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**DATE:** May 13, 2003  
**TO:** Reporting Services  
**FROM:** William J. Harnett, Chairman & CEO  
Joseph W. Gross, President & CFO  
**RE: Price/Earnings Ratio Correction**

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It has come to our attention that numerous financial reporting services apparently have been using an errant earnings per share (E.P.S.) amount in calculating and reporting the above-mentioned ratio for the Washington Savings Bank, F.S.B. (AMEX "WSB").

Possibly, the outdated P/E ratio used by the various services arises out of the fact that WSB reports on a fiscal year ended July 31 rather than on a calendar year basis. Also, effective April 23, 2003, WSB had a 3 for 2 stock split.

WSB had basic and diluted E.P.S. of \$0.99 and \$0.90, respectively, for the four most recent quarters ended April 30, 2003, as follows:

Earnings Per Share (Adjusted for recent 3 for 2 stock split)

<u>Quarter Ended</u>	<u>Basic</u>	<u>Diluted</u>
7/31/02	\$0.19	\$0.17
10/31/02	\$0.26	\$0.24
1/31/03	\$0.27	\$0.24
4/30/03	<u>\$0.27</u>	<u>\$0.25</u>
	<u>\$0.99</u>	<u>\$0.90</u>

Diluted E.P.S. of \$0.90 divided into WSB's May 12, 2003 closing stock price of \$7.90 on AMEX equals a P.E. Ratio of 8.778. However, many services recently reported WSB's P/E ratio above 10.

Please update your records accordingly. Also, WSB's Website ([www.twsb.com](http://www.twsb.com)) provides current Financial Highlights data.

Thank you.