities, net	Interest rate lock commitments with customers	**252**	421		421	Mortgage banking activities, net	Mortgage banking activities, net
Forward sale commitments	Forward sale commitments	**595**	1,097	**660**	$5,120	Mortgage banking activities, net	Forward sale commitments	**114**	(148)		(148)	Mortgage banking activities, net	Mortgage banking activities, net
FX forwards	FX forwards	**97**	54	**126**	95	Other income	FX forwards	**159**	16		16	Other income	Other income
Risk participation agreements	Risk participation agreements	**(317)**	(1)	**(330)**	(191)	Other income	Risk participation agreements	**(34)**	3		3	Other income	Other income
Total	Total	**$ 3,631**	$ 792	**$ 7,969**	$8,767								

Derivatives Designated as Hedging Instruments:

Cash Flow Hedges of Interest Rate Risk

The Company's objectives in using interest rate derivatives are to add stability to interest income and to manage its exposure to interest rate movements. To accomplish this objective, the Company primarily uses interest rate options, including floors, caps, collars, or swaps as part of its interest rate risk management strategy. Interest rate options designated as cash flow hedges involve the receipt of fixed amounts from a counterparty in exchange for the Company making variable-rate payments over the life of the agreements without exchange of the underlying notional amount.

The Company has agreements with certain derivative counterparties that contain a provision under which, if it defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations. The Company also has agreements with certain derivative counterparties that contain a provision where if it fails to maintain its status as a well-capitalized or adequately capitalized institution, then the counterparty could terminate the derivative positions and the Company would be required to settle its obligations under the agreements.

During 2023, As of March 31, 2024, the Company purchased six had 13 interest rate floors purchased at a an aggregate premium of $9.7 million $19.7 million with an aggregate notional amount of $500.0 million $1.0 billion to hedge variable cash flows associated with a variable rate loan pool through the third first quarter of 2026. 2027. Changes to the fair value of derivatives designated and that qualify as cash flow hedges are recorded in accumulated other comprehensive income (loss) and is subsequently reclassified into earnings in the period that the hedged forecast transaction affects earnings. If the Company determines that a cash flow hedge is no longer highly effective, future changes in the fair value of the hedging instrument would be reported in earnings. As of September 30, 2023 March 31, 2024, the Company determined the cash flow hedges remain highly effective. During the three and nine months ended September 30, 2023 March 31, 2024, $0.4 million and $0.6 million, respectively, $0.8 million of amortization expense on the premium was reclassified into interest income. income compared to less than $0.1 million during the three months ended March 31, 2023. The Company does not expect any unrealized gains or losses related to cash flow hedges to be reclassified into earnings in the next twelve months.

In 2020, the Company terminated its three interest rate swaps that were designated as cash flow hedges for a net gain of $1.3 million, recognized in accumulated other comprehensive income. The derivatives were used to hedge the variable cash flows associated with a variable rate loan pool. Hedge accounting was discontinued, and the net gain in accumulated comprehensive income is reclassified into earnings when the transaction affects earnings. As the underlying hedged transaction continued to be probable, the remaining net gain for the three and nine months ended September 30, 2023, of less than $0.1 million and $0.1 million was reclassified into interest income, respectively. As of September 30, 2023, this gain has been fully recognized and reclassified to interest income.

Derivatives Not Designated as Hedging Instruments:

Customer Derivatives – Interest Rate Swaps

The Company enters into interest rate swaps with commercial loan customers wishing to manage interest rate risk. The Company then enters into corresponding swap agreements with swap dealer counterparties to economically hedge the exposure arising from these contracts. The interest rate swaps with both the customers and third parties are not designated as hedges under ASC 815, *Derivatives and Hedging* (ASC 815) and are marked to market through earnings. As the interest rate swaps are structured to offset each other, changes to the underlying benchmark interest rates considered in the valuation of these instruments do not result in an impact to earnings; however, there may be fair value adjustments related to credit quality variations between counterparties, which may impact earnings as required by ASC 820. As of September 30, 2023 March 31, 2024, there were no fair value adjustments related to credit quality.

Derivative Financial Instruments from Mortgage Banking Activities

Derivative financial instruments related to mortgage banking activities are recorded at fair value and are not designated as accounting hedges. This includes commitments to originate certain fixed-rate residential mortgage loans to customers, also referred to as interest rate lock commitments. The Company may also enter into forward sale commitments to sell loans to investors at a fixed price at a future date and trade asset-backed securities to mitigate interest rate risk.

Foreign Exchange Forward Contracts

The Company enters into foreign exchange forward contracts (FX forwards) with customers to exchange one currency for another on an agreed date in the future at an agreed exchange rate. The Corporation then enters into corresponding FX forwards with swap dealer counterparties to economically hedge its exposure on the exchange rate component of the customer agreements. The FX forwards with both the customers and third parties are not designated as hedges under ASC 815 and are marked to market through earnings. Exposure to gains and losses on these contracts increase or decrease over their respective lives as currency exchange and interest rates fluctuate. As the FX forwards are structured to offset each other, changes to the underlying term structure of currency exchange rates considered in the valuation of these instruments do not result in an impact to earnings; however, there may be fair value adjustments related to credit quality variations between counterparties, which may impact earnings as required by ASC 820. As of September 30, 2023 March 31, 2024, there were no fair value adjustments related to credit quality.

Risk Participation Agreements

The Company may enter into a risk participation agreement (RPA) with another institution as a means to assume a portion of the credit risk associated with a loan structure which includes a derivative instrument, in exchange for fee income commensurate with the risk assumed. This type of derivative is referred to as an “RPA sold.” In addition, in an effort to reduce the credit risk associated with an interest rate swap agreement with a borrower for whom the Corporation has provided a loan structured with a derivative, the Corporation may purchase an RPA from an institution participating in the facility in exchange for a fee commensurate with the risk shared. This type of derivative is referred to as an “RPA purchased.”

Swap Guarantees

The Company entered into agreements with one unrelated financial institution whereby that financial institution entered into interest rate derivative contracts (interest rate swap transactions) directly with customers referred to them by the Company. Under the terms of the agreements, the financial institution has recourse to us for any exposure created under each swap transaction, only in the event that the customer defaults on the swap agreement and the agreement is in a paying position to the third-party financial institution. This is a customary arrangement that allows us to provide access to interest rate swap transactions for our customers without creating the swap ourselves. These swap guarantees are accounted for as credit derivatives.

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, there were 193 185 and 209 188 variable-rate to fixed-rate swap transactions between the third-party financial institutions and the Company's customers, respectively. The initial notional aggregate amount was approximately $0.8 billion $0.7 billion at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023. At September 30, 2023 March 31, 2024, the swap transactions remaining maturities ranged from under 1 year to 12 11 years. At September 30, 2023 March 31, 2024, none of these customer swaps were in a paying position to third parties, with our swap guarantees having a fair value of $7.7 million $6.9 million. At December 31, 2022 December 31, 2023, none of these customer swaps were in a paying position to third parties, with the Company's swap guarantees having a fair value of $10.4 million $7.3 million. However, for both periods, none of the Company's customers were in default of the swap agreements.

Credit-risk-related Contingent Features

The Company has agreements with certain derivative counterparties that contain a provision under which, if it defaults on any of its indebtedness, including default where repayment of the indebtedness has not been accelerated by the lender, then the Company could also be declared in default on its derivative obligations.

The Company has minimum collateral posting thresholds with certain of its derivative counterparties, and has posted collateral of $5.0 million $2.5 million in cash against its obligations under these agreements which meets or exceeds the minimum collateral posting requirements. If the Company had breached any of these provisions at September 30, 2023 March 31, 2024, it could have been required to settle its obligations under the agreements at the termination value.

14. SEGMENT INFORMATION

As defined in ASC 280, *Segment Reporting* (ASC 280), an operating segment is a component of an enterprise that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the enterprise’s chief operating decision makers to make decisions about resources to be allocated to the segment and assess its performance, and for which discrete financial information is available. The Company evaluates performance based on pretax net income relative to resources used, and allocate resources based on these results. The accounting policies applicable to the Company's segments are those that apply to its preparation of the accompanying unaudited Consolidated Financial Statements. Based on these criteria, the Company has identified three segments: WSFS Bank, Cash Connect®, and Wealth Management.

The WSFS Bank segment provides financial products to commercial and consumer customers. Commercial and Consumer Banking, Commercial Real Estate Lending and other banking business units are operating departments of WSFS Bank. These departments share the same regulators, the same market, many of the same customers and provide similar products and services through the general infrastructure of the Bank. Accordingly, these departments are not considered discrete segments and are appropriately aggregated in the WSFS Bank segment.

The Company's Cash Connect® segment provides ATM vault cash, smart safe and other cash logistics services through strategic partnerships with several of the largest networks, manufacturers and service providers in the ATM industry. Cash Connect® services non-bank and WSFS-branded ATMs and smart safes nationwide. The balance sheet category *Cash in non-owned ATMs* includes cash from which fee income is earned through bailment arrangements with customers of Cash Connect®.

The Wealth Management segment provides a broad array of planning and advisory services, investment management, trust services, and credit and deposit products to individual, corporate, and institutional clients through multiple integrated businesses. clients. Bryn Mawr Trust® is our predominant Private Wealth Management brand, providing advisory, investment management and trustee services to institutions, affluent and high-net-worth individuals. Private Wealth Management, which includes Private Banking, serves high-net-worth clients and institutions by providing trustee and advisory services, financial planning, customized investment strategies, brokerage products such as annuities and customized banking services including credit and deposit products tailored to its clientele. Private Wealth Management includes businesses that operate under the bank’s charter, through a broker/dealer and as a registered investment advisor (RIA). It generates revenue through fee-only arrangements, net interest income and other fee-only services such as estate administration, trust tax planning and custody. Powdermill® is a multi-family office specializing in providing independent solutions to high-net-worth individuals, families and corporate executives through a coordinated, centralized approach.

The Bryn Mawr Trust Company of Delaware provides personal trust and fiduciary services to families and individuals across the U.S. and internationally. WSFS Institutional Services® provides trustee, agency, bankruptcy administration, custodial and commercial domicile services to institutional, corporate clients and special purpose vehicles. Private Wealth Management serves high-net-worth clients and institutions by providing trustee and advisory services, financial planning, customized investment strategies, brokerage products such as annuities and traditional banking services such as credit and deposit products tailored to its clientele. Private Wealth Management includes businesses that operate under the bank's charter, through a broker/dealer and as a registered investment advisor (RIA). It generates revenue through a percentage fee based on account assets, fee-only arrangements, net interest income and other fee-only services such as estate administration, trust tax planning and custody. Powdermill® is a multi-family office specializing in providing independent solutions to high-net-worth individuals, families and corporate executives through a coordinated, centralized approach.

The following tables show segment results for the three and nine months ended September 30, 2023 March 31, 2024 and 2022: 2023:

	Three Months Ended September 30, 2023				Three Months Ended September 30, 2022			
(Dollars in thousands)	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Total**	WSFS Bank	Cash Connect®	Wealth Management	Total
Statements of Income								
External customer revenues:								
Interest income	**$ 245,520**	**$ —**	**$ 5,619**	**$ 251,139**	$ 183,107	$ —	$ 3,458	$ 186,565
Noninterest income	**18,371**	**21,231**	**33,066**	**72,668**	17,585	15,416	29,650	62,651
Total external customer revenues	**263,891**	**21,231**	**38,685**	**323,807**	200,692	15,416	33,108	249,216
Inter-segment revenues:								
Interest income	**7,213**	**340**	**27,011**	**34,564**	4,570	416	13,658	18,644
Noninterest income	**7,384**	**499**	**190**	**8,073**	6,906	431	222	7,559
Total inter-segment revenues	**14,597**	**839**	**27,201**	**42,637**	11,476	847	13,880	26,203
Total revenue	**278,488**	**22,070**	**65,886**	**366,444**	212,168	16,263	46,988	275,419
External customer expenses:								
Interest expense	**60,133**	**—**	**8,404**	**68,537**	8,923	—	811	9,734
Noninterest expenses	**105,655**	**15,524**	**18,510**	**139,689**	104,817	9,646	18,454	132,917
Provision for (recovery of) credit losses	**18,544**	**—**	**(130)**	**18,414**	7,463	—	(9)	7,454
Total external customer expenses	**184,332**	**15,524**	**26,784**	**226,640**	121,203	9,646	19,256	150,105
Inter-segment expenses:								
Interest expense	**27,351**	**4,068**	**3,145**	**34,564**	14,074	3,414	1,156	18,644
Noninterest expenses	**689**	**1,391**	**5,993**	**8,073**	653	1,185	5,721	7,559
Total inter-segment expenses	**28,040**	**5,459**	**9,138**	**42,637**	14,727	4,599	6,877	26,203
Total expenses	**212,372**	**20,983**	**35,922**	**269,277**	135,930	14,245	26,133	176,308
Income before taxes	**$ 66,116**	**$ 1,087**	**$ 29,964**	**$ 97,167**	$ 76,238	$ 2,018	$ 20,855	$ 99,111
Income tax provision				**22,904**				25,767
Consolidated net income				**74,263**				73,344
Net income (loss) attributable to noncontrolling interest				**97**				(38)
Net income attributable to WSFS				**$ 74,166**				$ 73,382
Supplemental Information								
Capital expenditures for the period ended	**$ 1,131**	**$ —**	**$ 10**	**$ 1,141**	$ 3,213	$ 16	$ —	$ 3,229

Nine Months Ended September 30, 2023	Nine Months Ended September 30, 2022		**Three Months Ended March 31, 2024**	Three Months Ended March 31, 2023

(Dollars in thousands)	*(Dollars in thousands)*	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Total**	WSFS Bank	Cash Connect®	Wealth Management	Total
Statements of Income	**Statements of Income**								
External customer revenues:	External customer revenues:								
External customer revenues:									
External customer revenues:									
Interest income									
Interest income									
Interest income	Interest income	**$ 703,210**	**$ —**	**$ 16,081**	**$ 719,291**	$ 481,683	$ —	$ 9,039	$ 490,722
Noninterest income	Noninterest income	**46,610**	**59,402**	**96,654**	**202,666**	63,833	37,500	93,921	195,254
Total external customer revenues	Total external customer revenues	**749,820**	**59,402**	**112,735**	**921,957**	545,516	37,500	102,960	685,976
Inter-segment revenues:	Inter-segment revenues:								
Interest income									
Interest income									
Interest income	Interest income	**20,037**	**1,058**	**72,686**	**93,781**	7,720	1,148	27,865	36,733
Noninterest income	Noninterest income	**21,545**	**1,455**	**389**	**23,389**	20,103	1,220	569	21,892
Total inter-segment revenues	Total inter-segment revenues	**41,582**	**2,513**	**73,075**	**117,170**	27,823	2,368	28,434	58,625
Total revenue	Total revenue	**791,402**	**61,915**	**185,810**	**1,039,127**	573,339	39,868	131,394	744,601
External customer expenses:	External customer expenses:								
Interest expense	Interest expense	**152,582**	**—**	**19,733**	**172,315**	20,475	—	1,243	21,718
Interest expense									
Interest expense									
Noninterest expenses	Noninterest expenses	**314,751**	**43,562**	**55,674**	**413,987**	361,949	25,383	54,091	441,423
Provision for credit losses	Provision for credit losses	**62,589**	**—**	**666**	**63,255**	34,647	—	46	34,693
Total external customer expenses	Total external customer expenses	**529,922**	**43,562**	**76,073**	**649,557**	417,071	25,383	55,380	497,834
Inter-segment expenses:	Inter-segment expenses:								
Interest expense									
Interest expense									
Interest expense	Interest expense	**73,744**	**11,478**	**8,559**	**93,781**	29,013	4,896	2,824	36,733
Noninterest expenses	Noninterest expenses	**1,844**	**4,221**	**17,324**	**23,389**	1,789	3,436	16,667	21,892

(Dollars in thousands)	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Total**	WSFS Bank	Cash Connect®	Wealth Management	Total

Total inter-segment expenses	Total inter-segment expenses	**75,588**	**15,699**	**25,883**	**117,170**	30,802	8,332	19,491	58,625
Total expenses	Total expenses	**605,510**	**59,261**	**101,956**	**766,727**	447,873	33,715	74,871	556,459
Income before taxes	Income before taxes	**$ 185,892**	**$ 2,654**	**$ 83,854**	**$ 272,400**	$ 125,466	$ 6,153	$ 56,523	$ 188,142
Income tax provision	Income tax provision				**66,880**				49,929
Consolidated net income	Consolidated net income				**205,520**				138,213
Net income attributable to noncontrolling interest					**272**				287
Net (loss) income attributable to noncontrolling interest									
Net income attributable to WSFS	Net income attributable to WSFS				**$ 205,248**				$ 137,926
Supplemental Information	**Supplemental Information**								
Capital expenditures for the period ended	Capital expenditures for the period ended	**$ 2,943**	**$ —**	**$ 10**	**$ 2,953**	$ 7,649	$ 16	$ —	$ 7,665
Capital expenditures for the period ended									
Capital expenditures for the period ended									

The following table shows significant components of segment net assets as of September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

		September 30, 2023				December 31, 2022			
(Dollars in thousands)	*(Dollars in thousands)*	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Total**	WSFS Bank	Cash Connect®	Wealth Management	Total
Statements of Financial Condition	**Statements of Financial Condition**								
Cash and cash equivalents	Cash and cash equivalents	**$ 241,531**	**$ 327,417**	**$ 42,532**	**$ 611,480**	$ 317,022	$ 476,850	$ 43,386	$ 837,258
Cash and cash equivalents									
Cash and cash equivalents									
Goodwill	Goodwill	**753,586**	**—**	**132,312**	**885,898**	753,586	—	130,051	883,637
Other segment assets	Other segment assets	**18,132,659**	**11,662**	**399,293**	**18,543,614**	17,824,946	10,429	358,485	18,193,860
Total segment assets	Total segment assets	**$ 19,127,776**	**$ 339,079**	**$ 574,137**	**$ 20,040,992**	$ 18,895,554	$ 487,279	$ 531,922	$ 19,914,755

	March 31, 2024				December 31, 2023			
(Dollars in thousands)	**WSFS Bank**	**Cash Connect®**	**Wealth Management**	**Total**	WSFS Bank	Cash Connect®	Wealth Management	Tot

15. COMMITMENTS AND CONTINGENCIES

Secondary Market Loan Sales

The Company typically sells newly originated residential mortgage loans in the secondary market to mortgage loan aggregators and to GSEs such as FHLMC, FNMA, and on a more limited basis, the FHLB. Loans held for sale are reflected on the unaudited Consolidated Statements of Financial Condition at fair value with changes in the value reflected in the unaudited Consolidated Statements of Income. Gains and losses are recognized at the time of sale. The Company periodically retains the servicing rights on residential mortgage loans sold which results in monthly service fee income. The mortgage servicing rights are included in *Intangible Goodwill and intangible assets* on the unaudited Consolidated Statements of Financial Condition. Otherwise, the Company sells loans with servicing released on a nonrecourse basis. Rate-locked loan commitments that the Company intends to sell in the secondary market are accounted for as derivatives under ASC 815.

The Company does not sell loans with recourse, except for standard loan sale contract provisions covering violations of representations and warranties and, under certain circumstances, early payment default by the borrower. These are customary repurchase provisions in the secondary market for residential mortgage loan sales. These provisions may include either an indemnification from loss or the repurchase of the loans. Repurchases and losses have been rare and no provision is made for losses at the time of sale. There was one repurchase during the nine three months ended September 30, 2023 March 31, 2024 for $0.8 million $0.3 million and two no repurchases for $0.8 million during the same period in 2022. 2023.

Unfunded Lending Commitments

At September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023, the allowance for credit losses of unfunded lending commitments was $12.1 million $11.8 million and $11.9 million $12.1 million, respectively. A provision expense release of $0.1 million and $0.2 million $0.3 million was recognized during the three and nine months ended September 30, 2023, respectively, March 31, 2024 compared to a provision expense release of $0.7 million and $0.6 million $0.2 million during the three and nine months ended September 30, 2022, respectively. March 31, 2023.

16. CHANGE IN ACCUMULATED OTHER COMPREHENSIVE LOSS

Accumulated other comprehensive loss includes unrealized gains and losses on available-for-sale investments, unrealized gains and losses on cash flow hedges, as well as unrecognized prior service costs and actuarial gains and losses on defined benefit pension plans. Changes to accumulated other comprehensive loss are presented, net of tax, as a component of stockholders' equity. Amounts that are reclassified out of accumulated other comprehensive loss are recorded on the unaudited Consolidated Statements of Income either as a gain or loss. Changes to accumulated other comprehensive loss by component are shown, net of taxes, in the following tables for the period indicated:

(Dollars in thousands)	*(Dollars in thousands)*	Net change in investment securities available-for-sale	Net change in investment securities held-to-maturity	Net change in defined benefit plan	Net change in fair value of derivatives used for cash flow hedges(1)	Net change in equity method investments	Total	*(Dollars in thousands)*	Net change in investment securities available-for-sale	Net change in investment securities held-to-maturity	Net change in defined benefit plan	Net change in fair value of derivatives used for cash flow hedges	Net change in equity method investments	Tot
Balance, June 30, 2023		**$ (550,890)**	**$ (99,945)**	**$ (4,571)**	**$ (1,115)**	**$ 462**	**$ (656,059)**							
Balance, December 31, 2023														
Other comprehensive (loss) income	Other comprehensive (loss) income	**(127,523)**	**—**	**(3)**	**(1,608)**	**192**	**(128,942)**							
Less: Amounts reclassified from accumulated other comprehensive loss	Less: Amounts reclassified from accumulated other comprehensive loss	**—**	**4,366**	**(48)**	**(28)**	**—**	**4,290**							
Net current-period other comprehensive (loss) income	Net current-period other comprehensive (loss) income	**(127,523)**	**4,366**	**(51)**	**(1,636)**	**192**	**(124,652)**							
Balance, September 30, 2023		**$ (678,413)**	**$ (95,579)**	**$ (4,622)**	**$ (2,751)**	**$ 654**	**$ (780,711)**							
Balance, March 31, 2024														
Balance, June 30, 2022		$ (395,213)	$ (119,649)	$ (4,746)	$ 189	$ 541	$ (518,878)							

Other comprehensive (loss) income		(202,520)	(1)	(4)	—	25	(202,500)
Balance, December 31, 2022							
Balance, December 31, 2022							
Balance, December 31, 2022							
Other comprehensive income (loss)							
Less: Amounts reclassified from accumulated other comprehensive loss	Less: Amounts reclassified from accumulated other comprehensive loss	—	5,967	(27)	(41)	—	5,899
Net current-period other comprehensive (loss) income		(202,520)	5,966	(31)	(41)	25	(196,601)
Balance, September 30, 2022		$ (597,733)	$ (113,683)	$ (4,777)	$ 148	$ 566	$ (715,479)

(1) Includes amortization of net gain for cash flow hedges terminated as of April 1, 2020.

Net current-period other comprehensive income (loss)	
Balance, March 31, 2023	

(Dollars in thousands)	**Net change in investment securities available-for-sale**	**Net change in investment securities held-to-maturity**	**Net change in defined benefit plan**	**Net change in fair value of derivatives used for cash flow hedges(1)**	**Net change in equity method investments**	**Total**
Balance, December 31, 2022	**$ (563,533)**	**$ (108,503)**	**$ (4,482)**	**$ 108**	**$ 566**	**$ (675,844)**
Other comprehensive (loss) income	**(114,880)**	**—**	**2**	**(2,752)**	**88**	**(117,542)**
Less: Amounts reclassified from accumulated other comprehensive loss	**—**	**12,924**	**(142)**	**(107)**	**—**	**12,675**
Net current-period other comprehensive (loss) income	**(114,880)**	**12,924**	**(140)**	**(2,859)**	**88**	**(104,867)**
Balance, September 30, 2023	**$ (678,413)**	**$ (95,579)**	**$ (4,622)**	**$ (2,751)**	**$ 654**	**$ (780,711)**
Balance, December 31, 2021	$ (33,873)	$ 175	$ (4,691)	$ 268	$ 353	$ (37,768)
Other comprehensive (loss) income(2)	(563,860)	(119,769)	(4)	—	213	(683,420)
Less: Amounts reclassified from accumulated other comprehensive loss	—	5,911	(82)	(120)	—	5,709
Net current-period other comprehensive (loss) income	(563,860)	(113,858)	(86)	(120)	213	(677,711)
Balance, September 30, 2022	$ (597,733)	$ (113,683)	$ (4,777)	$ 148	$ 566	$ (715,479)

(1) Includes amortization of net gain for cash flow hedges terminated as of April 1, 2020.

(2) Includes $119.8 million, net of tax, of unrealized losses on transferred investment securities from available-for-sale to held-to-maturity.

The unaudited Consolidated Statements of Income were impacted by components of other comprehensive loss as shown in the tables below:

		Three Months Ended September 30,		Affected line item in unaudited Consolidated Statements of Income						
		Three Months Ended March 31,						Three Months Ended March 31,		Affected line item in unaudited Consolidated Statements of Income
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022							
Net unrealized holding losses on securities transferred between available-for-sale and held-to-maturity:	**Net unrealized holding losses on securities transferred between available-for-sale and held-to-maturity:**									

Net unrealized holding losses on securities transferred between available-for-sale and held-to-maturity:

Net unrealized holding losses on securities transferred between available-for-sale and held-to-maturity:

Amortization of net unrealized losses to income during the period

Amortization of net unrealized losses to income during the period

Amortization of net unrealized losses to income during the period	Amortization of net unrealized losses to income during the period	**5,745**	7,851	Net interest income		**4,827**	5,481	5,481	Net interest income	Net interest income
Income taxes	Income taxes	**(1,379)**	(1,884)	Income tax provision	Income taxes	**(1,158)**	(1,315)	(1,315)	Income tax provision	Income tax provision
Net of tax	**Net of tax**	**4,366**	5,967							
Amortization of defined benefit pension plan-related items:	**Amortization of defined benefit pension plan-related items:**									

Amortization of defined benefit pension plan-related items:

Amortization of defined benefit pension plan-related items:

Prior service credits

Prior service credits

Prior service credits	Prior service credits	**(19)**	(19)
Actuarial gains	Actuarial gains	**(44)**	(17)

Actuarial gains

Actuarial gains

Total before tax

Total before tax

Total before tax	Total before tax	**(63)**	(36)	Salaries, benefits and other compensation		**(64)**	(62)	(62)	Salaries, benefits and other compensation	Salaries, benefits and other compensation
Income taxes	Income taxes	**15**	9	Income tax provision	Income taxes	**15**	15	15	Income tax provision	Income tax provision
Net of tax	**Net of tax**	**(48)**	(27)							
Net unrealized gains on terminated cash flow hedges:	**Net unrealized gains on terminated cash flow hedges:**									
Net unrealized gains on terminated cash flow hedges:										
Net unrealized gains on terminated cash flow hedges:										
Amortization of net unrealized gains to income during the period										
Amortization of net unrealized gains to income during the period										
Amortization of net unrealized gains to income during the period	Amortization of net unrealized gains to income during the period	**(37)**	(54)	Interest and fees on loans and leases		**—**	(52)	(52)	Interest and fees on loans and leases	Interest and fees on loans and leases
Income taxes	Income taxes	**9**	13	Income tax provision	Income taxes	**—**	12	12	Income tax provision	Income tax provision
Net of tax	**Net of tax**	**(28)**	(41)							
Total reclassifications										
Total reclassifications										
Total reclassifications	**Total reclassifications**	**$ 4,290**	$ 5,899							

	Nine Months Ended September 30,		Affected line item in unaudited Consolidated Statements of Operations
	2023	2022	
Net unrealized holding losses on securities transferred between available-for-sale and held-to-maturity:			
Amortization of net unrealized losses to income during the period	**17,005**	7,777	Net interest income
Income taxes	**(4,081)**	(1,866)	Income tax provision
Net of tax	**12,924**	5,911	
Amortization of defined benefit pension plan-related items:			
Prior service credits	**(57)**	(57)	
Actuarial gains	**(130)**	(51)	
Total before tax	**(187)**	(108)	Salaries, benefits and other compensation

Income taxes	**45**	26	Income tax provision
Net of tax	**(142)**	(82)	
Net unrealized gains on terminated cash flow hedges:			
Amortization of net unrealized gains to income during the period	**(141)**	(158)	Interest and fees on loans and leases
Income taxes	**34**	38	Income tax provision
Net of tax	**(107)**	(120)	
Total reclassifications	**$ 12,675**	$ 5,709	

17. LEGAL AND OTHER PROCEEDINGS

In accordance with the current accounting standards for loss contingencies, the Company establishes reserves for litigation-related matters that arise in the ordinary course of its business activities when it is probable that a loss associated with a claim or proceeding has been incurred and the amount of the loss can be reasonably estimated. Litigation claims and proceedings of all types are subject to many uncertain factors that generally cannot be predicted with assurance. In addition, the Company's defense of litigation claims may result in legal fees, which it expenses as incurred.

There were no material changes or additions to other significant pending legal or other proceedings involving the Company other than those arising out of routine operations.

ITEM 2. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

OVERVIEW

WSFS Financial Corporation (WSFS, and together with its subsidiaries, the Company) is a savings and loan holding company headquartered in Wilmington, Delaware. Substantially all of our assets are held by our subsidiary, Wilmington Savings Fund Society, FSB (WSFS Bank or the Bank), one of the ten oldest bank and trust companies in the United States (U.S.) continuously operating under the same name. With $20.0 billion $20.6 billion in assets and $77.6 billion $80.5 billion in assets under management (AUM) and assets under administration (AUA) at September 30, 2023 March 31, 2024, WSFS Bank is the oldest and largest locally-managed bank and trust company headquartered in the Greater Philadelphia and Delaware region. As a federal savings bank that was formerly chartered as a state mutual savings bank, WSFS Bank enjoys a broader scope of permissible activities than most other financial institutions. A fixture in the community, we have been in operation for more than 191 192 years. In addition to our focus on stellar customer experience, we have continued to fuel growth and remain a leader in our community. We are a relationship-focused, locally-managed, community banking institution. Our mission is simple: “We Stand for Service.” Our strategy of “Engaged Associates, living our culture, enriching the communities we serve” focuses on exceeding customer expectations, delivering stellar experiences and building customer advocacy through highly-trained, relationship-oriented, friendly, knowledgeable and empowered Associates.

As of September 30, 2023 March 31, 2024, we had six consolidated subsidiaries: WSFS Bank, The Bryn Mawr Trust Company of Delaware (BMT-DE), Bryn Mawr Capital Management, LLC (BMCM), WSFS Wealth Management, LLC (Powdermill®), WSFS SPE Services, LLC, and 601 Perkasie, LLC. The Company also has three unconsolidated subsidiaries: WSFS Capital Trust III, Royal Bancshares Capital Trust I, and Royal Bancshares Capital Trust II. WSFS Bank has two wholly-owned subsidiaries: Beneficial Equipment Finance Corporation (BEFC) and 1832 Holdings, Inc., and one majority-owned subsidiary, NewLane Finance Company (NewLane Finance®).

On January 1, 2023, WSFS completed the merger and brand conversion of WSFS Capital Management, LLC (West Capital) and Cypress Capital Management, LLC and renamed the combined entity Bryn Mawr Capital Management, LLC. BMCM is registered as an investment advisor with the U.S. Securities and Exchange Commission and is a wholly-owned subsidiary of WSFS.

Our banking business had a total loan and lease portfolio of $12.7 billion $13.0 billion as of September 30, 2023 March 31, 2024, which was funded primarily through commercial relationships and consumer and customer generated deposits. We have built a $9.9 billion $10.0 billion commercial loan and lease portfolio by recruiting seasoned commercial lenders in our markets, offering the high level of service and flexibility typically associated with a community bank and through acquisitions. We also offer a broad variety of consumer loan products and retail securities brokerage through our retail branches, in addition to mortgage and title services through our branches and WSFS Mortgage®, our mortgage banking company specializing in a variety of residential mortgage and refinancing solutions. Our leasing business, conducted by NewLane Finance®, originates small business leases and provides commercial financing to businesses nationwide, targeting various equipment categories including technology, software, office, medical, veterinary and other areas. In addition, NewLane Finance® offers captive insurance through its subsidiary, Prime Protect.

Our Cash Connect® business is a premier provider of ATM vault cash, smart safe (safes that automatically accept, validate, record and hold cash in a secure environment) and other cash logistics services through strategic partnerships with several of the largest networks, manufacturers and service providers in the ATM industry. Cash Connect® services non-bank and WSFS-branded ATMs and smart safes nationwide, and manages approximately $1.5 billion $2.0 billion in total cash and services approximately 25,200 36,900 non-bank ATMs and 8,600 9,100 smart safes nationwide. Cash Connect® provides related services such as online reporting and ATM cash management, predictive cash ordering and reconcilement services, armored carrier management, loss protection, ATM processing equipment sales and deposit safe cash logistics. Cash Connect® also supports 592 583 owned or branded ATMs for WSFS Bank Customers, which is one of the largest branded ATM networks in our market. On September 29, 2023, Cash Connect entered into an agreement to add approximately 8,000 units to its bailment ATM count, which is expected to close in 4Q 2023.

Our Wealth Management business provides a broad array of planning and advisory services, investment management, trust services, and credit and deposit products to individual, corporate and institutional clients through multiple integrated businesses. clients. Combined, these businesses had $77.6 80.5 billion of AUM and AUA at September 30, 2023 March 31, 2024.

Bryn Mawr Trust® is our predominant Private Wealth Management brand, providing advisory, investment management and trustee services to institutions, affluent and high-net-worth individuals. BMT-DE provides personal trust and fiduciary services to families and individuals across the U.S. and internationally. WSFS Institutional Services® provides trustee, agency, bankruptcy administration, custodial and commercial domicile services to institutional, corporate clients and special purpose vehicles. Private Wealth Management serves high-net-worth clients and institutions by providing trustee and advisory services, financial planning, customized investment strategies, brokerage products such as annuities and traditional banking services such as credit and deposit products tailored to its clientele. Private Wealth Management includes businesses that operate under the bank's charter, through a broker/dealer and as a registered investment advisor (RIA). It generates revenue through a percentage fee based on account assets, fee-only arrangements, net interest income and other fee-only services such as estate administration, trust tax planning and custody. Powdermill® is a multi-family office specializing in providing independent solutions to high-net-worth individuals, families and corporate executives through a coordinated, centralized approach.

BMT-DE provides personal trust and fiduciary services to families and individuals across the U.S. and internationally. WSFS Institutional Services® provides trustee, agency, bankruptcy administration, custodial and commercial domicile services to institutional, corporate clients and special purpose vehicles.

As of September 30, 2023 March 31, 2024, we service our customers primarily from 116 114 offices located in Pennsylvania (59) (57), Delaware (40), New Jersey (14), Florida (1) and Nevada (1) and Virginia (1), our ATM network, our website at **www.wsfsbank.com** and our mobile app.

Highlights and Other Notables Items for Three and Nine Months Ended September 30, 2023 March 31, 2024

- ***Three Months Ended September 30, 2023 March 31, 2024***
  - BMCM expanded into southern Delaware Net loan growth of $206.9 million, or 2% (7% annualized), driven by growth across the commercial portfolio and established a new presence in Boca Raton, Florida, after an acquisition of a woman-founded, owned and managed registered investment advisory firm based in Rehoboth Beach, Delaware.
  - In August 2023, Kroll Bond Rating Agency (KBRA) reaffirmed the senior unsecured debt rating of A-, subordinated debt rating of BBB+, and a short term debt rating of K2 for the Company. The Bank received A ratings for both senior unsecured debt and deposit, a subordinated debt rating of A-, and the short-term debt and deposit ratings of K1. consumer partnerships.
  - WSFS repurchased 386,900 492,368 shares of common stock under the Company's share repurchase programs at an average price of $40.67 42.62 per share, for an aggregate purchase price of approximately $15.7 21.0 million.
  - The Board of Directors approved a $0.15 per share quarterly cash dividend.
  - The Bank and the Company continue to be well above well-capitalized across all measures of regulatory capital, with total common equity tier 1 capital of 13.26% 14.00% and 12.75% 13.29%, respectively, and total risk-based capital of 14.43% 15.25% and 14.82% 15.35%, respectively.
- ***Nine Months Ended September 30, 2023***
  - Net loans and leases grew $742.4 million, or 8% annualized, compared to December 31, 2022.
  - The allowance for credit losses (ACL) on loans and leases increased $24.1 million when compared to December 31, 2022, primarily due to impact from the economic forecast and net loan originations.
  - During the nine months ended September 30, 2023, WSFS had capital returns of $69.9 million to stockholders, comprised of $42.3 million from share repurchases and $27.6 million from quarterly dividends.
  - WSFS completed recorded a $1.3 million expense for the redemption updated FDIC Special Assessment as a result of the $30.0 million FDIC's revised estimated losses related to the closures of fixed-to-floating rate subordinated notes due 2025 (the 2025 Notes) acquired from Bryn Mawr Trust. The 2025 Notes were redeemed at a price certain banks in 2023, which reflects the current estimate of 100%, plus accrued and unpaid interest through the date of redemption.
  - In April 2023, Moody's Investors Service (Moody's) lowered the macro profile for the U.S. banking system what WSFS will need to 'Strong +' from 'Very Strong.' Lowering the macro profile resulted in updates to 22 bank ratings. As pay as part of this update, Moody's reaffirmed both the Company and Bank ratings with FDIC Special Assessment. However, depending on future adjustments to the DIF's estimated loss, the FDIC retained the ability to cease collection early, extend the special assessment collection period, or impose a stable outlook from positive.
  - During the year, we held our first-ever "We Stand for Service Day", during which approximately 1,200 of our Associates provided nearly 5,000 hours of service to more than 80 nonprofit and community organizations across the Greater Philadelphia, Southern New Jersey and Delaware region. final shortfall special assessment.

FINANCIAL CONDITION

Total assets increased $126.2 million decreased $15.4 million to $20.0 billion $20.6 billion at September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023. This increase decrease is primarily comprised of the following:

- Net loans and leases held for investment increased $742.4 million primarily due to increases of $294.6 million in commercial mortgages, $146.2 million in consumer loans primarily from our consumer partnerships, $114.6 million in owner-occupied commercial loans, and $96.2 million in residential loans.
- Other assets increased $84.4 million, primarily due to a $40.4 million increase due to fair value changes of derivatives from our capital markets business and a $32.2 million increase on our deferred tax asset related to unrealized losses on available-for-sale securities.
- Total investment securities decreased $444.3 million $121.1 million:
    - Investment securities, available-for-sale decreased $401.5 million primarily due to repayments, maturities and calls of $269.2 million and decreased market values of $151.2 million, partially offset by purchases of $21.1 million.
    - Investment securities, held-to-maturity decreased $42.7 million $112.3 million, primarily due to repayments, maturities and calls of $57.8 million $76.1 million and decreased market values of $52.6 million, partially offset by $17.0 million purchases of $17.2 million.
    - Investment securities, held-to-maturity decreased $8.8 million, primarily due to repayments, maturities and calls of $13.1 million, partially offset by $3.5 million of amortization of net unrealized losses on available-for-sale securities transferred to held-to-maturity.
- Total cash and cash equivalents decreased $225.8 million $115.8 million, primarily due to decreases in customer decreased deposits and increased lending activity, and the redemption of the 2025 Notes, partially offset by an increase in other borrowed funds.
- Stock Goodwill and intangible assets decreased $4.2 million due to scheduled amortization of intangible assets.
- Net loans and leases held for investment increased $206.9 million, primarily due to increases of $75.7 million in FHLB decreased $11.9 million commercial mortgages, $53.7 million in consumer loans primarily from Spring EQ home equity loans, $51.8 million in commercial and industrial, $20.8 million in construction, and $10.2 million in commercial small business leases.
- Other assets increased $19.4 million, primarily due to a $19.0 million increase in derivatives from our capital markets business due to changes in fair value and an $8.3 million increase to our deferred tax asset primarily related to unrealized losses on available-for-sale securities. The increase was partially offset by the settlement of $5.5 million in receivables related to bank-owned life insurance (BOLI) policies surrendered in 2023 and death benefits, and a $4.3 million decrease in the borrowing activity. fair value of our cash flow hedges.

Total liabilities increased $92.7 million decreased $11.2 million to $17.8 billion $18.1 billion at September 30, 2023 March 31, 2024 compared to December 31, 2022 December 31, 2023. This increase decrease is primarily comprised of the following:

- Customer deposits decreased $235.2 million primarily due to decreases from expected trust deposit activity and a short-term deposit within our commercial line of business, partially offset by increases in wealth and consumer deposits.
- Accrued interest payable decreased $8.8 million, primarily due to the timing of interest payments on BTFP borrowings.
- Other borrowed funds increased $545.6 million $229.8 million, primarily due to $565.0 million $235.0 million borrowed from the Bank Term Funding Program (BTFP) as a result of favorable terms and pricing.
- Other liabilities increased $81.7 million, primarily due to a $72.9 million increase in capital markets derivative collateral, and a $40.3 million increase in the fair value of derivatives from our capital markets business, partially offset by a $12.4 million reduction in accrued expenses primarily due to compensation activity, an $11.2 million reduction in lease liabilities due to scheduled and accelerated amortization related to branch closures during the year, and a $7.9 million decrease in accrued taxes.
- FHLB advances decreased $350.0 million due to the repayment of fixed rate FHLB term advances as part of our routine balance sheet management.
- Customer deposits decreased $183.7 million primarily due to decreases in our small business and commercial lines of business, partially offset by wealth and consumer deposits.

For further information, see "Notes to the Consolidated Financial Statements (Unaudited)."

LIQUIDITY AND CAPITAL RESOURCES

Capital Resources

Stockholders' equity of WSFS increased $37.7 million decreased $4.2 million between December 31, 2022 December 31, 2023 and September 30, 2023 March 31, 2024. This increase decrease was primarily due to $205.2 million of earnings, partially offset by an increase of $104.9 million $42.9 million in accumulated other comprehensive loss driven by market value decreases on available-for-sale mortgage-backed securities, $42.3 21.0 million from the repurchase of shares of common stock under our stock repurchase plan, and the payment of dividends on our common stock of $27.6 million. $9.1 million, partially offset by $65.8 million of earnings.

During the three months ended September 30, 2023 March 31, 2024, our Board of Directors approved a quarterly cash dividend of $0.15 per share of common stock. This dividend will be paid on November 17, 2023 May 24, 2024 to stockholders of record as of November 3, 2023 May 10, 2024.

Book value per share of common stock was $36.93 $41.17 at September 30, 2023 March 31, 2024, an increase of $1.14 $0.24 from $35.79 $40.93 at December 31, 2022 December 31, 2023. Tangible book value per share of common stock (a non-GAAP financial measure) was $20.33 $24.52 at September 30, 2023 March 31, 2024, an increase of $0.97 $0.19 from $19.36 $24.33 at December 31, 2022 December 31, 2023. We believe tangible book value per common share helps management and investors better understand and assess changes from period to period in stockholders' equity exclusive of changes in intangible assets. This non-GAAP measure should be considered in addition to results prepared in accordance with Generally Accepted Accounting Principles in the U.S. (GAAP), and is not a substitute for, or superior to, GAAP results. For a reconciliation of tangible book value per common share to book value per share in accordance with GAAP, see "Reconciliation of Non-GAAP Measure to GAAP Measure."

The table below compares the Bank's and the Company's consolidated capital position to the minimum regulatory requirements as of September 30, 2023 March 31, 2024:

		Consolidated Capital		Minimum For Capital Adequacy Purposes		To be Well-Capitalized Under Prompt Corrective Action Provisions			Consolidated Capital		Minimum For Capital Adequacy Purposes		To be Well-Capitalized Under Prompt Corrective Action Provisions
(Dollars in thousands)	*(Dollars in thousands)*	Amount	Percent	Amount	Percent	Amount	Percent	*(Dollars in thousands)*	Amount	Percent	Amount	Percent	Amount
Total Capital (to Risk-Weighted Assets)	Total Capital (to Risk-Weighted Assets)												
Wilmington Savings Fund Society, FSB	Wilmington Savings Fund Society, FSB	$2,314,101	14.43 %	$1,282,652	8.00 %	$ 1,603,315	10.00 %						
Wilmington Savings Fund Society, FSB													
Wilmington Savings Fund Society, FSB									$ 2,455,986	15.25 %	$1,288,361	8.00 %	$ 1,610,451
WSFS Financial Corporation	WSFS Financial Corporation	2,379,208	14.82	1,284,609	8.00	1,605,762	10.00						
Tier 1 Capital (to Risk-Weighted Assets)	Tier 1 Capital (to Risk-Weighted Assets)												
Wilmington Savings Fund Society, FSB													
Wilmington Savings Fund Society, FSB													
Wilmington Savings Fund Society, FSB	Wilmington Savings Fund Society, FSB	2,125,926	13.26	961,989	6.00	1,282,652	8.00						
WSFS Financial Corporation	WSFS Financial Corporation	2,047,229	12.75	963,457	6.00	1,284,609	8.00						
Common Equity Tier 1 Capital (to Risk-Weighted Assets)	Common Equity Tier 1 Capital (to Risk-Weighted Assets)												
Wilmington Savings Fund Society, FSB	Wilmington Savings Fund Society, FSB	2,125,926	13.26	721,492	4.50	1,042,155	6.50						

Wilmington Savings Fund Society, FSB							
Wilmington Savings Fund Society, FSB							
WSFS Financial Corporation	WSFS Financial Corporation	2,047,229	12.75	722,593	4.50	1,043,745	6.50
Tier 1 Leverage Capital	Tier 1 Leverage Capital						
Wilmington Savings Fund Society, FSB	Wilmington Savings Fund Society, FSB	2,125,926	10.72	793,596	4.00	991,995	5.00
Wilmington Savings Fund Society, FSB							
Wilmington Savings Fund Society, FSB							
WSFS Financial Corporation	WSFS Financial Corporation	2,047,229	10.31	794,475	4.00	993,094	5.00

Under the prompt corrective action regime, regulators have established five capital tiers: well-capitalized, adequately-capitalized, under-capitalized, significantly under-capitalized, and critically under-capitalized. A depository institution's capital tier depends on its capital levels in relation to various relevant capital measures, which include leverage and risk-based capital measures and certain other factors. Depository institutions that are not classified as well-capitalized are subject to various restrictions, which may include restrictions on capital distributions, payment of management fees, acceptance of brokered deposits and other operating activities.

Regulatory capital requirements for the Bank and the Company include a minimum common equity Tier 1 capital ratio of 4.50% of risk-weighted assets, a Tier 1 capital ratio of 6.00% of risk-weighted assets, a minimum Total capital ratio of 8.00% of risk-weighted assets and a minimum Tier 1 leverage capital ratio of 4.00% of average assets. In order to avoid limits on capital distributions and discretionary bonus payments, the Bank and the Company must maintain a capital conservation buffer of 2.5% of common equity Tier 1 capital over each of the risk-based capital requirements. As of September 30, 2023 March 31, 2024, the Bank and the Company were in compliance with the regulatory capital requirements and met or exceeded the amounts required to be considered "well-capitalized" as defined in the regulations.

Not included in the Bank's capital, WSFS separately held $201.3 163.7 million in cash to support share repurchases, potential dividends, acquisitions, strategic growth plans and other general corporate purposes.

Liquidity

We manage our liquidity and funding needs through our Treasury function and our Asset/Liability Committee. We have a policy that separately addresses liquidity, and management monitors our adherence to policy limits. Also, liquidity risk management is a primary area of examination by the banking regulators.

Funding sources to support growth and meet our liquidity needs include cash from operations, commercial, consumer, wealth and trust deposits, loan repayments, FHLB borrowings, repurchase agreements, access to the Federal Reserve Discount Window, and access to the brokered deposit market as well as other wholesale funding avenues. In addition, we have a large portfolio of high-quality, liquid investments, primarily short-duration mortgage-backed securities, that provide a near-continuous source of cash flow to meet current cash needs, or can be sold to meet larger discrete needs for cash. We believe these sources are sufficient to meet our funding needs as well as maintain required and prudent levels of liquidity over the next twelve months and beyond.

As of September 30, 2023 March 31, 2024, the Company had $0.6 1.0 billion in cash, cash equivalents, and restricted cash. As of September 30, 2023 March 31, 2024, our estimated uninsured deposits were $5.8 billion $5.9 billion, or 37% of total customer deposits, and our estimated unprotected deposits (uninsured and uncollateralized) were $4.4 billion $4.5 billion, or 28% of total customer deposits.

As of September 30, 2023 March 31, 2024, the Company had a readily available, secured borrowing capacity of $5.3 billion from the FHLB $0.7 billion and $1.0 billion through the Federal Reserve Discount Window, and $1.0 billion through the BTFP. Window. In addition, the Company had $1.3 billion $1.7 billion in unpledged securities that could be used to support additional borrowings and $0.1 billion $0.6 billion of cash deposited with the Federal Reserve Bank. The Company's readily available, secured borrowing capacity to estimated unprotected deposits ratio is 188%.

Our primary cash contractual obligations relate to operating leases, long-term debt, credit obligations, and data processing. At September 30, 2023 March 31, 2024, we had $205.2 million $210.3 million in total contractual payments for ongoing leases that have remaining lease terms of less than one year to 22 21 years, which includes renewal options that are exercised at our discretion. For additional information on our operating leases, see Note 8 to the unaudited Consolidated Financial Statements. At September 30, 2023 March 31, 2024, we had obligations for principal payments on long-term debt including $67.0 million for our trust preferred borrowings, due June 1, 2035, $70.0 million in aggregate principal amount of fixed-to-floating rate subordinated notes due 2027, and $150.0 million for our senior debt, due December 15, 2030. Royal Bancshares Capital Trust I (Trust I) and Royal

Bancshares Capital Trust II (Trust II) (collectively, the RBC Trusts), which were acquired from Bryn Mawr Bank Corporation, were utilized for the sole purpose of issuing and selling capital securities representing preferred beneficial interests. Although WSFS owns an aggregate of $0.8 million of the common securities of Trust I and Trust II, the RBC Trusts are not consolidated into the Company's Consolidated Financial Statements. Inclusive of the fair value marks, WSFS assumed junior subordinated debentures owed to the RBC Trusts with a current carrying value of $11.8 million each, totaling $23.6 million$23.7 million. The Company records its investments in the RBC Trusts' common securities of $0.4 million each as investments in unconsolidated entities and records dividend income upon declaration by Trust I and Trust II. The Company has fully and unconditionally guaranteed all of the obligations of the RBC Trusts, including any distributions and payments on liquidation or redemption of the capital securities. We are also contractually obligated to make interest payments on our long-term debt through their respective maturities.

Commitments to extend credit provide for financing on predetermined terms as long as the customer continues to meet specific criteria. Commitments generally have fixed expiration dates or other termination clauses and may require payment of a fee. Since many of the commitments are expected to expire without being completely drawn upon, the total commitment amounts do not necessarily represent future cash requirements. At September 30, 2023March 31, 2024, the Company had total commitments to extend credit of $4.0 billion, which are generally one year commitments.

NONPERFORMING ASSETS

Nonperforming assets include nonaccruing loans, OREO and restructured loans. Nonaccruing loans are those on which we no longer accrue interest. Loans are placed on nonaccrual status immediately if, in the opinion of management, collection is doubtful, or when principal or interest is past due 90 days or more and the value of the collateral is insufficient to cover principal and interest. Interest accrued but not collected at the date a loan is placed on nonaccrual status is reversed and charged against interest income. In addition, the amortization of net deferred loan fees is suspended when a loan is placed on nonaccrual status. Subsequent cash receipts are applied either to the outstanding principal balance or recorded as interest income, depending on management's assessment of the ultimate collectability of principal and interest. Past due loans are defined as loans contractually past due 90 days or more as to principal or interest payments but which remain in accrual status because they are considered well secured and in the process of collection.

The following table shows our nonperforming assets and past due loans at the dates indicated:

(Dollars in thousands)	*(Dollars in thousands)*	**September 30, 2023**	December 31, 2022	*(Dollars in thousands)*	**March 31, 2024**	December 31, 2023
Nonaccruing loans(1):	Nonaccruing loans(1):					
Commercial and industrial						
Commercial and industrial						
Commercial and industrial	Commercial and industrial	**$ 26,295**	$ 6,770			
Owner-occupied commercial	Owner-occupied commercial	**15,147**	386			
Commercial mortgages	Commercial mortgages	**6,706**	5,159			
Construction	Construction	**4,828**	5,143			
Residential	Residential	**2,531**	3,199			
Consumer	Consumer	**1,953**	2,145			
Total nonaccruing loans		**57,460**	22,802			
Total nonaccruing loans(2)						
Other real estate owned	Other real estate owned	**298**	833			
Troubled debt restructurings (accruing)(2)		**—**	19,737			
Total nonperforming assets						
Total nonperforming assets						
Total nonperforming assets	Total nonperforming assets	**$ 57,758**	$43,372			
Past due loans:	Past due loans:					
Commercial	Commercial	**$ 3,135**	$ 1,022			
Commercial						

Commercial						
Consumer(3)						
Consumer(3)						
Consumer(3)	Consumer(3)	11,222	15,513			
Total past due loans	Total past due loans	$ 14,357	$16,535			
Troubled loans:	Troubled loans:					
Commercial						
Commercial						
Commercial	Commercial	$ 67,962	$ —			
Residential	Residential	613	—			
Consumer	Consumer	9,611	—			
Total troubled loans	Total troubled loans	$ 78,186	$ —			
Ratio of allowance for credit losses to total loans and leases(4)	Ratio of allowance for credit losses to total loans and leases(4)	1.28 %	1.17 %	Ratio of allowance for credit losses to total loans and leases(4)	1.48 %	1.46 %
Ratio of nonaccruing loans to total gross loans and leases(5)	Ratio of nonaccruing loans to total gross loans and leases(5)	0.45	0.19			
Ratio of nonaccruing loans to total gross loans and leases(5)						
Ratio of nonaccruing loans to total gross loans and leases(5)						
Ratio of nonperforming assets to total assets	Ratio of nonperforming assets to total assets	0.29	0.22			
Ratio of allowance for credit losses to nonaccruing loans	Ratio of allowance for credit losses to nonaccruing loans	306	666			
Ratio of allowance for credit losses to total nonperforming assets(6)	Ratio of allowance for credit losses to total nonperforming assets(6)	305	350			

(1) Includes nonaccruing troubled loans beginning in 2023 and nonaccruing troubled debt restructurings (TDRs) prior to 2023. loans.

(2) Balance excludes COVID-19 modifications. Includes nonaccrual loans held-for-sale as of December 31, 2023

(3) Includes U.S. government guaranteed student loans with little risk of credit loss.

(4) Represents amortized cost basis for loans leases and held-to-maturity securities. leases.

(5) Total loans exclude loans held for sale and reverse mortgages.

(6) Excludes acquired PCD loans.

Nonperforming assets increased $14.4 million decreased $8.6 million between December 31, 2022 December 31, 2023 and September 30, 2023 March 31, 2024. This increase decrease was primarily due to the addition of six commercial relationships, partially offset driven by the adoption resolution of two nonperforming C&I loans during the quarter *ASU No. 2022-02*, *Financial Instruments – Credit Losses (Topic 326): Troubled Debt Restructurings and Vintage Disclosures.* . The ratio of nonperforming assets to total assets decreased from 0.22% 0.37% at December 31, 2022 December 31, 2023 to 0.29% 0.33% at September 30, 2023 March 31, 2024.

The following table summarizes the changes in nonperforming assets during the periods indicated:

		Nine Months Ended September 30,				
		Three Months Ended March 31,			Three Months Ended March 31,	
(Dollars in thousands)	*(Dollars in thousands)*	**2023**	2022	*(Dollars in thousands)*	**2024**	2023
Beginning balance	Beginning balance	**$43,372**	$33,133			
Additions	Additions	**75,216**	24,513			
Collections	Collections	**(16,487)**	(15,909)			
Transfers to accrual(1)	Transfers to accrual(1)	**(20,263)**	(922)			
Charge-offs	Charge-offs	**(24,080)**	(3,498)			
Ending balance	Ending balance	**$57,758**	$37,317			

(1) Includes impact of ASU No. 2022-02 adoption. adoption in 2023.

The timely identification of problem loans is a key element in our strategy to manage our loan portfolio. Problem loans are all criticized, classified and nonperforming loans and other real estate owned. Timely identification enables us to take appropriate action and accordingly, minimize losses. An asset review system established to monitor the asset quality of our loans and investments in real estate portfolios facilitates the identification of problem assets. In general, this system uses guidelines established by federal regulation.

INTEREST RATE SENSITIVITY

Our primary objective in managing interest rate risk is to minimize the adverse impact of changes in interest rates on net interest income and capital, while maximizing the yield/cost spread on our asset/liability structure. Interest rates are partly a function of decisions by the Federal Open Market Committee (FOMC) on the target range for the federal funds rate, and these decisions are sometimes difficult to anticipate. In response to the economic and financial effects of COVID-19, the FOMC reduced interest rates through 2020 and 2021 and instituted quantitative easing measures as well as domestic and global capital market support programs. The FOMC raised the federal funds target rate seven times in 2022 for a total of 425 basis points and four times in 2023 for a total of 100 basis points and has suggested it may continue raising lower interest rates further in 2023. 2024. In order to manage the risks associated with changes or possible changes in interest rates, we rely primarily on our asset/liability structure.

Our primary tool for achieving our asset/liability management strategies is to match maturities or repricing periods of interest rate-sensitive assets and liabilities to promote a favorable interest rate spread and mitigate exposure to fluctuations in interest rates. We regularly review our interest rate sensitivity and adjust the sensitivity within acceptable tolerance ranges. At September 30, 2023 March 31, 2024, interest-earning assets exceeded interest-bearing liabilities that mature or reprice within one year (interest-sensitive gap) by $81.2 million $38.5 million. Our interest-sensitive assets as a percentage of interest-sensitive liabilities within the one-year window was 100.96% 100.42% at September 30, 2023 March 31, 2024 compared with 116.93% 99.67% at December 31, 2022 December 31, 2023. Likewise, the one-year interest-sensitive gap as a percentage of total assets was 0.41% 0.19% at September 30, 2023 March 31, 2024 compared with 6.29% (0.14)% at December 31, 2022 December 31, 2023.

Market risk is the risk of loss from adverse changes in market prices and rates. Our market risk arises primarily from interest rate risk inherent in our lending, investing, and funding activities. To that end, we actively monitor and manage our interest rate risk exposure. One measure evaluates the impact of an immediate change in interest rates in 100 basis point increments on the economic value of equity ratio. The economic value of the equity ratio is defined as the economic value of the estimated cash flows from assets and liabilities as a percentage of economic value of cash flows from total assets.

The following table shows the estimated impact of immediate changes in interest rates on our net interest margin and economic value of equity ratio at the specified levels at September 30, 2023 March 31, 2024 and December 31, 2022 December 31, 2023:

	September 30, 2023	December 31, 2022		
	March 31, 2024		**March 31, 2024**	December 31, 2023

% Change in Interest Rate (Basis Points)	% Change in Interest Rate (Basis Points)	**% Change in Net Interest Margin(1)**	**Economic Value of Equity(2)**	% Change in Net Interest Margin(1)	Economic Value of Equity(2)	% Change in Interest Rate (Basis Points)	**% Change in Net Interest Margin(1)**	**Economic Value of Equity(2)**	% Change in Net Interest Margin(1)	Economic Value of Equity(2)
+300	+300	**15.1%**	**24.23%**	18.5%	27.54%	+300	**17.9%**	**22.48%**	15.7%	22.44%
+200	+200	**10.0%**	**23.33%**	12.3%	26.44%	+200	**11.9%**	**21.60%**	10.4%	21.46%
+100	+100	**5.0%**	**22.36%**	6.1%	25.22%	+100	**5.9%**	**20.66%**	5.2%	20.41%
+50	+50	**2.5%**	**21.83%**	3.1%	24.56%	+50	**3.0%**	**20.15%**	2.6%	19.85%
+25	+25	**1.2%**	**21.56%**	1.5%	24.22%	+25	**1.5%**	**19.90%**	1.3%	19.56%
—	—	**—%**	**21.29%**	—%	23.87%	—	**—%**	**19.64%**	—%	19.26%
-25	-25	**(1.2)%**	**20.99%**	(1.6)%	23.50%	-25	**(1.5)%**	**19.36%**	(1.3)%	18.96%
-50	-50	**(2.5)%**	**20.70%**	(3.3)%	23.10%	-50	**(2.8)%**	**19.08%**	(2.6)%	18.64%
-100	-100	**(5.0)%**	**20.10%**	(6.8)%	22.20%	-100	**(5.3)%**	**18.50%**	(4.9)%	18.00%
-200	-200	**(10.1)%**	**18.60%**	(14.0)%	20.20%	-200	**(9.9)%**	**17.20%**	(9.6)%	16.50%
-300	-300	**(15.2)%**	**17.00%**	(21.2)%	17.90%	-300	**(14.2)%**	**15.80%**	(14.2)%	14.80%

(1) The percentage difference between net interest margin in a stable interest rate environment and net interest margin as projected under the various rate change environments.

(2) The economic value of equity ratio in a stable interest rate environment and the economic value of equity ratio as projected under the various rate change environments.

We also engage in other business activities that are sensitive to changes in interest rates. For example, mortgage banking revenues and expenses can fluctuate with changing interest rates. These fluctuations are difficult to model and estimate.

RESULTS OF OPERATIONS

Three months ended September 30, 2023 March 31, 2024: Net income for the three months ended September 30, 2023 March 31, 2024 was $74.2 million $65.8 million, compared to $73.4 million $62.4 million for the three months ended September 30, 2022 March 31, 2023.

- Net interest income increased $5.8 million decreased $7.3 million, primarily due to the rising interest lagging increases in deposit pricing following rate environment and balance sheet size and mix. hikes in 2023. See “Net Interest Income” for further information.

- Our provision for credit losses increased $11.0 million decreased $13.9 million, primarily due to net lower provision across our commercial loan growth portfolios and downgrades, partially offset by the impact of the economic forecast. our consumer partnership portfolio. See “Allowance for Credit Losses” for further information.

- Noninterest income increased $10.0 million $12.7 million, primarily due to increases in income from Cash Connect®, due to additional units added during the fourth quarter of 2023 and Wealth Management fee income, and capital markets income. These increases were partially offset by decreases in other banking fees. See “Noninterest Income” for further information.

- Noninterest expense increased $6.8 million $16.0 million, primarily due to higher variable operating costs from Cash Connect®, funding costs associated with a shift towards external funding, salaries and benefits, costs, and professional fees, partially offset by a decrease in net corporate development and restructuring costs. the FDIC special assessment.

- Income tax provision decreased $2.9 million primarily due to the $1.9 million decrease in pre-tax income and higher projected tax benefits from our lower income housing tax credit investments, partially offset by the impacts of non-deductible goodwill written off during the sale of the BMTIA business.

Nine months ended September 30, 2023: Net income for the nine months ended September 30, 2023 was $205.2 million, compared to $137.9 million for the nine months ended September 30, 2022.

- Net interest income increased $78.0 million during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022 $0.3 million, primarily due to the reasons described above. See “Net Interest Income” for further information.

- Our provision for credit losses for the nine months ended September 30, 2023 increased $28.6 million compared to the nine months ended September 30, 2022, due to the impacts of the economic uncertainty and forecast. See “Allowance for Credit Losses” for further information.

- Noninterest income for the nine months ended September 30, 2023 increased $7.4 million compared to the nine months ended September 30, 2022, primarily due to increases in income from Cash Connect®, Wealth Management fee income, and capital markets income. These increases were partially offset by decreases in other banking fees and mortgage banking activities, and unrealized gains on equity investments and income from BMTIA (business sold in 2022). See “Noninterest Income” for further information.

- Noninterest expense decreased $27.4 million during the nine months ended September 30, 2023 compared to the nine months ended September 30, 2022, primarily due to a decrease in net corporate development and restructuring costs, partially offset by increases in other operating expense driven by Cash Connect®, salaries and benefits costs, and professional fees. See “Noninterest Expense” for further information.

- Income tax provision for the nine months ended September 30, 2023 increased $17.0 million compared to the nine months ended September 30, 2022, primarily due to the $84.3 million $3.3 million increase in pre-tax income.

Net Interest Income

The following tables provide information concerning the balances, yields and rates on interest-earning assets and interest-bearing liabilities during the periods indicated:

	Three months ended September 30,					
	2023			2022		
(Dollars in thousands)	**Average Balance**	**Interest**	**Yield/ Rate(1)**	Average Balance	Interest	Yield/ Rate(1)
Assets:						
Interest-earning assets:						
Loans:(2)						
Commercial loans and leases	**$ 5,107,501**	**$ 90,098**	**7.01 %**	$ 4,895,972	$ 67,060	5.45 %
Commercial real estate loans	**4,611,968**	**82,040**	**7.06**	4,262,599	53,096	4.94
Residential loans	**841,510**	**10,698**	**5.09**	769,151	8,379	4.36
Consumer loans	**1,940,418**	**34,972**	**7.15**	1,594,673	23,384	5.82
Loans held for sale	**54,072**	**1,095**	**8.03**	66,103	968	5.81
Total loans and leases	**12,555,469**	**218,903**	**6.92**	11,588,498	152,887	5.24
Mortgage-backed securities(3)	**4,602,107**	**26,654**	**2.32**	5,243,169	28,338	2.16
Investment securities(3)	**364,565**	**2,180**	**2.64**	361,113	1,981	2.57
Other interest-earning assets	**251,273**	**3,402**	**5.37**	460,124	3,359	2.90
Total interest-earning assets	**$ 17,773,414**	**$ 251,139**	**5.61 %**	$ 17,652,904	$ 186,565	4.21 %
Allowance for credit losses	**(173,052)**			(143,943)		
Cash and due from banks	**277,780**			242,734		
Cash in non-owned ATMs	**363,131**			603,780		
Bank-owned life insurance	**101,411**			100,863		
Other noninterest-earning assets	**1,922,080**			1,779,411		
Total assets	**$ 20,264,764**			$ 20,235,749		
Liabilities and Stockholders’ Equity:						
Interest-bearing liabilities:						
Interest-bearing deposits:						
Interest-bearing demand	**$ 2,955,613**	**$ 7,156**	**0.96 %**	$ 3,370,158	$ 2,179	0.26 %
Savings	**1,750,809**	**1,521**	**0.34**	2,287,227	185	0.03
Money market	**4,499,909**	**34,639**	**3.05**	3,833,113	2,907	0.30
Customer time deposits	**1,661,885**	**12,828**	**3.06**	1,083,290	1,230	0.45
Total interest-bearing customer deposits	**10,868,216**	**56,144**	**2.05**	10,573,788	6,501	0.24
Brokered deposits	**88,594**	**1,111**	**4.98**	24,184	142	2.33
Total interest-bearing deposits	**10,956,810**	**57,255**	**2.07**	10,597,972	6,643	0.25
Federal Home Loan Bank advances	**11,576**	**167**	**5.72**	4,979	42	3.35
Trust preferred borrowings	**90,557**	**1,764**	**7.73**	90,361	951	4.18
Senior and subordinated debt	**218,304**	**2,453**	**4.49**	248,332	2,061	3.32
Other borrowed funds(4)	**604,156**	**6,898**	**4.53**	39,745	37	0.37
Total interest-bearing liabilities	**$ 11,881,403**	**$ 68,537**	**2.29 %**	$ 10,981,389	$ 9,734	0.35 %

Noninterest-bearing demand deposits	**5,248,931**		6,319,755		
Other noninterest-bearing liabilities	**813,858**		589,817		
Stockholders' equity	**2,327,853**		2,347,178		
Noncontrolling interest	**(7,281)**		(2,390)		
Total liabilities and stockholders' equity	**$ 20,264,764**		$ 20,235,749		
Excess of interest-earning assets over interest-bearing liabilities	**$ 5,892,011**		$ 6,671,515		
Net interest income		**$ 182,602**		$ 176,831	
Interest rate spread		**3.32 %**			3.86 %
Net interest margin		**4.08 %**			3.99 %

(1) Weighted average yields for tax-exempt securities and loans have been computed on a tax-equivalent basis.

(2) Average balances are net of unearned income and include nonperforming loans.

(3) Includes securities available-for-sale at fair value.

(4) Includes federal funds purchased.

		Nine months ended September 30,							Three months ended March 31,			
		2023			2022				2024			
(Dollars in thousands)	*(Dollars in thousands)*	**Average Balance**	**Interest**	**Yield/ Rate(1)**	Average Balance	Interest	Yield/ Rate(1)	*(Dollars in thousands)*	**Average Balance**	**Interest**	**Yield/ Rate(1)**	
Assets:	***Assets:***											
Interest-earning assets:	Interest-earning assets:											
Interest-earning assets:												
Interest-earning assets:												
Loans:(2)	Loans:(2)											
Loans:(2)												
Loans:(2)												
Commercial loans and leases												
Commercial loans and leases												
Commercial loans and leases	Commercial loans and leases	**$ 5,038,365**	**$ 256,915**	**6.83 %**	$ 4,860,079	$ 176,476	4.87 %		**$ 5,047,482**	**$ $ 88,530**	**7.06 7.06 %**	$ 4
Commercial real estate loans	Commercial real estate loans	**4,507,845**	**231,886**	**6.88**	4,263,906	137,183	4.30					
Residential loans	Residential loans	**805,424**	**28,710**	**4.75**	799,980	26,810	4.47					
Consumer loans	Consumer loans	**1,899,370**	**100,015**	**7.04**	1,472,878	57,900	5.26					
Loans held for sale	Loans held for sale	**47,827**	**2,985**	**8.34**	69,068	2,741	5.31					
Total loans and leases	Total loans and leases	**12,298,831**	**620,511**	**6.75**	11,465,911	401,110	4.68					
Mortgage-backed securities(3)	Mortgage-backed securities(3)	**4,729,796**	**81,310**	**2.29**	5,253,248	78,828	2.00					
Investment securities		**370,573**	**6,599**	**2.71**	325,960	4,642	2.21					
Investment securities(3)												
Other interest-earning assets	Other interest-earning assets	**279,373**	**10,871**	**5.20**	1,124,922	6,142	0.73					
Total interest-earning assets	Total interest-earning assets	**$ 17,678,573**	**$ 719,291**	**5.45 %**	$ 18,170,041	$ 490,722	3.62 %	Total interest-earning assets	**$ 18,371,121**	**$ $ 261,622**	**5.74 5.74 %**	
Allowance for credit losses	Allowance for credit losses	**(165,807)**			(138,532)							
Cash and due from banks	Cash and due from banks	**254,702**			240,421							

Cash and due from banks													
Cash and due from banks													
Cash in non-owned ATMs													
Cash in non-owned ATMs													
Cash in non-owned ATMs	Cash in non-owned ATMs	**390,474**			560,202								
Bank-owned life insurance	Bank-owned life insurance	**101,350**			100,659								
Bank-owned life insurance													
Bank-owned life insurance													
Other noninterest-earning assets													
Other noninterest-earning assets													
Other noninterest-earning assets	Other noninterest-earning assets	**1,904,597**			1,728,847								
Total assets	Total assets	**$ 20,163,889**			$ 20,661,638								
Total assets													
Total assets													
Liabilities and Stockholders' Equity:													
Liabilities and Stockholders' Equity:													
Liabilities and Stockholders' Equity:	***Liabilities and Stockholders' Equity:***												
Interest-bearing liabilities:	Interest-bearing liabilities:												
Interest-bearing liabilities:													
Interest-bearing liabilities:													
Interest-bearing deposits:	Interest-bearing deposits:												
Interest-bearing deposits:													
Interest-bearing deposits:													
Interest-bearing demand													
Interest-bearing demand													
Interest-bearing demand	Interest-bearing demand	**$ 3,045,247**	**$ 18,705**	**0.82 %**	$ 3,384,443	$ 3,701	0.15 %	**$ 2,834,273**	**$**	**$ 7,366**	**1.05**	**1.05 %**	$ 3
Savings	Savings	**1,895,379**	**4,119**	**0.29**	2,276,861	506	0.03						
Money market	Money market	**4,168,793**	**81,795**	**2.62**	3,969,219	5,063	0.17						
Customer time deposits	Customer time deposits	**1,506,980**	**29,418**	**2.61**	1,132,489	3,826	0.45						
Total interest-bearing customer deposits	Total interest-bearing customer deposits	**10,616,399**	**134,037**	**1.69**	10,763,012	13,096	0.16						
Brokered deposits	Brokered deposits	**246,544**	**8,464**	**4.59**	40,866	441	1.44						
Total interest-bearing deposits	Total interest-bearing deposits	**10,862,943**	**142,501**	**1.75**	10,803,878	13,537	0.17						
Federal Home Loan Bank advances	Federal Home Loan Bank advances	**133,143**	**5,135**	**5.16**	1,678	42	3.35						
Trust preferred borrowings	Trust preferred borrowings	**90,510**	**4,954**	**7.32**	90,313	2,146	3.18						
Senior debt		**223,192**	**7,360**	**4.40**	248,448	5,939	3.19						
Senior and subordinated debt													

Other borrowed funds(4)	Other borrowed funds(4)	**377,050**	**12,365**	**4.38**	36,401	54	0.20						
Total interest-bearing liabilities	Total interest-bearing liabilities	**$ 11,686,838**	**$ 172,315**	**1.97 %**	$ 11,180,718	$ 21,718	0.26 %	Total interest-bearing liabilities	**$ 12,575,091**	**$**	**$ 86,344**	**2.76**	**2.76 %**
Noninterest-bearing demand deposits	Noninterest-bearing demand deposits	**5,421,479**			6,466,720								
Other noninterest-bearing liabilities	Other noninterest-bearing liabilities	**753,067**			526,945								
Other noninterest-bearing liabilities													
Other noninterest-bearing liabilities													
Stockholders' equity													
Stockholders' equity													
Stockholders' equity	Stockholders' equity	**2,307,002**			2,489,860								
Noncontrolling interest	Noncontrolling interest	**(4,497)**			(2,605)								
Noncontrolling interest													
Noncontrolling interest													
Total liabilities and stockholders' equity													
Total liabilities and stockholders' equity													
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	**$ 20,163,889**			$ 20,661,638								
Excess of interest-earning assets over interest-bearing liabilities	Excess of interest-earning assets over interest-bearing liabilities	**$ 5,991,735**			$ 6,989,323								
Net interest and dividend income			**$ 546,976**			$ 469,004							
Excess of interest-earning assets over interest-bearing liabilities													
Excess of interest-earning assets over interest-bearing liabilities													
Net interest income													
Net interest income													
Net interest income													
Interest rate spread													
Interest rate spread													
Interest rate spread	Interest rate spread			**3.48 %**			3.36 %					**2.98**	**%**
Net interest margin	Net interest margin			**4.15 %**			3.46 %	Net interest margin					**3.84 %**

(1) Weighted average yields for tax-exempt securities and loans have been computed on a tax-equivalent basis.

(2) Average balances are net of unearned income and include nonperforming loans.

(3) Includes securities available-for-sale at fair value.

(4) Includes federal funds purchased.

Three months ended September 30, 2023 March 31, 2024: During the three months ended September 30, 2023 March 31, 2024, net interest income increased $5.8 million decreased $7.3 million from the three months ended September 30, 2022 March 31, 2023 primarily due to lagging deposit pricing increases following rate hikes in 2023. Net interest margin was 3.84% for the rising interest rate environment and first quarter of 2024, a 41 basis point decrease compared to 4.25% for the first quarter of 2023 due to an unfavorable decrease of 48 basis points due to the lagging deposit pricing increases mentioned above and 3 basis points from purchase accounting accretion, partially offset by an increase of 10 basis points from our balance sheet size and mix. Net interest margin was 4.08% for the third quarter of 2023, a 9 basis point increase compared to 3.99% for the third quarter of 2022 due to a favorable increase of 14 basis points from loan growth and mix, partially offset by a decrease of 4 basis points due to increasing deposit betas and 1 basis point from purchase accounting accretion. mix.

Nine months ended September 30, 2023: During the nine months ended September 30, 2023, net interest income increased $78.0 million from the nine months ended September 30, 2022. This increase included $79.9 million from balance sheet size and mix and the benefits of our asset sensitive balance sheet, partially offset by a $1.9 million decrease in purchase accounting accretion. Net interest margin was 4.15% for the nine months ended September 30, 2023, a 69 basis point increase compared to 3.46% for the nine months ended September 30, 2022 reflecting a 40 basis point increase due to our asset-sensitive balance sheet and a 30 basis point increase due to loan growth and mix, partially offset by 1 basis point from purchase accounting accretion.

Allowance for Credit Losses

We maintain the allowance for credit losses at an appropriate level based on our assessment of estimable and expected losses in the loan portfolio. Our allowance for credit losses is based on our historical loss experience that includes the inherent risk of our loans and various other factors including but not limited to, collateral values, trends in asset quality, level of delinquent loans and concentrations. Further, regional and national economic forecasts are considered in our expected credit losses. Our evaluation is based on a review of the portfolio and requires significant, complex and difficult judgments.

During the three months ended September 30, 2023 March 31, 2024, we recorded a provision for credit losses of $18.4 million $15.1 million, a net change decrease of $11.0 million $13.9 million, as compared with the provision for credit losses of $7.5 million $29.0 million for the three months ended September 30, 2022 March 31, 2023. This increase decrease was primarily due to net lower losses across our commercial loan growth portfolios and downgrades, partially offset by the impact of the economic forecast.

During the nine months ended September 30, 2023, we recorded a provision for credit losses of $63.3 million, a net change of $28.6 million, as compared with the provision for credit losses of $34.7 million for the nine months ended September 30, 2022. This increase was primarily due to the impact of the economic uncertainty and forecast. our consumer partnership portfolio.

The allowance for credit losses increased to $176.0 million $192.6 million at September 30, 2023 March 31, 2024 from $151.9 million $186.1 million at December 31, 2022 December 31, 2023. The ratio of allowance for credit losses to total loans and leases was 1.28% 1.48% at September 30, 2023 March 31, 2024 and 1.17% 1.46% at December 31, 2022 December 31, 2023.

The following tables detail the allocation of the ACL and show our net charge-offs (recoveries) by portfolio category:

(Dollars in thousands)	*(Dollars in thousands)*	Commercial and Industrial(1)	Owner-occupied Commercial	Commercial Mortgages	Construction	Residential(2)	Consumer(3)	Total
As of September 30, 2023								
As of March 31, 2024								
Allowance for credit losses								
Allowance for credit losses								
Allowance for credit losses	Allowance for credit losses	**$ 61,670**	**$ 7,850**	**$ 33,187**	**$ 11,317**	**$ 5,351**	**$ 56,613**	**$ 175,988**
% of ACL to total ACL	% of ACL to total ACL	**35 %**	**5 %**	**19 %**	**6 %**	**3 %**	**32 %**	**100 %**
Loan portfolio balance	Loan portfolio balance	**$ 3,249,737**	**$ 1,924,171**	**$ 3,645,723**	**$ 1,043,568**	**$ 855,340**	**$ 1,957,082**	**$ 12,675,621**
% to total loans and leases	% to total loans and leases	**26 %**	**15 %**	**29 %**	**8 %**	**7 %**	**15 %**	**100 %**
Three months ended September 30, 2023								
Three months ended March 31, 2024								

(Dollars in thousands)	Commercial and Industrial	Owner-occupied Commercial	Commercial Mortgages	Construction	Commerc Small Busines Leases
% of ACL to total ACL	**29 %**	**5 %**	**19 %**	**6 %**	**8**
% to total loans and leases	**19 %**	**15 %**	**30 %**	**8 %**	**5**

Charge-offs							
Charge-offs							
Charge-offs Charge-offs	$ 10,675	$ —	$ 300	$ —	$ —	$ 5,872	$ 16,847
Recoveries Recoveries	2,124	14	1	1	55	357	2,552
Net charge-offs (recoveries)	$ 8,551	$ (14)	$ 299	$ (1)	$ (55)	$ 5,515	$ 14,295
Net (recoveries) charge-offs							
Average loan balance Average loan balance	$ 3,217,096	$ 1,890,404	$ 3,612,027	$ 999,941	$ 838,556	$ 1,940,418	$ 12,498,442
Ratio of net charge-offs (recoveries) to average gross loans	1.05 %	NMF	0.03 %	NMF	(0.03) %	1.13 %	0.45 %
Nine months ended September 30, 2023							
Charge-offs	$ 30,496	$ 184	$ 300	$ —	$ 33	$ 15,374	$ 46,387
Recoveries	5,554	50	4	532	211	906	7,257
Net charge-offs (recoveries)	$ 24,942	$ 134	$ 296	$ (532)	$ (178)	$ 14,468	$ 39,130
Average loan balance	$ 3,180,688	$ 1,857,677	$ 3,509,036	$ 998,809	$ 802,584	$ 1,899,370	$ 12,248,164
Ratio	1.05 %	0.01 %	0.01 %	(0.07)%	(0.03) %	1.02 %	0.43 %
Ratio of net (recoveries) charge-offs to average gross loans							
Ratio of net (recoveries) charge-offs to average gross loans	(0.21) %	(0.04) %	NMF	2.74 %			

(1) Includes commercial small business leases.

(2) Excludes reverse mortgages.

(3) (2) Includes home equity lines of credit, installment loans unsecured lines of credit and education loans.

(Dollars in thousands)	Commercial and Industrial(1)	Owner-occupied Commercial	Commercial Mortgages	Construction	Residential(2)	Consumer(3)	Total
As of December 31, 2022							
Allowance for credit losses	$ 59,394	$ 6,019	$ 21,473	$ 6,987	$ 4,668	$ 53,320	$ 151,861
% of ACL to total ACL	39 %	4 %	14 %	5 %	3 %	35 %	100 %
Loan portfolio balance	$ 3,134,326	$ 1,809,582	$ 3,351,084	$ 1,044,049	$ 759,465	$ 1,810,930	$ 11,909,436
% to total loans and leases	26 %	15 %	28 %	9 %	7 %	15 %	100 %
Year ended December 31, 2022							
Charge-offs	$ 19,004	$ 179	$ 581	$ —	$ 186	$ 7,520	$ 27,470
Recoveries	6,112	278	223	2,567	665	793	10,638
Net charge-offs (recoveries)	$ 12,892	$ (99)	$ 358	$ (2,567)	$ (479)	$ 6,727	$ 16,832
Average loan balance	$ 3,043,836	$ 1,831,428	$ 3,319,687	$ 962,082	$ 787,273	$ 1,543,704	$ 11,488,010
Ratio of net charge-offs (recoveries) to average gross loans	0.42 %	(0.01)%	0.01 %	(0.27)%	(0.06)%	0.44 %	0.15 %

(Dollars in thousands)	Commercial and Industrial	Owner-occupied Commercial	Commercial Mortgages	Construction	Commercial Small Business Leases	Residential(1)	Consumer(2)	Total
As of December 31, 2023								
Allowance for credit losses	$ 49,394	$ 10,719	$ 36,055	$ 10,762	$ 15,170	$ 5,483	$ 58,543	$ 186,126

% of ACL to total ACL	27 %	6 %	19 %	6 %	8 %	3 %	31 %	100 %
Loan portfolio balance	$ 2,540,070	$ 1,886,087	$ 3,801,180	$ 1,035,530	$ 623,622	$ 867,895	$ 2,012,134	$ 12,766,518
% to total loans and leases	19 %	15 %	30 %	8 %	5 %	7 %	16 %	100 %
Year ended December 31, 2023								
Charge-offs	$ 26,653	$ 184	$ 300	$ 794	$ 15,641	$ 41	$ 22,394	$ 66,007
Recoveries	(7,735)	(54)	(7)	(532)	(1,986)	(260)	(1,625)	(12,199)
Net charge-offs (recoveries)	$ 18,918	$ 130	$ 293	$ 262	$ 13,655	$ (219)	$ 20,769	$ 53,808
Average loan balance	$ 2,589,147	$ 1,863,542	$ 3,562,070	$ 1,008,768	$ 588,592	$ 817,758	$ 1,922,828	$ 12,352,704
Ratio of net charge-offs (recoveries) to average gross loans	0.73 %	0.01 %	0.01 %	0.03 %	2.32 %	(0.03)%	1.08 %	0.44 %

(1) Includes commercial small business leases.

(2) Excludes reverse mortgages.

(3) (2) Includes home equity lines of credit, installment loans unsecured lines of credit and education loans.

See Note 7 to the unaudited Consolidated Financial Statements and "Nonperforming Assets" above for further information.

Noninterest Income

Three months ended September 30, 2023 March 31, 2024: During the three months ended September 30, 2023 March 31, 2024, noninterest income was $72.7 million $75.9 million, an increase of $10.0 million $12.7 million from $62.7 million $63.1 million during the three months ended September 30, 2022 March 31, 2023. The increase was primarily driven by $5.8 million $8.2 million from Cash Connect®, $3.8 million due to the addition of ATM vault cash units during the fourth quarter of 2023 and the higher rate environment and $2.3 million in Wealth Management fees, and $2.8 million in capital markets income. Partially offsetting these increases was a $3.7 million decrease in other banking fees from lower returns on derivative collateral as a result of funding optimization and lower income from our consumer lending partnerships. fees.

Nine months ended September 30, 2023: During the nine months ended September 30, 2023, noninterest income was $202.7 million, an increase of $7.4 million from $195.3 million during the nine months ended September 30, 2022. This increase was primarily driven by $21.9 million from Cash Connect®, $2.6 million in Wealth Management fees, and $2.4 million in capital markets income. These increases werepartially offset by an $11.1 million decrease in other banking fees and a $2.8 million decrease in mortgage banking activities. In addition to these decreases, we recognized $6.0 million of unrealized gains on equity investments and $2.6 million from BMTIA in 2022.

For further information, see Note 3 to the unaudited Consolidated Financial Statements.

Noninterest Expense

Three months ended September 30, 2023 March 31, 2024: During the three months ended September 30, 2023 March 31, 2024, noninterest expense was $139.7 million $149.1 million, an increase of $6.8 million $16.0 million from $132.9 million $133.0 million for the three months ended September 30, 2022 March 31, 2023. The increase was primarily due to $6.3 million in $11.3 million from other operating expense driven by higher variable operating funding costs from Cash Connect®, $2.2 million due to a shift towards external funding, $3.0 million from salaries and benefits costs, and $1.1 million $1.3 million from professional fees. These increases were partially offset by a $2.5 million decrease in net corporate development and restructuring costs.

Nine months ended September 30, 2023: During the nine months ended September 30, 2023, noninterest expense was $414.0 million, a decrease of $27.4 million from $441.4 million for the nine months ended September 30, 2022. The decrease was primarily due to a $61.6 million decrease in net corporate development and restructuring costs, partially offset by increases of $20.8 million in other operating expense driven by higher variable operating costs from Cash Connect®, $8.3 million in salaries and benefits costs, and $2.9 million in professional fees. FDIC Special Assessment.

Income Taxes

We and our subsidiaries file a consolidated federal income tax return and separate state income tax returns. Income taxes are accounted for in accordance with ASC 740, *Income Taxes*, which requires the recording of deferred income taxes for tax consequences of temporary differences. We recorded income tax expense of $22.9 million and $66.9 million $21.2 million during the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to income tax expense of $25.8 million and $49.9 million $20.9 million for the same periods period in 2022, respectively. 2023.

Our effective tax rate was 23.6% and 24.6% 24.4% for the three and nine months ended September 30, 2023 March 31, 2024, respectively, compared to 26.0% and 26.5% 25.0% for the same periods period in 2022, respectively. 2023. The effective tax rate for the three and nine months ended September 30, 2023 March 31, 2024 decreased primarily due to an increase in projected tax benefits from our low-income housing tax credit investments, as well as a reduction in state income taxes. In addition, we incurred $0.4 million of tax expense related to nondeductible merger costs incurred in the nine months ended September 30, 2022 combined with $1.9 million of tax expense related to nondeductible goodwill written off during the sale of the BMTIA business that occurred in that same period.

The effective tax rate reflects the recognition of certain tax benefits in the financial statements including those benefits from tax-exempt interest income, federal low-income housing tax credits, research and development tax credits and excess tax benefits from recognized stock compensation. These tax benefits are offset by the tax effect of stock-based compensation expense related to incentive stock options nondeductible acquisition costs (incurred in 2022) and a provision for state income tax expense. We frequently analyze our projections of taxable income and make adjustments to our provision for income taxes accordingly.

RECONCILIATION OF NON-GAAP MEASURE TO GAAP MEASURE

The following table provides a reconciliation of tangible book value per share of common stock to book value per share of common stock, the most directly comparable GAAP financial measure. We believe this measure helps management and investors better understand and assess changes from period to period in stockholders' equity exclusive of changes in intangible assets. This non-GAAP measure should be considered in addition to results prepared in accordance with GAAP, and is not a substitute for, or superior to, GAAP results.

(Dollars and share amounts in thousands, except per share amounts)	*(Dollars and share amounts in thousands, except per share amounts)*	**September 30, 2023**	December 31, 2022	*(Dollars and share amounts in thousands, except per share amounts)*	**March 31, 2024**	December 31, 2023
Stockholders' equity of WSFS	Stockholders' equity of WSFS	**$2,242,795**	$2,205,113			
Less: Goodwill and other intangible assets	Less: Goodwill and other intangible assets	**1,008,472**	1,012,232			
Tangible common equity (numerator)	Tangible common equity (numerator)	**$1,234,323**	$1,192,881			
Shares of common stock outstanding (denominator)	Shares of common stock outstanding (denominator)	**60,728**	61,612			
Book value per share of common stock	Book value per share of common stock	**$ 36.93**	$ 35.79			
Goodwill and other intangible assets	Goodwill and other intangible assets	**16.60**	16.43			
Tangible book value per share of common stock	Tangible book value per share of common stock	**$ 20.33**	$ 19.36			

CRITICAL ACCOUNTING ESTIMATES

The preparation of the unaudited Consolidated Financial Statements in accordance with U.S. GAAP requires us to make estimates and assumptions affecting the reported amounts of assets, liabilities, revenue and expenses. We regularly evaluate these estimates and assumptions including those related to the allowance for credit losses, business combinations, deferred taxes, fair value measurements and goodwill and other intangible assets. We base our estimates on historical experience and various other factors and assumptions that are believed to be reasonable under the circumstances. These form the basis for making judgments on the carrying value of certain assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Although our current estimates contemplate current economic conditions and how we expect them to change in the future, for the remainder of 2023, 2024, it is possible that actual conditions may be worse than anticipated in those estimates, which could materially affect our results of operations and financial condition. Actual results may differ from these estimates under different assumptions or conditions.

Critical accounting estimates at September 30, 2023 March 31, 2024 did not significantly change from our critical accounting estimates at December 31, 2022 December 31, 2023, which are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

RECENT REGULATORY DEVELOPMENTS

Recent regulatory developments at September 30, 2023 March 31, 2024 did not significantly change from our recent regulatory developments at December 31, 2022 December 31, 2023, which are disclosed in our Annual Report on Form 10-K for the year ended December 31, 2022, except as noted below.

Potential Regulatory Reforms in Response to Recent Bank Failures

The recent failures of Silicon Valley Bank, Santa Clara, California, Signature Bank, New York, New York, and First Republic Bank, San Francisco, California, in March and April of this year, have led, and may continue to lead, to regulatory changes and initiatives that could impact the Company. For example, the FDIC has stated that it plans to impose a special deposit insurance assessment on banks in order to recover losses that the FDIC's Deposit Insurance Fund (DIF) incurred in the receiverships of these institutions. In addition, President Biden has encouraged the federal banking agencies to adopt various reforms, including the completion of an incentive compensation rule for bank executives pursuant to Section 956 of the Dodd-Frank Act, in response to these bank failures. Further, on April 28, 2023, the Federal Reserve and the FDIC issued reports on the potential causes of failures of Silicon Valley Bank and Signature Bank, respectively. Among the changes discussed, the Federal Reserve and the FDIC highlighted the need to change their approach to supervising banks of all sizes as well as to their capital and other regulatory requirements. Despite these initiatives, it remains unclear what actions federal regulatory agencies will ultimately take as a result of these failures.

FDIC Special Assessment

On May 11, 2023, the FDIC published a proposed rule that would impose a special deposit insurance assessment on insured depository institutions in order to recover losses that the FDIC's Deposit Insurance Fund (DIF) has incurred in the receiverships of Silicon Valley Bank and Signature Bank. The proposed rule would require the payment of the special assessment over eight quarterly assessment periods beginning the first quarter of 2024, subject to adjustments if the total amount collected is insufficient to cover the DIF's costs. Each quarterly special assessment would be equal to 3.13 basis points (0.0313%) of the amount of an institution's estimated uninsured deposits that exceeded $5 billion as of December 31, 2022 December 31, 2023.As of December 31, 2022, WSFS Bank's estimated amount of uninsured deposits was $6.9 billion.

Small Business Lending Data Collection Rule

On March 30, 2023, the CFPB finalized a rule under section 1071 of the Dodd-Frank Act requiring lenders to collect and report data regarding small business lending activity. The rule was scheduled to take effect on August 29, 2023, and requires compliance by October 1, 2024, April 1, 2025, or January 1, 2026, depending on the number of covered small business loans that a covered lender originates. On July 31, 2023, the U.S. District Court for the Southern District of Texas ordered the CFPB not to implement or enforce the rule against the plaintiff trade associations in *Texas Bankers Ass'n, et al, v. CFPB, et al*, No. 7:23-cv-00144, and their members, which include WSFS Bank. The Company is evaluating the impact of the new rule and related court rulings.

Transition from London Inter-Bank Offered Rate (LIBOR)

LIBOR, a benchmark interest rate that was widely referenced in the past, is no longer published as of June 30, 2023.Financial market regulators had taken steps in previous years to prepare for the transition away from LIBOR and to encourage banks and other market participants to do the same. The United Kingdom Financial Conduct Authority (FCA) caused several LIBOR settings to cease publication after December 31, 2021 and the remaining settings to cease publication after June 30, 2023.

The Adjustable Interest Rate (LIBOR) Act and implementing regulations of the Federal Reserve created a set of default rules for preexisting contracts that reference LIBOR, and created a safe harbor from liability for persons who elected to use the Secured Overnight Financing Rate (SOFR) as the replacement rate in a contract that references LIBOR.

The Company's commercial and consumer businesses used various products that were indexed to LIBOR. Most of these instruments gave the Company discretion to determine a replacement benchmark rate when LIBOR became unavailable.

This discretion combined with the LIBOR Act's safe harbor allowed the Company to select and migrate to SOFR as a replacement to LIBOR in the first quarter of 2022. Currently, the Company's new variable rate loan products are primarily originated in SOFR.

Third-Party Risk Management Guidance

On June 6, 2023, the FDIC, the Federal Reserve and the OCC issued final guidance providing sound principles that support a risk-based approach to third-party risk management. The Company is evaluating the impact of this guidance on its practices.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

The information required by this Item is incorporated herein by reference to the information provided in Part I Item 2 (Interest Rate Sensitivity) of this Quarterly Report on Form-10-Q.

Item 4. Controls and Procedures

(a) **Evaluation of disclosure controls and procedures.** Based on their evaluation of our disclosure controls and procedures (as defined in Rule 13a-15(e) under the Securities Exchange Act of 1934), our principal executive officer and principal financial officer have concluded that as of the end of the period covered by this Quarterly Report on Form 10-Q such disclosure controls and procedures are effective to ensure that information required to be disclosed by us in the reports that we file or submit under the Securities Exchange Act of 1934, as amended, is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms.

(b) **Changes in internal control over financial reporting.** There was no change in our internal control over financial reporting that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting during the three months ended September 30, 2023 March 31, 2024.

Part II. OTHER INFORMATION

Item 1. Legal Proceedings

The information required by this Item is incorporated herein by reference to the information provided in Note 17 – Legal and Other Proceedings to the unaudited Consolidated Financial Statements.

Item 1A. Risk Factors

There have not been any material changes to the risk factors previously disclosed under Item 1A of the Company's Annual Report on Form 10-K for the year ended December 31, 2022 December 31, 2023.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

During the first quarter of 2020, the Board of Directors of the Company approved a share repurchase program authorizing the repurchase of 7,594,977 shares of common stock, or 15% of its outstanding shares as of March 31, 2020. This repurchase program was completed during the first quarter of 2023. During the second quarter of 2022, the Board of Directors of the Company approved an additional share repurchase authorization under the program of 6,358,727 shares of common stock, or 10% of its outstanding shares as of June 30, 2022. Under the program, repurchases may be made from time to time in the open market or through negotiated transactions, subject to market conditions and other factors, and in accordance with applicable securities laws. The program is consistent with our intent to return a minimum of 35% of annual net income to stockholders through dividends and share repurchases while maintaining capital ratios in excess of "well-capitalized" regulatory benchmarks.

The following table represents information with respect to repurchases of common stock made by the Company during the three months ended September 30, 2023 March 31, 2024.

Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
July 1, 2023 - July 31, 2023	36,000	$ 43.82	36,000	5,933,493
August 1, 2023 - August 28, 2023	209,000	41.45	209,000	5,724,493
September 1, 2023 - September 31, 2023	141,900	38.72	141,900	5,582,593
Total	386,900	$ 40.67	386,900	

Month	Total Number of Shares Purchased	Average Price Paid Per Share	Total Number of Shares Purchased as Part of Publicly Announced Plans or Programs	Maximum Number of Shares that May Yet Be Purchased Under the Plans or Programs
January 1, 2024 - January 31, 2024	14,000	$ 46.67	14,000	5,327,593
February 1, 2024 - February 29, 2024	323,748	42.26	323,748	5,003,845
March 1, 2024 - March 31, 2024	154,620	43.01	154,620	4,849,225
Total	492,368	$ 42.62	492,368	

Item 3. Defaults upon Senior Securities

None.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

During the period covered by this Quarterly Report on Form 10-Q, no director or officer of the Company adopted or terminated a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as each term is defined in Item 408(a) of Regulation S-K.

Item 6. Exhibits

Exhibit Number	Description of Document
31.1	Certification of CEO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
31.2	Certification of CFO pursuant to Section 302 of the Sarbanes-Oxley Act of 2002
32	Certification pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002
101.INS	XBRL Instance Document *
101.SCH	XBRL Schema Document *
101.CAL	XBRL Calculation Linkbase Document *
101.LAB	XBRL Labels Linkbase Document *
101.PRE	XBRL Presentation Linkbase Document *
101.DEF	XBRL Definition Linkbase Document *
104	The cover page of this Quarterly Report on Form 10-Q for the quarter ended September 30, 2023 March 31, 2024, filed with the SEC on November 3, 2023 May 6, 2024, is formatted in Inline XBRL.

* Submitted as Exhibits 101 to this Quarterly Report on Form 10-Q are documents formatted in XBRL (Extensible Business Reporting Language). Pursuant to Rule 406T of Regulation S-T, these interactive data files are deemed not filed or part of a registration statement or prospectus for purposes of Sections 11 or 12 of the Securities Act of 1933 or Section 18 of the Securities Exchange Act of 1934, as amended, and otherwise are not subject to liability.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

WSFS FINANCIAL CORPORATION

Date: November 3, 2023 May 6, 2024

/s/ Rodger Levenson
Rodger Levenson
Chairman, President and Chief Executive Officer
(Principal Executive Officer)

Date: November 3, 2023 May 6, 2024

/s/ Arthur J. Bacci
Arthur J. Bacci
Executive Vice President, Chief Wealth Officer and
Interim Chief Financial Officer
(Principal Financial and Accounting Officer)

Exhibit 31.1

I, Rodger Levenson, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WSFS Financial Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15-(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 6, 2024

/s/ Rodger Levenson

Rodger Levenson

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

Exhibit 31.2

I, Arthur J. Bacci, certify that:

1. I have reviewed this quarterly report on Form 10-Q of WSFS Financial Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15-(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

a. Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

b. Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

c. Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

d. Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

a. All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

b. Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: November 3, 2023 May 6, 2024

/s/ Arthur J. Bacci

Arthur J. Bacci

Executive Vice President, Chief Wealth Officer and Interim Chief Financial Officer

(Principal Financial and Accounting Officer)

Exhibit 32

CERTIFICATION PURSUANT TO

18 U.S.C. SECTION 1350,

AS ADOPTED PURSUANT TO

SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

In connection with the quarterly report on Form 10-Q of WSFS Financial Corporation (the Company) for the quarter ended September 30, 2023 March 31, 2024 as filed with the Securities and Exchange Commission on the date hereof (the Report), we, Rodger Levenson, Chairman, President and Chief Executive Officer, and Arthur J. Bacci, Executive Vice President, Chief Wealth Officer and Interim Chief Financial Officer (Principal Accounting Officer), hereby certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that to our knowledge:

1. The Report fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Rodger Levenson

Rodger Levenson

Chairman, President and Chief Executive Officer

(Principal Executive Officer)

/s/ Arthur J. Bacci

Arthur J. Bacci

Executive Vice President, Chief Wealth Officer and

Interim Chief Financial Officer

(Principal Financial and Accounting Officer)

Date: November 3, 2023 May 6, 2024

DISCLAIMER

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