TFS Financial Corporation®

Third Federal®
SAVINGS & LOAN

For the quarter ended
September 30, 2020

Our Mission & Values Drive Our Response to COVID-19

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.

Associates

- Excluding customer facing associates, over 75% of associates working remotely.
- All associates working at branches and operations center are safely distanced and working in contained areas for safety.
- Medical plan enhancements for COVID-19 coverage.
- Additional 10 days provided to associates for COVID-19 related absences.
- $50,000 added to Rhonda's Kiss Associate Fund for family hardships.

Customers

- Branches are open and have returned to normal, operating business hours.
- Through September 30, 2020, there were 2,009 customers, representing $285.1 million of loans, who have been helped by COVID-19 related forbearance plans.
- Customer relief: forbearance plans available, 90 days with options for extensions up to 12 months, with multiple repayment options; waiving late fees, overdraft fees, ATM fees.
- Expanded mobile banking features, including mobile deposit limits.

Communities

- Third Federal Foundation helped launch the Greater Cleveland COVID-19 Rapid Response Fund to support those most in need (over $8 million in funds distributed). Helped launch Phase 2 of fund ($3 million raised to date).
- Providing emergency funding to Slavic Village P-16 partners for PPE's, food distribution and support.
- Leader in advocating for investment in Digital Equity by both investing to deploy devices and hot spots to Slavic Village families and participating on the Greater Cleveland Digital Equity Coalition.
- Assisted our P-16 Partners in setting up 5 Learning Pods to provide safe spaces for students to be supervised in pursuing their virtual learning.
- Donated 300 N95 masks and hazmat suits to local hospitals and 220 computers to PCs for People.
- Allocated $50,000 for Seniors for COVID-19 Emergency loans.

Shareholders

- Commitment to paying an attractive dividend.
- Continued serving and lending to our customers responsibly.
- Strong credit quality and capital levels to support potential loan performance issues.
- Staying true to the Third Federal Values that have guided us throughout history (love, trust, respect, commitment to excellence, and fun).

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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

2020 83rd 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	68.30%
Owned by Minority Shareholders	105,199,618	31.70%
Total shares outstanding	**332,318,750**	**100.00%**
As of September 30, 2020		
Owned by Third Federal MHC	227,119,132	81.07%
Owned by Minority Shareholders	53,030,874	18.93%
Total shares outstanding	**280,150,006**	**100.00%**
Cumulative Minority Shares Repurchased (net of benefit plan re-issuance)	***52,168,744***	***49.59%***

Financial Summary

	At or For Quarter Ended	
	Sep 30, 2020	**June 30, 2020**
Assets	$14.64B	$14.83B
Deposits	$9.23B	$9.23B
Shareholders' Equity	$1.67B	$1.66B
Tier I Capital to Avg Assets	11.88%	11.82%
Market Capitalization	$4.12B	$4.01B
Net Income for Fiscal Quarter[1]	$13.6M	$26.8M

1 - Operating results for quarter ended 9/30/20 reflect the impact from the prepayment of $115 million of FHLB term loans and $100 million of related swap agreements, resulting in the recognition of an additional $8.9 million of interest expense and fees.

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TFSL Stock Ownership – Why Invest?

Strong Dividend

- Current annualized dividend of $1.12 per share represents 7.62% yield based on stock price of $14.69 at 9/30/20.
- Dividend paid to minority shareholders only, subject to regulatory required MHC annual dividend waiver vote. On 7/14/20, 63% of MHC eligible votes were cast and 97% approved the dividend waiver for the next 12 months.
- Total dividends paid represents 67% of net income for fiscal year ended 9/30/20.

High Capital Levels

- Tier I Capital to Average Assets = 11.88%.
- Total Risk-Based Capital = 22.71%.
- "Well-Capitalized" levels are 5% and 10%, respectively.

Quality Growth

- High-quality asset growth of 24.05%, or $2.84 billion, since the beginning of FY 2015.
- Delinquency rate of 0.09% on loans originated since 2009; reported net recoveries in each of last four FY's.
- Average FICO score of 777 and average LTV of 66% for first mortgage loans originated in current fiscal year.
- Deposit growth of $459.2 million last 4 quarters.
- Geographical diversification by offering products in 25 states and D.C.

MHC Structure[1] and Value to 19% Minority Shareholders

- GAAP Book Value Per Share of $5.91 but Book Value Per Minority Share[2] of $31.22.
- For last 4 quarters, GAAP Earnings Per Share of $0.30 but Earnings Per Minority Share[3] of $1.57.

1 - In a mutual holding company structure where only the minority shares are publically held, many investors focus on the level of shareholders' equity and net income per minority shares outstanding, which is a non-GAAP measure.

2 - Book value per Minority Share based on Total Shareholders Equity divided by minority share count at 9/30/20.

3 - Earnings per Minority Share based on Total Net Income for most recent 4 quarters divided by minority share count at 9/30/20.

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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 certificates of deposit.
- **Loyal deposit customer base** provides stability to funding approach.
- **High average deposits per branch ($243 million) and assets per associate ($15 million)** generate efficiencies.
- **Physical presence** in Ohio (21 full-service branches, 7 loan origination offices) and Florida (16 full-service branches), and first mortgage loan origination and home equity loan products to 25 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. No risk-based pricing or incentive pay. Our principal philosophy has been to create successful homeownership, which is evident in our customers' ability to repay as well as our product offerings and their features.
- **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 **777**, and the average LTV was **66%.**
- **Strong capital levels**, combined with consistent asset growth, allow us to drive long-term, sustainable earnings, and support cash dividends.

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Capital Highlights

	Fiscal Year End (as of 09/30)					
	2020	2019	2018	2017	2016	2015
Net Income (in 000s)	$ **83,317**	$ 80,237	$ 85,407	$ 88,877	$ 80,553	$ 72,591
Earnings Per Share:						
-GAAP	$ 0.30	$ 0.29	$ 0.30	$ 0.32	$ 0.28	$ 0.25
-Non-GAAP Per Minority Share [1]	$ 1.57	$ 1.52	$ 1.61	$ 1.64	$ 1.41	$ 1.14
-Dividends Paid Per Minority Share	$ **1.110**	$ 1.020	$ 0.760	$ 0.545	$ 0.425	$ 0.310
Total Dividends Paid as % of Net Income	**67%**	63%	44%	31%	29%	27%
Book Value Per Share:						
-GAAP	$ 5.91	$ 6.06	$ 6.27	$ 6.01	$ 5.84	$ 5.95
-Non-GAAP Per Minority Share [1]	$ 31.22	$ 32.11	$ 33.06	$ 31.20	$ 29.08	$ 27.12
Dividends Paid (in 000s) [2,3]	$ **55,465**	$ 50,464	$ 37,630	$ 27,709	$ 23,414	$ 19,490
Repurchase of Common Stock (in 000s)	$ 378	$ 9,063	$ 19,674	$ 52,540	$ 128,427	$ 172,366
Total Usage of Capital (in 000s)	$ 55,843	$ 59,527	$ 57,304	$ 80,249	$ 151,841	$ 191,856
Asset Growth (in 000s)	$ **99,865** [4]	$ 405,025	$ 445,554	$ 786,501	$ 537,176	$ 565,691
Tier I Leverage Capital to Net Average Assets:						
- TFS Financial Corporation	11.9%	12.0%	12.3%	12.4%	13.1%	13.8%
- Third Federal Savings (Thrift)	10.4%	10.5%	10.9%	11.2%	11.7%	12.8%
Shares of TFSL Stock Held by:						
Third Federal Savings, MHC [2]	227,119,132	227,119,132	227,119,132	227,119,132	227,119,132	227,119,132
Minority Shareholders [3]	53,030,874	52,843,645	53,191,938	54,172,618	57,099,887	63,763,247
Total Shareholders	280,150,006	279,962,777	280,311,070	281,291,750	284,219,019	290,882,379

1 - In a mutual holding company structure where only the minority shares are publically held, many investors focus on the level of shareholders' equity and net income per minority shares outstanding, which is a non-GAAP measure. Non-GAAP calculation uses Total Net Income or Shareholders Equity divided by minority shares at end of respective period.

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

3 - Dividends from shares held by ESOP that are not allocated to participants (approximately 4,300,000 shares at 9/30/20) are applied to the ESOP loan balance.

4 - Loan sales and commitments to sell during the 2020 fiscal year totaled $844.3 million, abnormally high due to favorable market conditions.

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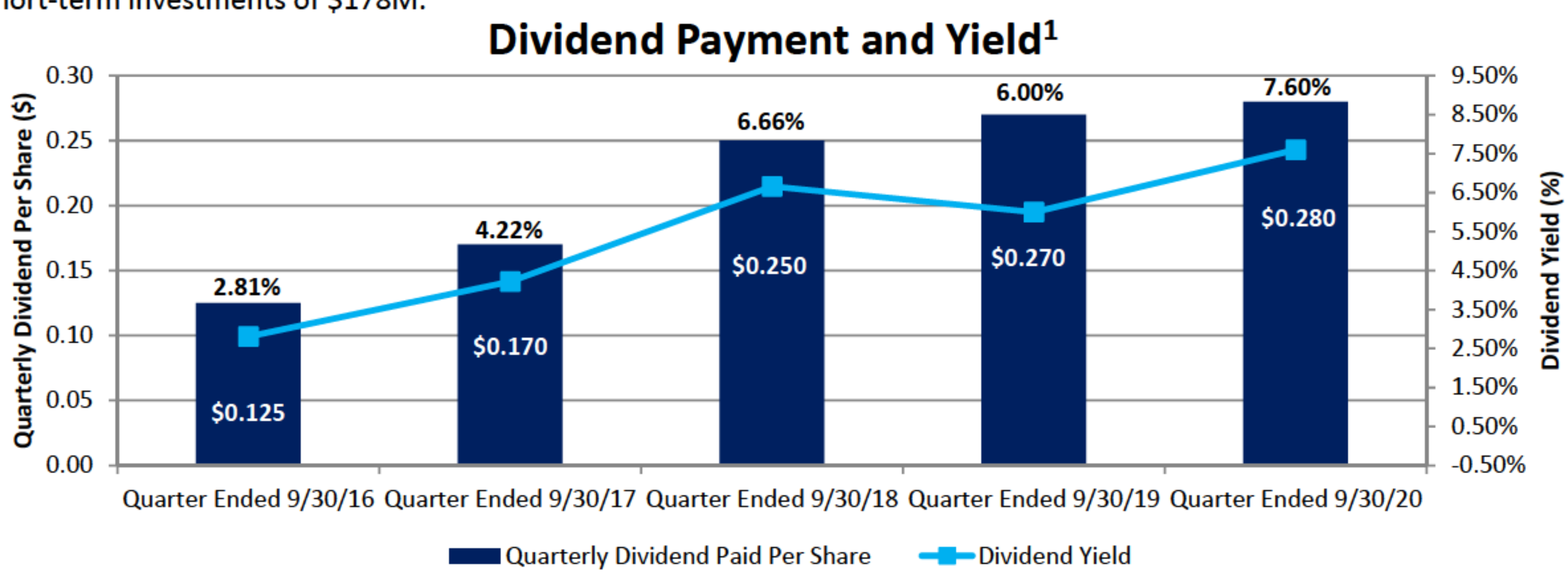
Capital Uses and Performance

- **Dividends, managed portfolio growth, and strategic share repurchases** will represent the focus for future capital deployment.
- **Quality loan growth** with a Compound Annual Growth Rate (CAGR) of 3.66% since the beginning of FY 2015.
  FY 2020 loan sales and commitments to sell totaled $844.3M due to premium pricing and favorable market conditions, which effectively reduced asset growth during the year.
- MHC member vote on 7/14/20 **approved dividend waiver** up to $1.12 for four quarters ending 06/30/21;
  97% of members voting elected "yes" in favor of the dividend waiver.
- **8th buyback program** (for 10M shares) began January 2017, and 4,108,921 have been purchased through 9/30/20. Over 52% of original minority shares have been repurchased since 2007 IPO. The share repurchase program, while recently only a small percentage of capital use, has been suspended due to COVID-19.
- **Additional capital of $250M** held at TFS Financial Corporation at 9/30/20, which is separate from Thrift. Assets include cash and short-term investments of $178M.



1 - Dividend Yield based on quarter end stock price

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Financial Highlights

(Dollars in Thousands)	As of and for the quarter ended			Fiscal Year End	
	9/30/2020	6/30/2020	9/30/2019	9/30/2020	9/30/2019
Balance Sheet					
Assets ($)	14,642,221	14,834,743	14,542,356	14,642,221	14,542,356
Net loans ($)	13,139,933	13,426,577	13,199,411	13,103,062	13,199,411
Deposits ($)	9,225,554	9,230,111	8,766,384	9,225,554	8,766,384
Common equity ($)	1,671,853	1,655,476	1,696,754	1,671,853	1,696,754
Balance Sheet Ratios					
Loans/Deposits (%)	142.43	145.46	150.57	142.03	150.57
Tier I Leverage Capital / Average Assets YTD (%)	11.88	11.82	12.05	11.89	12.05
Return on Average Assets (%)	0.36	0.72	0.60	0.56	0.56
Return on Average Equity (%)	3.22	6.37	4.99	4.88	4.58
Profitability					
Net interest income ($)	50,166	62,879	64,330	242,268	265,421
(Provision) credit for loan losses ($)	-	-	2,000	(3,000)	10,000
Net interest income after credit for loan losses ($)	50,166	62,879	66,330	239,268	275,421
Non-Interest income ($)	17,052	15,322	5,799	53,251	20,464
Non-interest expense ($)	(50,563)	(44,833)	(45,098)	(192,274)	(193,673)
Income before income taxes ($)	16,655	33,368	27,031	100,245	102,212
Income tax expense ($)	(3,077)	(6,528)	(5,514)	(16,928)	(21,975)
Net income ($)	13,578 [1]	26,840	21,517	83,317	80,237
Net interest margin (%)	1.40	1.74	1.84	1.69	1.92
Non-interest expense to average assets (%)	1.35	1.20	1.25	1.29	1.36
Asset Quality					
Non-Performing Assets/Assets (%)	0.37	0.37	0.50	0.37	0.50
Reserves/Loans (%)	0.36	0.34	0.29	0.36	0.29

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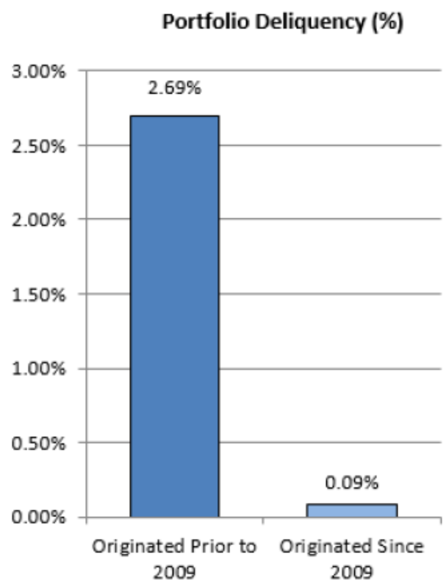
Loan Performance

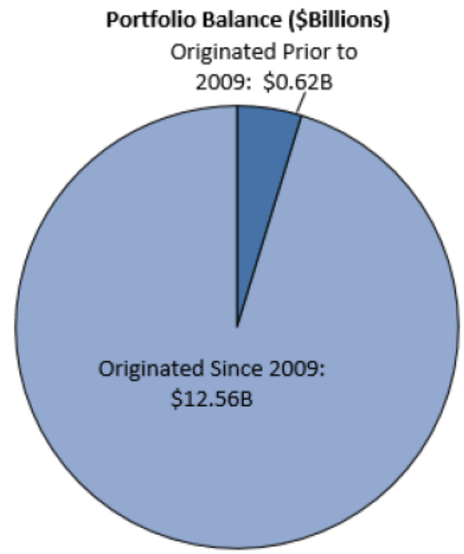
Strong Lending Standards

- Net recoveries in each of the past four fiscal years. FY 2017 through FY year ended 9/30/20 net recoveries total $20.1 million. Net recoveries of $5.0 million for FY 2020 compared to $6.5 million for FY 2019.
- For all active accounts as of 9/30/20, first mortgage loans had an average FICO score of 759 and average LTV of 68% and HELOCs had an average FICO score of 767 and average LTV of 61%.

Minimal Delinquencies

- Delinquency rate of 0.09% on the $12.56 billion of loans originated since 2009.
- As of 9/30/20 entire $13.19 billion loan portfolio carries a 0.21% delinquency rate.
- There was no provision for loan losses for the quarter ended 9/30/20 and the provision totaled $3.0 million for FY 2020 compared to a credit of $10.0 million for FY 2019. There was a provision of $6.0 million for the quarter ended 3/31/20 mainly to cover potential future losses related to COVID-19.

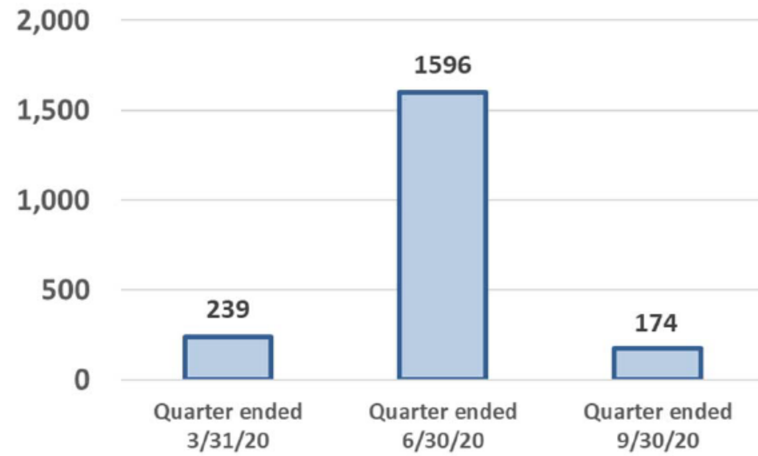




Mortgage Forbearance from COVID-19

TFSL Forbearance Plans

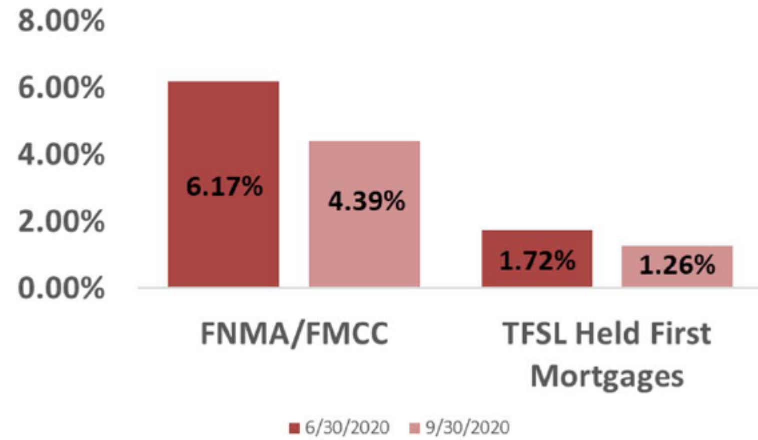
- Since the March 13th National Emergency Proclamation for COVID-19, requests for related forbearance plans have slowed considerably after peaking in April. The graph to the right shows the number of new forbearance plans for the quarters ended 3/31/20, 6/30/20, and 9/30/20.
- Through September 30, 2020, there were 2,009 customers, representing $285.1 million of loans, who were helped by a COVID-19 forbearance plan. As a result of payoffs and customer resolutions, there were 1,074 customers, representing $165.6 million of loans, or 1.26%, remaining in COVID-19 forbearance plans as of September 30, 2020.



Industry Comparison

- TFSL's First Mortgage Portfolio in a COVID-19 related forbearance plan is well below the national industry comparison as defined by Fannie Mae and Freddie Mac[1].

Graphic: TFSL COVID-19 related forbearance plans as a percentage of total loans receivable portfolio at September 30, 2020 and June 30, 2020 compared to Fannie Mae and Freddie Mac portfolios[1]



1 – Source: Mortgage Bankers Association Forbearance and Call Volume Survey Report

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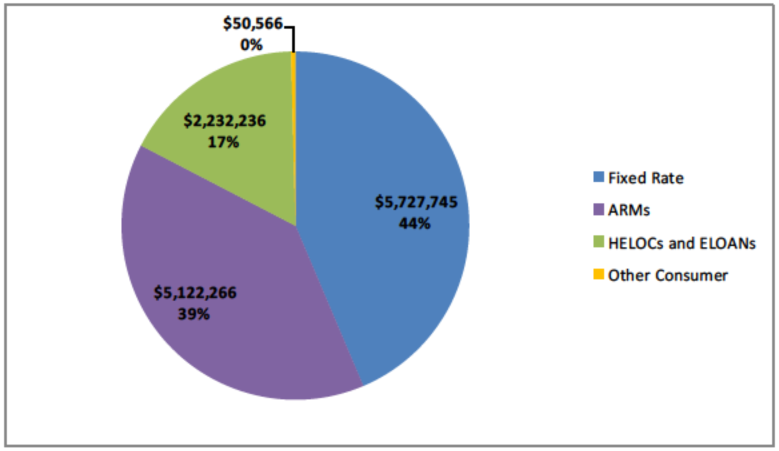
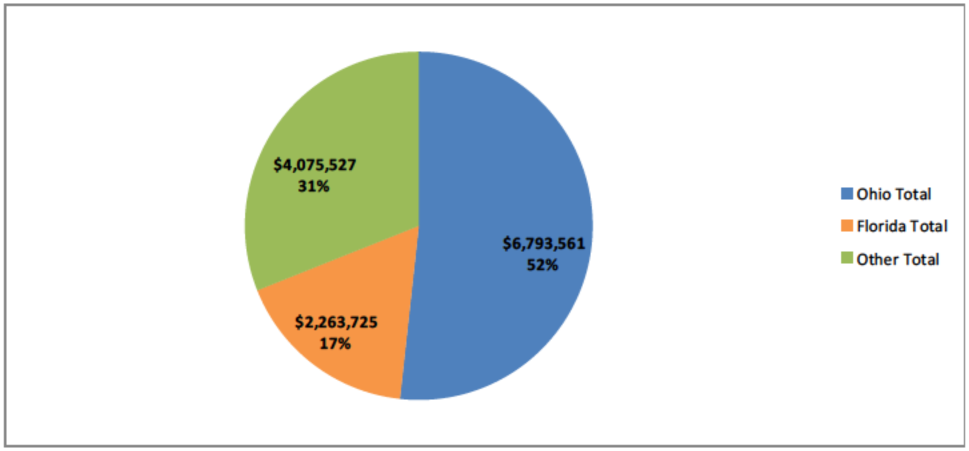
Loan Composition by Product and State

Loan Balances (Held for Investment)



Geographic Breakdown of Loan Balances



Loan Balance ($000)	Balance[1]	% of Total	Yield[1]
Fixed Rate			
Terms ≤ 10 yrs	$ 1,284,605	9.8%	2.95%
Terms > 10 yrs	$ 4,443,140	33.8%	3.87%
Total Fixed	$ 5,727,745	43.6%	3.66%
ARMs	$ 5,122,266	39.0%	3.02%
HELOCs and ELOANs	$ 2,232,236	17.0%	2.54%
Other Consumer	$ 50,566	0.4%	3.39%
Total Loans Receivable (HFI)	**$ 13,132,813**	**100%**	**3.22%**

Loan Balance ($000)	Balance[1]	Fixed Rate Balance	% of Total	Yield[1]
1st Lien Residential				
Ohio	$ 6,092,683	$ 4,292,765	46.4%	3.55%
Florida	$ 1,826,405	$ 713,676	13.9%	3.32%
widely distributed	$ 2,930,923	$ 721,304	22.3%	2.96%
Total 1st Lien Residential	$ 10,850,011	$ 5,727,745	82.6%	3.36%
HELOCs and ELOANs:				
Ohio	$ 655,867	$ 43,959	5.0%	2.60%
Florida	$ 432,301	$ 30,339	3.3%	2.55%
California	$ 349,701	$ 16,491	2.7%	2.57%
widely distributed	$ 794,367	$ 14,800	6.0%	2.48%
Total HELOCs and ELOANs	$ 2,232,236	$ 105,589	17.0%	2.54%
Other Consumer	$ 50,566	$ 50,566	0.4%	3.39%
Total Loans Receivable (HFI)	**$ 13,132,813**	**$ 5,883,900**	**100%**	**3.22%**

1 - As of 9/30/20

Average Loan Yield for the three months ended 9/30/20 was 3.12%

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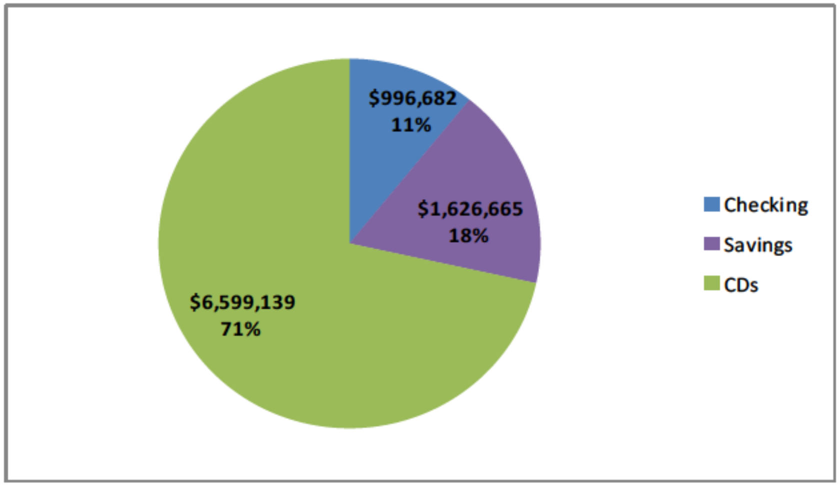
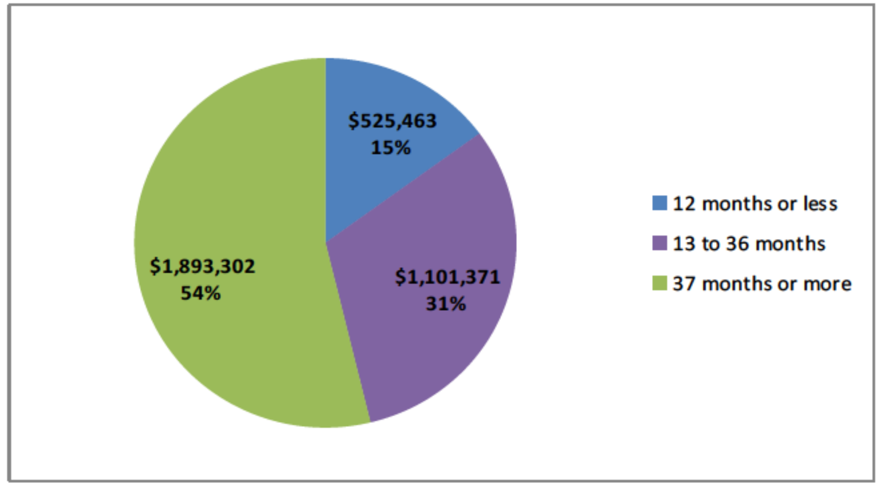
Strong Deposit Funding Base Supplemented by Wholesale Borrowings

Deposit Composition



Borrowings Composition



Deposit Type ($000)	Balance[1]	% of Total	Weighted Avg Cost of Funds
Interest Bearing:			
Checking	$ 996,682	10.8%	0.12%
Savings	$ 1,626,665	17.6%	0.23%
CDs[3]	$ 6,599,139	71.6%	1.71%
Total Deposits[4]	**$ 9,222,486**	**100%**	**1.28%**

Borrowings ($000)	Balance[1,2]	% of Total	Weighted Avg Cost of Funds[1,2]
Maturing in:			
12 months or less[2]	$ 525,463	14.9%	1.19%
13 to 36 months	$ 1,101,371	31.3%	1.93%
37 months or more	$ 1,893,302	53.8%	1.80%
Total Borrowings[4, 5]	**$ 3,520,136**	**100%**	**1.75%**

1 - As of 9/30/20

2 - The blended balance and rate for FHLB borrowings include the impact of the associated swap hedges. Notional value of the swap portfolio was $2.98 billion at 9/30/20.

3 - Weighted Average Maturity (WAM) of the CD portfolio, including brokered CDs, was 15.58 months and $3.51 billion of the CD portfolio matures in fiscal 2021.

4 - Balance(s) exclude deferred repayment penalties and accrued interest.

5 - Total borrowings for quarter ended 9/30/20 reflect the impact from the prepayment of $115 million of FHLB term loans and $100 million of related swap agreements.

Average Cost of Interest Bearing Liabilities for the three months ended 9/30/20 was 1.72%

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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;
- 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, and changes in estimates of the allowance for loan losses;
- decreased demand for our products and services and lower revenue and earnings because of a recession or other events;
- changes in consumer spending, borrowing and savings habits;
- adverse changes and volatility in the securities markets, credit markets or real estate markets;
- our ability to manage market risk, credit risk and operational risk;
- our ability to access cost-effective funding;
- 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;
- 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;
- the adoption of implementing regulations by a number of different regulatory bodies, and uncertainty in the exact nature, extent and timing of such regulations and the impact they will have on us;
- 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;
- our ability to retain key employees;
- 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;
- the continuing governmental efforts to restructure the U.S. financial and regulatory system;
- the ability of the U.S. Government to remain open, function properly and manage federal debt limits;
- changes in policy and/or assessment rates of taxing authorities that adversely affect us or our customers;
- changes in accounting and tax estimates;
- 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 inability of third-party providers to perform their obligations to us;
- civic unrest;
- 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; and
- the impact of wide-spread pandemic, including COVID-19, on our business and the economy.

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.

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