TFS Financial Corporation

Third Federal®
SAVINGS & LOAN

For the quarter ended
December 31, 2018

TFS Financial Corporation Overview

1938 Founded by Ben and Gerome Stefanski, parents of our current Chairman and CEO, Marc Stefanski

1997 Organized as a mid-tier stock holding company to own 100% of Third Federal Savings and Loan

2007 First step minority stock offering. Listed as TFSL on NASDAQ April 23

2019 Marks 81st year of service

TFSL Shareholder Ownership

	# of shares	% of Ownership
As of April 20, 2007 Minority Offering		
Owned by Third Federal MHC	227,119,132	68.3%
Owned by Minority Shareholders	105,199,618	31.7%
Total shares outstanding	**332,318,750**	**100.0%**
As of Dec 31, 2018		
Owned by Third Federal MHC	227,119,132	81.1%
Owned by Minority Shareholders	53,016,032	18.9%
Total shares outstanding	**280,135,164**	**100.0%**
Cumulative Minority Shares Repurchased (net of benefit plan re-issuance)	***52,183,586***	***49.6%***

Financial Summary

	At or For Quarter Ended	
	Dec 31, 2018	**Sep 30, 2018**
Assets	$14.24B	$14.14B
Deposits	$8.60B	$8.49B
Shareholder's Equity	$1.74B	$1.76B
Tier I Capital to Avg Assets	12.17%	12.25%
Market Capitalization	$4.52B	$4.21B
Net Income for Fiscal Quarter	$20.3M	$21.6M

ThirdFederal®
SAVINGS & LOAN

TFSL Stock Ownership – Why Invest?

Strong Dividend

- Projected annualized dividend of $1 per share represents 6.20% yield based on stock price of $16.13 at 12/31/18
- Dividend paid to minority shareholders only
- Total dividends paid represents 61% of net income for QE 12/31/18 and 44% for FYE 9/30/18

MHC Structure and Value to 19% Minority Shareholders

- Book Value Per Minority Share[1] of $32.89
- Earnings Per Minority Share[1] of $1.62 last 12 months

Growth

- High-quality asset growth of 26.4%, or $3.0 billion, last 5.25 fiscal years
- Geographical diversification by offering products in 21 states and D.C.
- Deposit growth of $390 million last 12 months

Minimal Credit Risk

- Total delinquency rate of 0.08% on loans originated since 2009; reported net recoveries in each of last two FY's

High Capital Levels

- Tier I Capital to Average Assets = 12.17%
- Total Risk-Based Capital = 22.94%
- "Well-Capitalized" levels are 5% and 10%, respectively

1 - Book value and Earnings per Minority Share based on minority share count at 12/31/18. GAAP Book Value and Earnings Per Share shown on slide 6.

ThirdFederal SAVINGS & LOAN

Our Mission and Values Drive Our Success

Our mission is to help people achieve the dream of home ownership and financial security while creating value for our shareholders, our customers, our communities and our Associates.

Customer Trust
- No associates on commission
- Competitive rates on loans and deposits

Shareholder Focus
3-dimensional capital strategy:

- Generous shareholder dividend
- Portfolio growth
- Strategic stock buybacks

Associate Engagement
- Value system of: Love (genuine concern), trust, respect, commitment to excellence and fun
- Average Associate tenure is 13 years
- Annual turnover rate of 3%; industry average is 19%

Commitment to our Communities
- Foundation awarded over $35 million in grants to local communities since 2007 inception
- Annual contribution of $1.5 million to the Slavic Village Broadway P-16 program addressing impoverished youth

ThirdFederal®
SAVINGS & LOAN

Our Disciplined Strategy Drives Our Results

Strategic Overview

- **Originate and service** first mortgage loans, and home equity loans and lines of credit, funded through retail deposits, FHLB advances and brokered CDs.
- **Loyal deposit customer base** provides stability to funding approach.
- **High average deposits per branch ($226 million) and assets per associate ($14 million)** generate efficiencies that keep non-interest expenses low.
- **Physical presence** in Ohio (21 full-service branches, 8 loan origination offices) and Florida (17 full-service branches), and first mortgage loan origination and home equity loan products to 21 states and the District of Columbia through our online offering and customer service center.
- **Non-commissioned Third Federal associates** underwrite and process the requests to generate mortgage loans and home equity products.
- **Stringent, conservative lending standards** used for underwriting, which reduces credit risk. For first mortgage loans originated during the current fiscal year, the average FICO score was **774**, and the average LTV was **70%.**
- **Capital levels in excess of 10%**, combined with consistent asset growth, allow us to drive long-term, sustainable earnings, and support cash dividends and share repurchases.

ThirdFederal®
SAVINGS & LOAN

Capital Highlights

	\-----Fiscal Year End (as of 09/30)-----				3 months as of 12/31/2018
	2015	2016	2017	2018	
Net Income (in 000s)	$ 72,591	$ 80,553	$ 88,877	$ 85,407	**$ 20,333**
Earnings Per Share:					
-GAAP	$ 0.25	$ 0.28	$ 0.32	$ 0.30	$ 0.07
-Non-GAAP Per Minority Share [3]	$ 1.14	$ 1.41	$ 1.64	$ 1.61	$ 0.38
-Dividends Paid Per Minority Share	$ 0.31	$ 0.425	$ 0.545	$ 0.760	**$ 0.25**
Total Dividends Paid as % of Net Income	27%	29%	31%	44%	**61%**
Book Value Per Share:					
-GAAP	$ 5.95	$ 5.84	$ 6.01	$ 6.27	$ 6.22
-Non-GAAP Per Minority Share [3]	$ 27.12	$ 29.08	$ 31.20	$ 33.06	$ 32.89
Dividends Paid (in 000s) [1,2]	$ 19,490	$ 23,414	$ 27,709	$ 37,630	**$ 12,304**
Repurchase of Common Stock (in 000s)	$ 172,366	$ 128,427	$ 52,540	$ 19,674	$ 3,776
Total Usage of Capital (in 000s)	$ 191,856	$ 151,841	$ 80,249	$ 57,304	$ 16,080
Asset Growth (in 000s)	$ 565,691	$ 537,176	$ 786,501	$ 445,554 [4]	**$ 101,347**
Tier I Leverage Capital to Net Average Assets:					
- TFS Financial Corporation	13.8%	13.1%	12.4%	12.3%	12.2%
- Third Federal Savings (Thrift)	12.8%	11.7%	11.2%	10.9%	10.3%
Shares of TFSL Stock Held by:					
Third Federal Savings, MHC [1]	227,119,132	227,119,132	227,119,132	227,119,132	227,119,132
Minority Shareholders [2]	63,763,247	57,099,887	54,172,618	53,191,938	53,016,032
Total Shareholders	290,882,379	284,219,019	281,291,750	280,311,070	280,135,164

1 - Third Federal Savings, MHC waived its right to receive cash dividends.

2 - Dividends from shares held by ESOP that are not allocated to participants (approximately 4,800,000 shares at 12/31/2018) are applied to the ESOP loan balance.

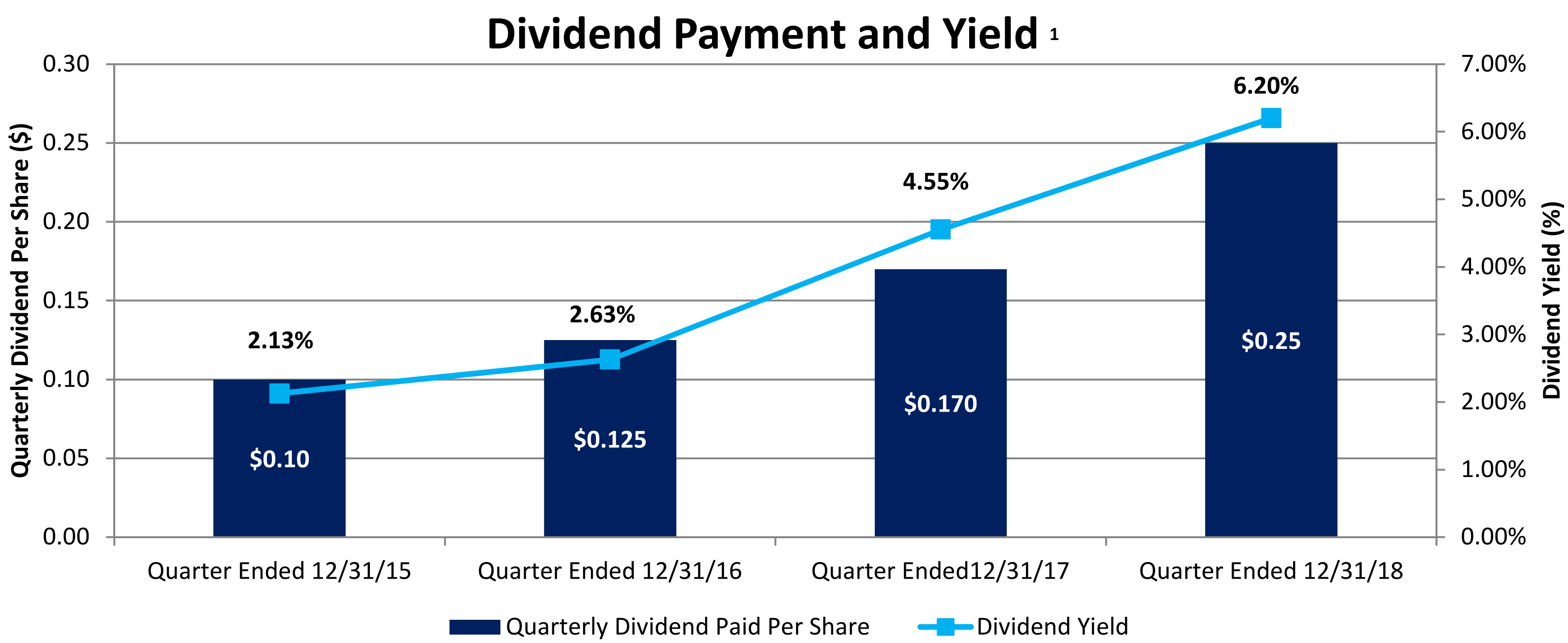
3 - Non-GAAP calculation uses minority shares at end of respective period.

4 - In 2018, a private loan sale in the amount of $277.4 million was executed. Excluding the sale, asset growth would have been $722,954

ThirdFederal® SAVINGS & LOAN

Capital Uses and Performance

- **Dividends, portfolio growth, and strategic share repurchases** will represent the focus for future capital deployment
- **Consistent Loan Growth:** Compound Annual Growth Rate (CAGR) of 5% over the last 5 fiscal years
- MHC member vote on 7/11/18 **approved dividend waiver** up to $1.00 for four quarters ending 06/30/19; 97% of members voting elect "yes" in favor of the dividend waiver
- **8th buyback program** (for 10M shares) began Jan. 2017, and 3,775,521 have been purchased through Dec, 2018. Over 50% of original minority shares have been repurchased since 2007 IPO
- **Additional capital of $283M** held at TFS Financial Corporation at 12/31/18, which is separate from thrift. Assets include cash and short-term investments of $202M



1 - Dividend Yield based on quarter end stock price

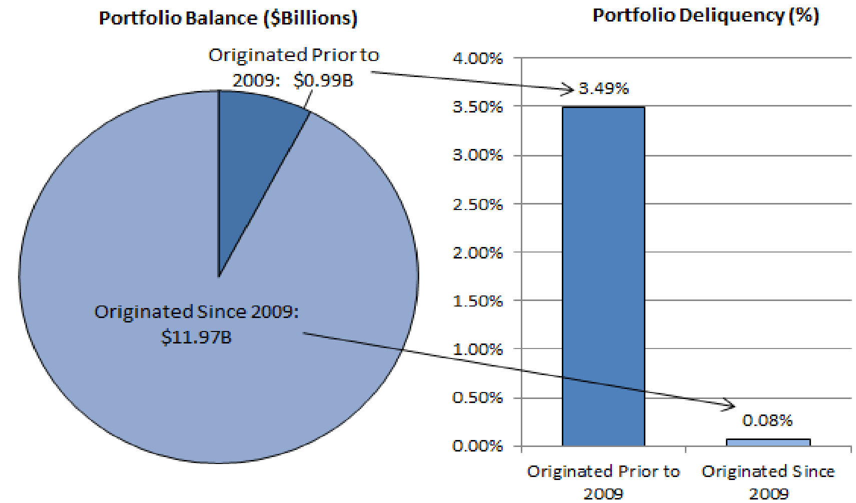
ThirdFederal SAVINGS & LOAN

Financial Highlights

(Dollars in Thousands)	As of and for the 3 months ended			Fiscal Year End	
	12/31/2018	9/30/2018	12/31/2017	9/30/2018	9/30/2017
Balance Sheet					
Assets ($)	14,238,678	14,137,331	13,887,880	14,137,331	13,692,563
Net loans ($)	12,919,526	12,871,953	12,570,661	12,871,953	12,419,657
Deposits ($)	8,597,179	8,491,853	8,207,351	8,491,853	8,151,625
Common equity ($)	1,743,780	1,758,404	1,700,678	1,758,404	1,689,959
Balance Sheet Ratios					
Loans/Deposits (%)	150.28	151.58	153.16	151.58	152.36
Common Equity/Total Assets (%)	12.26	12.44	12.25	12.44	12.34
Return on Average Assets (%)	0.58	0.62	0.57	0.62	0.67
Return on Average Equity (%)	4.59	4.89	4.60	4.91	5.28
Profitability					
Net interest income ($)	67,812	68,982	69,988	280,941	278,896
Credit for loan losses ($)	2,000	2,000	3,000	11,000	17,000
Net interest income after credit for loan losses ($)	69,812	70,982	72,988	291,941	295,896
Non-Interest income ($)	4,676	4,885	4,844	21,536	19,849
Non-interest expense ($)	(47,980)	(45,420)	(45,776)	(192,313)	(182,404)
Income before income taxes ($)	26,508	30,447	32,056	121,164	133,341
Income tax expense ($)	(6,175)	(8,842)	(12,443)	(35,757)	(44,464)
Net income ($)	20,333	21,605	19,613	85,407	88,877
Net interest margin (%)	1.98	2.03	2.10	2.08	2.16
Non-interest expense to average assets (%)	1.36	1.30	1.33	1.39	1.37
Asset Quality					
Non-Performing Assets/Assets (%)	0.56	0.57	0.60	0.57	0.62
Reserves/Loans (%)	0.32	0.33	0.36	0.33	0.39

ThirdFederal® SAVINGS & LOAN

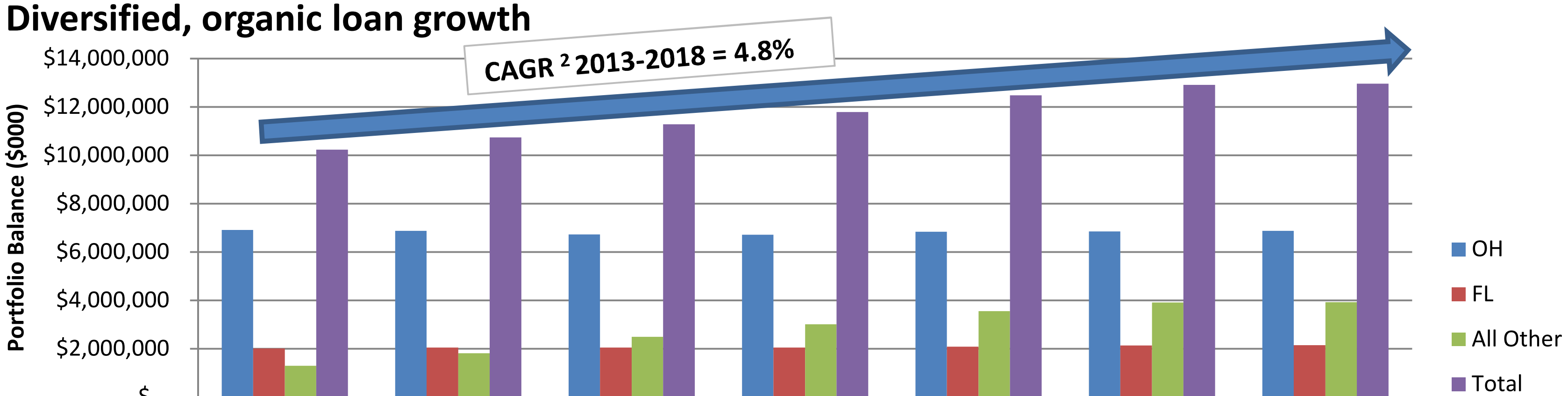
Loan Growth & Performance



Strong loan performance

- Delinquency rate of 0.08% on the $11.97 billion of loans originated since 2009
- As of 12/31/18 entire $12.96 billion loan portfolio carries a 0.34% delinquency rate

Diversified, organic loan growth



	9/30/2013	9/30/2014	9/30/2015	9/30/2016	9/30/2017	9/30/2018 [1]	12/31/18
OH	$6,916,417	$6,871,511	$6,732,677	$6,715,600	$6,835,625	$6,856,557	$6,877,007
FL	$2,012,885	$2,052,371	$2,049,717	$2,054,323	$2,084,552	$2,136,972	$2,148,158
All Other	$1,302,490	$1,817,907	$2,500,419	$3,017,447	$3,551,312	$3,918,166	$3,931,606
Total [3]	$10,231,792	$10,741,789	$11,282,813	$11,787,370	$12,471,489	$12,911,695	$12,956,771

1 - Large loan sales occur periodically to manage IRR. In 2018, a private loan sale in the amount of $277.4 million was executed.

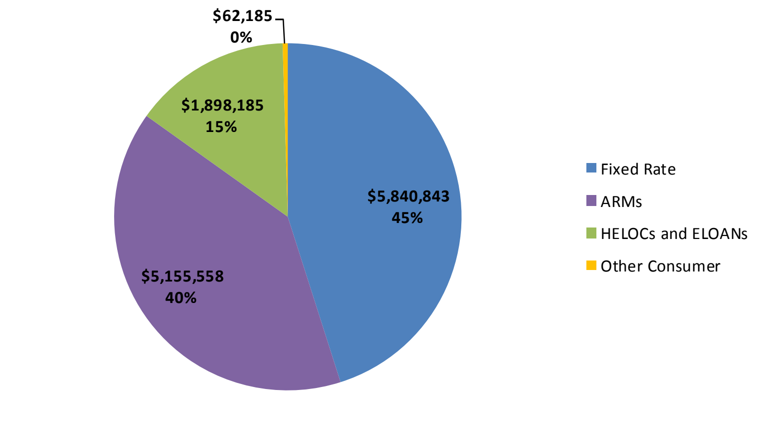
2 - Compound Annual Growth Rate equals the mean annual growth rate over multiple periods

3 - Total loans receivable, excluding held for sale

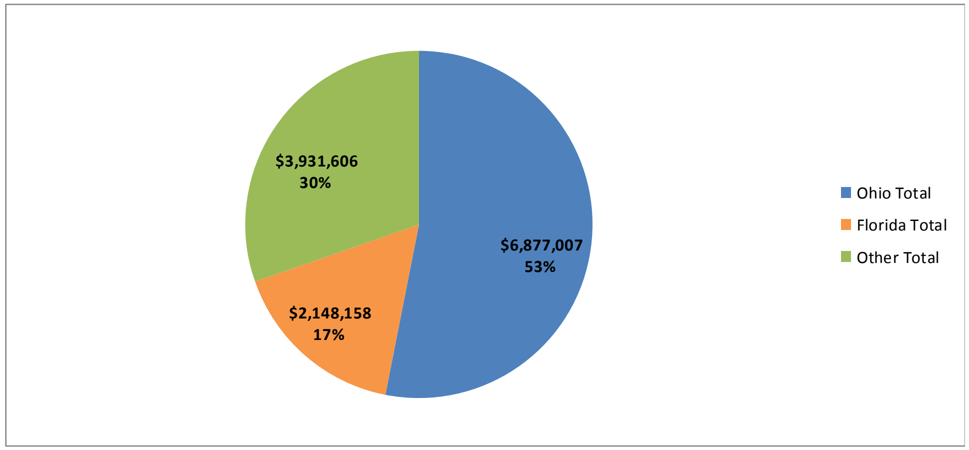
ThirdFederal® SAVINGS & LOAN

Loan Composition by Product and State

Loan Balances (Held for Investment)



Geographic Breakdown of Loan Balances



Loan Balance ($000)	Balance[1]	% of Total	Yield[1]
Fixed Rate			
Terms ≤ 10 yrs	$ 1,739,863	13%	2.92%
Terms > 10 yrs	$ 4,100,980	32%	4.09%
Total Fixed	$ 5,840,843	45%	3.74%
ARMs	$ 5,155,558	40%	3.08%
HELOCs and ELOANs	$ 1,898,185	15%	4.72%
Other Consumer	$ 62,185	0%	3.73%
Total Loans Receivable (HFI)	**$ 12,956,771**	**100%**	**3.62%**

Loan Balance ($000)	Balance[1]	Fixed Rate Balance	% of Total	Yield[1]
1st Lien Residential				
Ohio	$ 6,158,971	$ 4,218,614	48%	3.65%
Florida	$ 1,759,614	$ 696,513	14%	3.40%
Other	$ 3,077,816	$ 925,716	24%	3.00%
Total 1st Lien Residential	$ 10,996,401	$ 5,840,843	85%	3.43%
HELOCs and ELOANs:				
Ohio	$ 660,937	$ 58,103	5%	4.71%
Florida	$ 383,784	$ 34,280	3%	4.56%
California	$ 286,510	$ 19,516	2%	4.80%
Other	$ 566,954	$ 13,658	4%	4.81%
Total HELOCs and ELOANs	$ 1,898,185	$ 125,557	15%	4.72%
Other Consumer	$ 62,185	$ 62,185	0%	3.73%
Total Loans Receivable (HFI)	**$ 12,956,771**		**100%**	**3.62%**

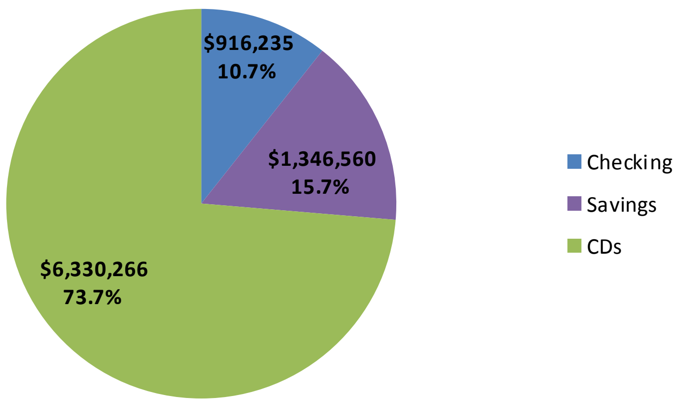
[1] As of 12/31/18

Total 3-month Average Loan Yield as of 12/31/18 was 3.50%

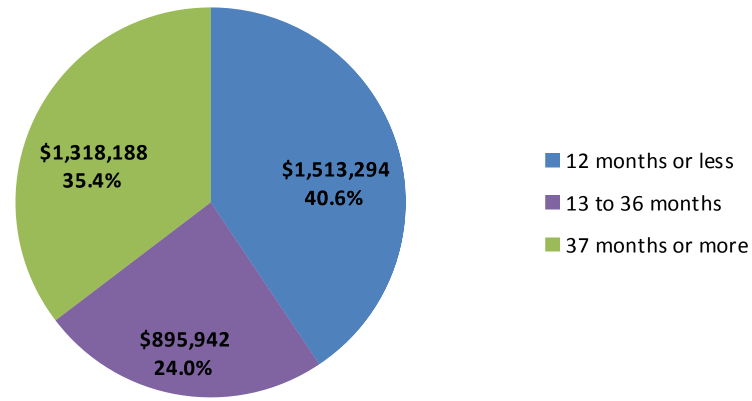
ThirdFederal SAVINGS & LOAN

Strong Deposit Funding Base Supplemented by Wholesale Borrowings

Deposit Composition



Borrowings Composition



Deposit Type ($000)	Balance[1]	% of Total	Weighted Avg Cost of Funds
Interest Bearing:			
Checking	$ 916,235	10.7%	0.40%
Savings	$ 1,346,560	15.7%	0.80%
CDs[3]	$ 6,330,266	73.7%	1.96%
Total Deposits[4]	**$ 8,593,061**	**100%**	**1.61%**

Borrowings ($000)	Balance[1,2]	% of Total	Weighted Avg Cost of Funds[1,2]
Maturing in:			
12 months or less[2]	$ 1,513,294	40.6%	2.25%
13 to 36 months	$ 895,942	24.0%	1.40%
37 months or more	$ 1,318,188	35.4%	2.22%
Total Borrowings[4]	**$ 3,727,424**	**100%**	**2.04%**

[1] As of 12/31/18

[2] The blended balance and rate include both the FHLB borrowings and swaps to show the true economics of the transactions. Swap notional was $1.950 billion at 12/31/18.

[3] Weighted Average Maturity (WAM) of the CD portfolio was 18.86 months

[4] Balance(s) exclude deferred repayment penalties and accrued interest

Total 3-month Average Interest Bearing Liabilities CoF as of 12/31/18 was 1.66%

ThirdFederal SAVINGS & LOAN

Forward-Looking Statements

This presentation contains forward-looking statements, which can be identified by the use of such words as estimate, project, believe, intend, anticipate, plan, seek, expect and similar expressions. These forward-looking statements include, among other things:

- statements of our goals, intentions and expectations;
- statements regarding our business plans and prospects and growth and operating strategies;
- statements concerning trends in our provision for loan losses and charge-offs;
- statements regarding the trends in factors affecting our financial condition and results of operations, including asset quality of our loan and investment portfolios; and
- estimates of our risks and future costs and benefits.

These forward-looking statements are subject to significant risks, assumptions and uncertainties, including, among other things, the following important factors that could affect the actual outcome of future events:

- significantly increased competition among depository and other financial institutions;
- inflation and changes in the interest rate environment that reduce our interest margins or reduce the fair value of financial instruments;
- general economic conditions , either globally, nationally or in our market areas, including employment prospects, real estate values and conditions that are worse than expected;
- decreased demand for our products and services and lower revenue and earnings because of a recession or other events;
- adverse changes and volatility in the securities markets, credit markets or real estate markets;
- legislative or regulatory changes that adversely affect our business, including changes in regulatory costs and capital requirements and changes related to our ability to pay dividends and the ability of Third Federal Savings, MHC to waive dividends;
- our ability to enter new markets successfully and take advantage of growth opportunities, and the possible short-term dilutive effect of potential acquisitions or de novo branches, if any;
- changes in consumer spending, borrowing and savings habits;
- changes in accounting policies and practices, as may be adopted by the bank regulatory agencies, the Financial Accounting Standards Board or the Public Company Accounting Oversight Board;
- future adverse developments concerning Fannie Mae or Freddie Mac;
- changes in monetary and fiscal policy of the U.S. Government, including policies of the U.S. Treasury and the FRS and changes in the level of government support of housing finance;
- changes in policy and/or assessment rates of taxing authorities that adversely affect us;
- changes in our organization, or compensation and benefit plans and changes in expense trends (including, but not limited to trends affecting non-performing assets, charge-offs and provisions for loan losses);
- the continuing governmental efforts to restructure the U.S. financial and regulatory system;
- the inability of third-party providers to perform their obligations to us;
- changes in accounting and tax estimates;
- the adoption of implementing regulations by a number of different regulatory bodies under the DFA, and uncertainty in the exact nature, extent and timing of such regulations and the impact they will have on us;
- the strength or weakness of the real estate markets and of the consumer and commercial credit sectors and its impact on the credit quality of our loans and other assets;
- the ability of the U.S. Government to manage federal debt limits; and
- cyber attacks, computer viruses and other technological risks that may breach the security of our websites or other systems to obtain unauthorized access to confidential information, destroy data or disable our systems

Because of these and other uncertainties, our actual future results may be materially different from the results indicated by any forward-looking statements. Any forward-looking statement made by us in this report speaks only as of the date on which it is made. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future developments or otherwise, except as may be required by law.

ThirdFederal®
SAVINGS & LOAN