



NEWS RELEASE

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THE WASHINGTON SAVINGS BANK, F.S.B. ANNOUNCES RETIREMENT OF THE CHIEF EXECUTIVE OFFICER

BOWIE, MD – February 11, 2005 - **THE WASHINGTON SAVINGS BANK, F.S.B.** (Amex symbol: "**WSB**"), A federally-chartered, federally-insured savings bank, with principal executive offices in Bowie, Maryland, today announces that William J. Harnett has decided to retire as Chief Executive Officer. Mr. Harnett who will remain as Chairman of the Board, has served as the Chief Executive Officer since August 1988, and has been instrumental in its growth.

Commenting on his retirement, Mr. Harnett stated "WSB has grown considerably since its founding in 1982. WSB is currently enjoying record profitability and a record high stock price. At age seventy-four, I have made a decision to transfer the duties and responsibilities to a successor who will lead the bank in its continuing business efforts. While I have elected to retire so as to allow more time for personal interests, I will continue to serve as the Chairman of the Board and be of counsel to my successor, pledging my continued support to the Board of Directors and management in its continuing efforts under its strategic plan."

Mr. Harnett also commented on WSB's current activities, stating "This past year we have effected many changes within the Company so as to deal with the issues raised in the earlier supervisory agreement we are under. The Board, working with management, will continue to address the issues raised under the agreement, including on-going review of our loan portfolio composition, loan concentrations, and risk management. The bank is committed to reducing its concentration in residential construction lending, with primary reductions in the level of non-owner occupied construction lending which is the right approach to take as interest rates rise, and housing values continue to see double digit increases."

"I wish to thank my fellow directors, officers, employees, and shareholders for the chance to serve as chief executive officer for these many years, for it is due largely to you and our customers that we have accomplished all that we have."

WSB's independent directors, who had been previously informed of Mr. Harnett's desire to retire, are conducting the search for his successor. In the interim, Kevin P. Huffman, the bank's President and Chief Operating Officer, will assume leadership of the management team until the new chief executive officer is in place.

The Board and management's decision to further reduce construction lending of the nature noted above, along with a tightening of credit standards, may affect future earnings and growth. The Board and management are of strong belief that these changes are in the best long-term interest of the bank and its stockholders. At the current time, WSB cannot predict the short-term or long-term effect of these changes on current levels of WSB's assets, liabilities, profitability or continued growth. Current management is working on developing a revised business plan, and it is expected that the new chief executive officer will have a significant role in implementing WSB's future strategic direction.