



NEWS RELEASE

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THE WASHINGTON SAVINGS BANK, F.S.B. ANNOUNCES CASH DIVIDEND

BOWIE, MD – September 28, 2006 - **THE WASHINGTON SAVINGS BANK, F.S.B.** (Amex symbol: "WSB"), a federally chartered, FDIC-insured savings bank with principal executive offices in Bowie, Maryland, today announced that the Board of Directors has reviewed its capital management plan including its dividend policy and believes that the current capital levels are appropriate to resume paying quarterly dividends effective with the first quarter of the 2007 fiscal year. This development is a result of the progress made in our strategic plan for delivering long term shareholder value. The fiscal first quarter cash dividend of four cents per share will be paid on December 15, 2006, to stockholders of record as of December 1, 2006.

This release contains forward-looking statements within the meaning of and pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. A forward-looking statement encompasses any estimate, prediction, opinion or statement of belief contained in this release and the underlying management assumptions. Forward-looking statements are based on current expectations and assessments of potential developments affecting market conditions, interest rates and other economic conditions, and results may ultimately vary from the statements made in this release. In addition to expectations, assessments, and risks described by the Bank in its Annual Report on Form 10-K for the year ended July 31, 2005 and in such other reports filed with the OTS, the Bank's future results and prospects may be dependent upon a number of other factors that could cause the Bank's performance to compare unfavorably to prior periods.