THE STILWELL GROUP
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April 9, 2012

Dear Fellow FFNW Owner,

My Group is seeking your support to elect one director to the board of directors of First Financial Northwest, Inc. Our proxy statement accompanies this letter and contains important information about our Group and the solicitation. Our GREEN proxy card also accompanies this letter; we urge you to sign and return it as explained in the instruction form.

We believe the current Board of Directors has failed shareholders. In our opinion, when a company loses money and its board has given pay increases year-in and year-out to the very same CEO responsible for those losses, that board, ipso facto, is not representing the owners' best interests. This type of situation – in which a board rewards a failing CEO for years – leads us to believe the corporate culture is probably rotten. Under these circumstances, we feel the Company would be better off if sold to a more shareholder-friendly company. Hence, we would like to see the Company retain an investment banker to guide them in maximizing shareholder value. A vote for our nominee will send a strong message to the current Board.

Please note that we do not have any specific plans or proposals regarding a sale of the Company, and there can be no assurance that shareholder value will be maximized following the implementation of any plan that may be proposed.

You will only be able to vote for the Group's nominee by signing and returning the Group's GREEN card. When you receive proxy cards from the Company, my advice is to disregard them. If you've already returned the Company's card, you can override your previous vote and vote for our slate by returning the GREEN card to us. You can also vote for us via the internet or telephone.

Thank you for your time and support.

Sincerely,

/s/ Joseph Stilwell
Joseph Stilwell