

Washington Financial News

It's banking that's in your best interest.



We are proud to introduce the first edition of our quarterly newsletter. We have developed a newsletter as another means to communicate with you. We hope that you enjoy our first edition and appreciate your feedback.

A message from the CEO

Washington Financial Bank has a history of being out in front. As one of the top financial institutions in our market, we take great pride in the Main Street ethic that has kept us financially sound for more than 110 years.

Over a century ago, the Bank was founded as the Industrial Building and Loan Association. As the bank grew it underwent several name changes — from First Federal Savings and Loan Association of Washington in 1939, to Washington Federal Savings and Loan Association (1981), and then to Washington Federal Savings Bank in 1987. All of these changes were the direct result of the expansion of services.

In December of last year, we once again underwent a name change to Washington Financial Bank. The new name, which is more reflective of the vast array of services now offered, was the result of a change in our charter from a federal savings bank to a state savings bank, regulated by the Commonwealth of PA and the FDIC. Under the new charter, the Bank has a greater opportunity to grow commercial product lines, which will better support the small and medium sized businesses in our area.

Although the name has changed over the years, our commitment to our customers and our communities has remained steadfast. At Washington Financial Bank, we operate under a different definition of “relationship banking” than most. We value our relationships and prove it by putting your needs first every day.

Our team knows the local market, and we're dedicated to the people who live and work here. We believe that being a good corporate citizen means taking an active role in our communities, and we demonstrate our commitment through the Bank's monetary donations as well as the hundreds of volunteer hours given by our staff to local organizations. We do it all on account of you.

Brian J. Smith
Brian J. Smith, President and CEO

In this issue

Identity theft scams

Learn the most common ways that fraudsters get a hold of your personal information.

Estate planning

Proper estate planning can help ensure that your loved ones receive their full inheritance.

Interpreting rates

The interest rate environment is always trying to tell us something. Learn to interpret what they are saying.

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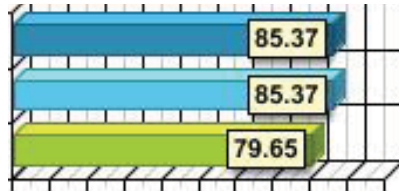
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In your own words

Washington Financial continues to receive exceptionally high scores from our customer loyalty surveys. Your feedback has deemed us one of the best financial institutions in the industry. These anonymous surveys are e-mailed a few times each year to measure loyalty and satisfaction. We review each response and personally address any questions or concerns for those who submit contact information. Thank you for sharing your experiences with us. Here are some of the responses we've received!

Washington Financial
Best in Industry
Industry Average



“Washington Financial is like the smaller banks of the past with service of the powerhouse of the future.”

“Washington Financial continues to exhibit a true commitment to our community, and they strive to meet the needs of the people living here.”

“In this community, this organization is known for its leadership role not only in banking but in community service as well. They have extremely helpful employees who go beyond what is expected of them.”

“I manage a small business and have a small account with Washington Financial. They treat me like I am a big customer.”

Share your story by sending us an e-mail at info@mywashingtonfinancial.com. Or use the CustomerVoice feature on our Web site. Like our surveys, CustomerVoice is anonymous unless you provide your contact information.

Dad's ideas for college success

It's that time of year again... sending our young adult children off to college for their first taste of real independence. I am happy to share the rules I created for my son's benefit with instructions to post them in a place where he would see them every day and be reminded of why he was there:



John Clayton
Senior Vice President
Community Banking

1. Keep an open mind; embrace diversity of thought and perspective.
2. College is your full time job. Do an honest day's work for an honest day's tuition payment.
3. Earn the right to have fun. Fun is a by-product of the college experience, not the focus of the college experience.
4. Do a little more than is expected; give a little "something extra" in all that you do.
5. Don't give up. When overwhelming challenges present themselves, greet them with an overwhelming effort to overcome them.
6. Make friends. Friends help provide perspective, offer help in any number of areas, and prevent loneliness and isolation.
7. Become really good at something. We all have our strengths and weaknesses and excelling in one of our strengths builds confidence, leads to happiness and motivates us to do more.
8. Help others who are struggling. There is value in helping others when there's nothing in it for you; it's a character builder.
9. Ask for help when you need it. People are almost always flattered when asked for their help and most people offer it willingly.
10. Do the right thing, even when no one is looking.

Please feel free to reprint these rules if you think they would be of value...and best wishes for your student's success!

Reinvesting in higher education

Bank awards 11 scholarships to local students.

To help offset the costs of higher education, Washington Financial awards scholarships. Each of this year's recipients demonstrates outstanding commitment to their academics and communities.



Chartiers Houston graduate Kristina Kendrick to attend Embry-Riddle Aeronautical University.



Canon-McMillon graduate Kayla Ward to attend Wittenberg University.



Trinity graduate Alyssa Crile to attend Waynesburg University.



Washington High School graduate Rachel Lewis to attend California University.



Fort Cherry graduate Christopher White to attend Ohio State University.



Washington High School graduate David Fisher to attend Community College of Allegheny County.



McGuffey graduate Olivia McClay to attend James Madison University.



Peters Township graduate Kaitlin Wiegmann to attend Slippery Rock University.



Chartiers Houston graduate Kelly Kendrick to attend Indiana University of Pennsylvania.



McGuffey graduate Sarah Miller to attend the University of Pittsburgh.



Trinity graduate Timothy Woods to attend Liberty University.

There for you to grow

The Scholarship Fund Program is one way that Washington Financial Bank reinvests in you. Scholarships are available to students and adults who will be attending, full-time, an accredited college, university or trade school. Since its inception, the Bank has helped 128 students with the cost of higher education. For more information on the Bank's Scholarship Fund Program or to apply for next year's scholarship, please visit mywashingtonfinancial.com or your local high school guidance counselor.

The most common identity theft schemes

How to read your credit report

There are four parts to a credit report— identifying information, credit history, public records and inquiries.

Identifying information includes your name, address and social security number. Make sure that your information is current.

Your credit history contains the creditor, when the account was opened, the type of credit, who is on the account, how much you still owe, payment information, account status and how well you've paid your account.

Review your history to make sure that the accounts listed are actually yours.

The public records section lists financial-related data such as bankruptcies, judgements and tax liens. Ideally, you want this section to be blank because this information will dramatically lower your credit score.

Finally, your report will show you everyone who asked to see your credit report.

Identity theft is much more dangerous than it seems. It happens subtly. By the time most victims are aware they've been targeted, the damage is done.

Knowing the most common ways fraudsters get access to your personal information can help you

better protect yourself. The most common identity theft scams are credit card theft, mail theft, dumpster diving and computer scams.



Credit card theft is an ideal way for fraudsters to rack up false charges on your account because credit cards do not require a PIN number and fraudsters do not need the actual card to make online purchases. To alleviate credit card fraud be wary of shoulder surfers, always take your receipts and check your credit report. Your credit report can tell you if someone opened an account in your name. Consider purchasing ID Protection, which monitors your credit report and immediately notifies you if there are any changes.

Your mailbox and trash can often contain sensitive information such as your name, address and account numbers. Thieves can use this information to set up new lines of credit. To help protect your information, keep your mailbox locked, shred sensitive documents and opt to receive your statements and bills electronically.

Scammers use a variety of methods to obtain personal information online. They may send you an e-mail claiming to be your bank or physician, create a web page that looks similar to your bank's, or install spyware on your computer. Do not send personal information via e-mail and make sure that your anti-spyware software is up-to-date.

If you are unsure about an e-mail, phone call or believe that there is fraudulent activity on your account, please contact Washington Financial immediately by calling (724) 222-3120.

Life on your terms



Tailgate draws over 350 Lifestyle members

The Wild Things Tailgate Party marked the largest Lifestyle Plus event of the year. Over 350 members attended to cheer for the Washington Wild Things.

Members had the opportunity to sign up for the Bank's free drawing, and our lucky winner received a basket with a T-shirt, baseball cap, stadium blanket and more!

This is one of our members' favorite events— it seems it's becoming a Lifestyle tradition!

Honoring heroism in Pennsylvania

Lifestyle members took a bus trip to see memorials of our American Heroes on October 9. We visited the Quecreek Mine site, where nine miners were miraculously rescued in 2002. The miners had been trapped 240 feet underground in a cramped, partially flooded chamber for more than three days.

We had lunch at the Oakhurst Tea Room, which is known for its home-style cooking. Their famous smorgasbord overflowed with over 30 hot items, homemade breads and desserts.

In the afternoon, we traveled to Shanksville, Pa. to honor the passengers and crew of the fateful Flight 93. Then, we visited the United Airlines Flight 93 Memorial Chapel, a 100-year old non-denominational chapel dedicated to the heroes of Flight 93.

Washington Financial Bank provides discounted travel opportunities for our Lifestyle members throughout the year. We are currently working on our events for next year and will announce them in an upcoming issue of this newsletter.

lifestyle
PLUS

Do I need estate planning?



By Rob Vettorel

Vice President

Wealth Management Division

Sometimes life changes come without warning. We are all subject to accidents, illnesses and possible disability. Having a plan can help you meet your goals and ensure the financial security of your loved ones.

A person's estate is everything they own— house, car, barn, equipment, land, investments, savings and underground assets (future royalties). For land owners, gas rights could be your largest asset.

If beneficiaries do not have the cash to pay estate taxes, they may have to sell their inheritance in order to pay those taxes. Proper estate planning can help ensure that your loved ones receive their full inheritance.

If you own gas rights, the best time to plan is before a lease is signed or before drilling has occurred. Planning can still be done subsequently, but extra steps may be involved.

Regardless of the size of your estate, you can benefit from estate planning. An estate planning session will focus on who will receive your assets, who should manage your estate and your debts. Depending on the size of your estate, you may also discuss ways to reduce or postpone the amount of estate tax. For questions or to reach our Wealth Management Division, call us at (724) 206-1288.

Interpreting interest rates

By Bill King

Senior Vice President

Business Banking

In the Fall of 2008, a customer stopped into the bank to talk over his options concerning a certificate of deposit that was coming due.

The interest rate on a 12 month CD was 3.06%. The rate on a 24 month CD was not much higher at 3.21%. That's right. Interest rates on long term deposits weren't much different than rates on shorter term deposits at that time. Believing that the 24 month rate didn't compensate him for committing his deposit for twice as long as the 12 month CD, the customer chose to roll his CD over for the relatively short period of 12 months.

Fast forward the clock to Fall 2009. Once again, this customer stopped by the bank to discuss his options concerning his maturing CD. Much to his chagrin,

the customer learned that interest rates had fallen. The CD that had been paying an annual interest rate of 3.06%, was about to roll over for another year at a rate of only 1.39%. The 24 month rate of interest that the customer rejected a year earlier was suddenly starting to look pretty good. Like so many people, this customer lamented, "If only I knew then, what I know now."

So, what lesson can be learned from the true story described above, besides a reinforcement of Murphy's Law? How about this: The lack of a premium being paid on long term deposits in 2008 was the market's way of saying that rates were likely to drop. The interest rate environment is always trying to tell us something. If only the language of rates wasn't so hard to interpret.

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On account of you.

Providing generations of service



Jim Nassif Jr. and Jim Nassif Sr. stand next to the plaque commemorating the company's founder—their grandfather/father.

With three generations of experience, Hanco, Inc. understands the importance of customer service and attention to detail. Their commitment to providing the highest levels of customer service and meticulous attention to detail made it only natural for them to choose a bank that shares their values.

The Nassif father and son team agree that Washington Financial helps them spend less time on banking and more time on business. “We appreciate that most of our business can be handled in as little time as a phone call,” said Jim Nassif, Sr. “They have always been quick and responsive to our needs.”

Hanco, Inc. was born out of the pride and work ethic of the steel industry. They continue to grow using the foundation of industrial expertise and innovation. Hanco, Inc. provides Mechanical Repair Services and Preventive and Predictive Maintenance services. Hanco, Inc. also has a division in the company dedicated to supplying and servicing Medical Gas Equipment.

Employee Spotlight



*Assistant Vice President
Branch Manager*

Meet Nan Campbell

Nan Campbell joined Washington Financial Bank in July as an Assistant Vice President and Branch Manager for the Bank's McMurray 19 office.

Nan grew up in Washington, PA and earned her degree in Management at the University of Pittsburgh. Prior to coming to Washington Financial, she worked in the banking industry for 14 years.

Currently, Nan resides in Peters Township with her husband and two children. She acts as the Treasurer for the McMurray Elementary PTA and actively participates in a number of non-profit clay shoots. When she is not at her children's sporting events, Nan enjoys reading, boating and the beach.

Nan believes that your banker is just as important as your doctor. “While your doctor looks after your physical and mental wellbeing, we look after your financial wellbeing,” she said. “I am proud to be part of a team that truly puts your needs first rather than a sales quota.”

Contact Us

Branch Offices

Washington	(724) 222-3120
Mall Plaza	(724) 229-7600
Crown Center	(724) 223-8000
Tylerdale	(724) 225-9100
Hickory	(724) 356-2900
Canonsburg	(724) 745-2417
McMurray	(724) 941-4275
Valley Brook	(724) 941-8430

Loan Centers

McMurray	(724) 942-2301
North Hills	(724) 940-4450

info@mywashingtonfinancial.com

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