



# WaterStone Quarterly

An Exclusive Publication for the People of WaterStone Bank

BANK DIRECTOR RANKING  
BIZTIMES NOTABLE CFO  
PREPARING FOR THE HOLIDAYS  
5 REASONS TO BUY A HOUSE IN FALL  
NATIONAL CYBER SECURITY MONTH

**FALL 2022**



# Business Highlights

## We're celebrating Sixteen!

In a recent Bank Director study ranking the best banks in the U.S., Waterstone Financial, Inc. was ranked 16 out of 119 publicly traded banks with similar asset sizes.

The annual study uses five metrics that speak to profitability, asset quality, and capital adequacy to score a bank's performance. What's even more exciting is that we're the top-rated publicly traded bank in the state of Wisconsin!

Thank you for being our customer, and for the trust, you place in us! 🏦

**Bank Director. RANKING BANKING. THE BEST U.S. BANKS**

**\$1 BILLION UP TO \$5 BILLION**

Rank	Company Name	Ticker	State	Total Assets (SMM)	Profitability		Capital A	
					Core ROAA (%)	ROA Rank	Core ROAE (%)	ROE Rank
16	John Marshall Bancorp*	JMSB	VA	2,149	1.25	45	12.98	52
16	Waterstone Financial*	WSBF	WI	2,216	3.05	1	15.49	21
18	Home Bancorp	HBCP	LA	2,938	1.77	10	14.44	30
19	First Business Financial Services*	FBIZ	WI	2,653	1.37	36	16.22	12
20	FS Bancorp*	FSBW	WA	2,286	1.73	13	15.97	14
21	First Bank*	FRBA	NJ	2,510	1.45	26	13.82	39
22	Guaranty Bancshares	GNTY	TX	3,086	1.38	33	13.96	35
23	Alerus Financial Corp.*	ALRS	ND	3,393	1.76	11	16.20	13
24	West Bancorp.*	WTBA	IA	3,500	1.52	21	20.30	3
	Civista Bancshares*	CIVB	OH	3,012	1.41	31	12.24	59



## BizTimes Notable CFO

Congratulations to our very own Mark Gerke, who was recognized by the Biz Times Milwaukee in their inaugural showcase of notable Chief Financial Officers! Mark has led numerous efficiency measures by incorporating new technologies that benefit the customer and assist the organization.

*“He has helped lead the company to record profits the last two years and does so by providing balance in his interactions with employees, customers, and investors. Mark exhibits the utmost in moral integrity.”*

— Doug Gordon, Chief Executive Officer at WaterStone Bank

Mark also serves on the advisory board for Best Buddies Wisconsin and is on the FHLB Chicago Depository Member Advisory Committee.

We're honored to have him on our team! 🏦



## Choosing Your Business Advisors

When it comes to best business practices, there is so much to gain by having a team of outside professional advisors. For small businesses, an accountant, attorney, insurance agent, and banker are a great place to start.

How do you choose the ones that best fit you and your business? First, define your expectations from each advisor. What are your company's goals? What size is your business, and how much would you like to grow?

Next, gather referrals from other business owners and trade groups in your industry, and pick two or more candidates in each occupation to interview.

Here is what you should look for in an advisor:

1. Experience working with comparable size companies in your industry.
2. Responsiveness.
3. A personality that you'll enjoy working with.
4. Someone that will challenge you.
5. Strengths that counter your weaknesses.
6. An individual that will work and grow with you, not just a firm.

Discuss, clarify, and agree on all fees up front. Quality advisors can pay for themselves, so do not make fees the only criteria. Remember, you are the problem solver, the advisor should ask questions, not solve problems.

At WaterStone Bank, our dedicated Business Bankers have many years of experience and vast knowledge of various industries.

We are small enough to provide the personal service that a small business needs and large enough to provide up to \$50 million in loans to one borrower.

Set yourself up for success by having the right team on your side.

Give us a call at (414) 761-1000 and see how WaterStone Bank can add value to your business. 🏦

## Contact a Business Banker today

(414) 761-1000, toll-free at (888) 686-7272  
to learn how we can add value to your business.



## Make WaterStone Bank Your “One Stop Holiday Shop”

### The holidays are right around the corner!

Get a jump start on your holiday shopping and stop by your local WaterStone Bank branch.

- Purchase a WaterStone Bank Visa® Gift Card\* ranging from \$10 to \$1,000 that can be used wherever Visa® is accepted.
- Teach the importance of saving and establishing solid financial habits with our Blue's Jr. Bankers Kids Club#!
- Gift in foreign currency^ (available at select WSB locations!) to the world travelers on your list.

### Feeling overwhelmed by holiday spending costs?

We can help relieve the stress with our home equity line of credit (HELOC). With quick turnaround, local customer service, and our Equity Access card, you will have peace of mind knowing you are ready for the holiday season.

And don't forget about the WaterStone Bank credit card. There are various credit card products to fit your needs whether you want to earn points or cash back, or simply have a lower introductory rate or 0% balance transfer.

Visit [wsbonline.com](http://wsbonline.com), stop into your local branch, or contact our Customer Support Center at (414) 761-1000, toll-free at (888) 686-7272 for more information. ✉

\*USE DOMESTICALLY EVERYWHERE VISA® DEBIT CARDS ARE ACCEPTED

WaterStone Bank Visa Gift Cards are issued by MetaBank®, N.A., Member FDIC, pursuant to a license from Visa U.S.A. Inc. No cash access. #For children 14 & under only. The Annual Percentage Yield (APY) effective as of 09/01/22 is .01%. At our discretion, we may change the interest rate on your account at any time. Minimum balance to open account is \$25.00. Limit one per customer and is not valid with other offers. No minimum balance required to earn disclosed APY. Fees may reduce earnings. Donation made by WaterStone Bank SSB (WSB) will be made to Children's Wisconsin for the amount of \$10.00, the donation special will be available for the entire year of 2022. For tax reporting purposes, a 1099 form may be issued at year-end. See the Account Disclosure for more information. Contact your banker for more details. ^Foreign Currency Exchange Important Information WaterStone Bank (WSB) offers foreign currency exchange services of more than 50 currencies at four WSB locations: Franklin/Hales Corners, Oak Creek/27th Street, Wauwatosa/State Street, and Waukesha. Fees will be waived for Student, MVP and HERO program customers up to two times annually. The currency exchange rate used at WSB may differ than the daily rate of exchange and are subject to daily fluctuations. A \$20.00 fee is assessed for orders and return orders; fee is subject to change at any time. Currency orders placed and not picked up within 10 business days are subject to a return fee and any depreciation. Please see a WSB banker for more details. Products and services offered by WaterStone Bank. Member FDIC.

Member FDIC EQUAL HOUSING LENDER NMLS#407327

## 5 Reasons Fall Is The Best Time To Buy A House



Many home buyers think they need to wait until spring or summer to make their move. What they don't know is that there are many perks of buying in the Fall – even here in the Midwest. Consider these reasons why autumn might be the best time to purchase your first or next home.

### Fewer buyers in the market

It's widely known that spring and summer are the most popular seasons in the housing market. Yet, in the cooler months, you might have a leg up on the competition. A home is one of the largest purchases you'll make in your life. In a competitive market that's full of bidding wars, you may feel intimidated and pressured to put in an offer right away.

But Fall house hunting often means fewer buyers and less competition. In a seller's market with limited housing inventory, this can be a huge advantage. Plus, this leaves more room for negotiation – meaning there's a better chance you can lock down your dream home for a more affordable price.

### Sellers are more motivated

Because there aren't as many bidding wars going on in the Fall, sellers may feel the pressure to close a deal. Plus, if they are purchasing a home as well, they often want to get into their new home before the approaching holiday season. As a home buyer, this is great for you! Home prices are typically lower, and sellers are more willing to accept your offer right off the bat. With a strong pre-approval from a reputable lender like Waterstone Mortgage, your offer will be even more appealing.

### Receive more attention from your real estate professional

House hunting in the spring or summer means you probably won't get sole attention from your realtor. It's the nature of the industry: the busier the real estate market, the more clients an agent must split their time between. While real estate agents anticipate this and are ready to handle a springtime client influx, it's nice to receive some undivided attention and exclusive recommendations.

### Enjoy a tax break

Interest and property taxes are deductible from your gross income – which means if you buy a home before the year is over, you can write these expenses off when filing your 2022 tax return.

### Score tons of furniture, appliance, and décor sales

Buying a new home often means updating your home décor. Lucky for you, the end of the year brings an abundance of holiday-inspired sales on things like furniture, appliances, and other home goods. Stores are gearing up for the biggest shopping season of the year by slashing prices to attract customers. Use this to your advantage and update your new home for less.

Take advantage of all that Fall has to offer and get started on your journey to homeownership! ✉

Article provided by Waterstone MORTGAGE

## Hear the Cha-Ching with ScoreCard® Rewards

Everyone loves the sound of a little extra in their pocket! How about extra rewards just for using your WaterStone Bank Debit Card?

That's right, for each qualifying purchase you make online or in-store, you will earn points that may be redeemed for merchandise, airfare, hotels, travel packages, experiences, and more!

You can choose merchandise from brands including Apple®, Bose®, Dyson, LEGO®, Pandora®, Weber®, and YETI®. To view the entire catalog of items, visit [scorecardrewards.com](http://scorecardrewards.com)

ScoreCard® Rewards items make for great gifts too! Rack up your points and redeem them for a gift for that special someone. Or, maybe it's time to treat yourself!

With the holidays around the corner, the options are endless.

Visit [wsbonline.com](http://wsbonline.com) for more information. ✉

Please note:  
In an effort to decrease fraudulent activity ScoreCard limits access to [scorecardrewards.com](http://scorecardrewards.com) to rewards cardholders only.

## How to Register in 3 Easy Steps!

- 1 Visit [ScoreCardRewards.com](http://ScoreCardRewards.com)
- 2 Click Create Account
- 3 Complete Form & Submit

# October is National Security Awareness Month

Article by  
Don Bray, Chief Information Officer

Here at WaterStone Bank we take data security seriously and have put forth many resources to keep it safe. In this ever-connected world, phishing emails have become an unfortunate part of our daily live, but they don't have to be.

**With these tips top of mind, we can all take extra steps to spot fraudulent emails and keep personal data safe:**

## 1. The SUBJECT:

"Immediate password check required" or "URGENT, your account's been compromised". More often than not, phishing emails use

frightening language to heighten your fear or create confusion with a goal that you'll let your guard down and act impulsively.

## 2. The "FROM" Field:

Scammers rely on familiarity which is why it's common to see these types of emails disguised as coming from your bank, social media account, or any number of other senders that may be familiar to you. The hope is that by seeing the name, you will be inclined to respond. A quick way to determine if the email was sent from the sender is to click "reply". This will show the actual email address, allow you to consider if you were expecting this email, or if it matches proper formatting.

## 3. HYPERLINKS:

Any email that contains hyperlinks should always be treated with caution. By clicking on a hyperlink, you are giving your computer or phone permission to open that link. Before you click, hover your mouse over the link to display the actual address. If there are any discrepancies, the email should be treated like a scam.

## 4. ATTACHMENTS:

If the email asks you to open an attached file such as a .PDF, .DOC or DOCX, .XLS or .XLSX, or compressed file such as a .ZIP or .RAR, exercise caution. Before taking any further action, verify that the email is legitimate by following the tips above.

## 5. IN GENERAL:

Legitimate senders typically include their full name and phone number in the email signature, and legitimate businesses always provide a contact address. This is a great detail to note as it provides an option for verifying the sender's legitimacy through an alternate source.

Keep these tips top of mind the next time you're "checking emails" and always ensure you have up-to-date virus and malware scanners on your devices. While they will not protect you 100% of the time, they are necessary to prevent most infections.

When it comes to IT security, "UR IT". ☞

# Required Minimum Distributions 101

Understanding mandatory retirement account withdrawals.



Article provided by John Gehlhaart, Sr. Wealth Advisor,  
(262) 696-7170 | JGehlhaart@WSInvestments.com  
waterstoneinvestmentservices.com

**If you are approaching your seventies, get ready for required minimum distributions.** You may soon have to take RMDs, as they are called, from one or more of your retirement accounts.

**You can now take some RMDs a bit later in life, which is good.** Recent rule changes give your invested savings a little more time to potentially grow in your retirement savings vehicles before that first required drawdown.

**What account types require RMDs?** Any retirement plan sponsored by an employer, plus traditional Individual Retirement Arrangements (IRAs) and IRA-based retirement plans, such as SIMPLE IRAs and Simplified Employee Pension plans (SEPs). Original owners of Roth IRAs do not have to take RMDs.<sup>1</sup>

You can take your initial RMD from a retirement plan by December 31 of the calendar year in which you turn 72.

You actually have the choice of taking that first annual RMD as late as April 1 of the following year, i.e., the year in which you will turn 73,

but you'll have to take your second RMD by December 31 of that same year. If you wait 16 months to take your first RMD, you will end up taking both your first and second RMDs from that account in the same year – and since each RMD represents taxable income, that could lead to a higher-than-anticipated tax bill for that year.<sup>1</sup>

**How are RMDs calculated?** The Internal Revenue Service provides calculation formulas in Publication 590-B. Commonly, you calculate your yearly RMD by dividing the balance of your retirement account on December 31 of the previous year by a life expectancy factor, a number you take from tables published within Publication 590-B.<sup>1</sup>

If you have multiple retirement accounts (as many of us do), each one will require an annual RMD calculation. If you own multiple traditional IRAs, you have the choice to calculate RMDs for each of those IRAs and take the combined RMD amounts for all three IRAs from just one of those IRAs. You have the same choice if you have multiple 403(b) plan accounts.<sup>1</sup>

**What do you need to do to avoid penalties with RMDs?** The most important thing to do is to take them by the annual December 31 deadline. The second most important thing to do is to withdraw the right amount.

If you take an RMD after the December 31 deadline or withdraw less than you should, a penalty may apply. The I.R.S. may levy as much as a 50% tax on the amount not withdrawn.<sup>1</sup>

The good news is some investment firms will update you on your upcoming RMDs well in advance of annual deadlines, and your RMDs may even be calculated for you. This is not a given, however, and even when you receive such information, you must act on it, because it takes time to authorize and execute the RMD.

**Lastly, take a look at how the RMD income may affect your taxes.** There are ways to manage the tax impact of RMDs, and you can explore those choices with a financial or tax professional. ☞

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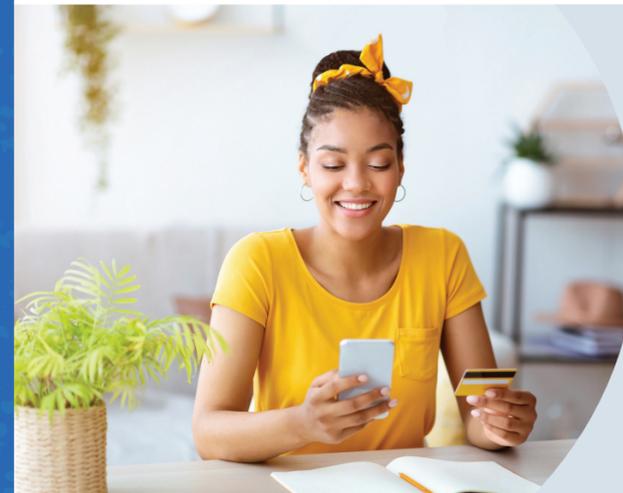
**Citations:**  
1. Internal Revenue Service, March 16, 2022

## About the WaterStone Bank Foundation:

WaterStone Bank established the WaterStone Bank Foundation with the Waukesha County Community Foundation in 2002 to ensure the Bank's ability to continually give back to the communities in which we serve. Our Foundation focuses on four core giving areas for its grants: education, women and children, community development, and veterans' initiatives.

Are you involved with a local non-profit organization that falls into one of our core giving areas? If you'd like to ask for a donation from the WaterStone Bank Foundation, visit [wsbonline.com/foundation](http://wsbonline.com/foundation) to learn more about how to submit a request. ☞

**Upcoming Donation Request Deadlines:**  
October 24 | November 28 | December 19



## Same Digital Service, New Look!

People Pay just got a makeover! Experience the same digital service with a brand-new look. A safe, fast and easy payment method that allows you to deposit funds directly into a WaterStone Bank account, PayPal, or Venmo account. Send money quickly by using just an email address or mobile phone number. It's that easy!

Do more with your money, the WaterStone way!

Visit [wsbonline.com](http://wsbonline.com) for more information. ☞

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# Ask the Expert

Bryan Krajewski, Community President  
Milwaukee Branch - Oklahoma Avenue

**Q:** I'm looking to improve my financial situation and recently heard about your new Stepping Stone® Program. How do I know if it's right for me?

WaterStone Bank's new Stepping Stone® Checking was created to support everyone in our community and their financial health.

As a community bank, our foundation resides in giving back – whether through great relationships with our customers or the exceptional products and services we provide. In focusing on our core, we partnered with BankOn to develop a suite of accounts and services tailored to provide educational resources to empower individuals and families to improve their financial capabilities, health, and independence. With our support and guidance, we're confident you'll have the resources needed to gain control of your finances.

With benefits like a \$25 account opening balance, no monthly fees, free online bill pay and E-statements, and a complimentary Debit Card with ScoreCard Rewards, this may be the solution you're looking for to get back on track. It also features waived fees for in-network ATM usage, no minimum balance fee, no overdraft fees, and discounted fees for Bank Checks and Money Orders.



In addition to the great benefits available with Stepping Stone® Checking, we're pleased to offer Stepping Stone® Savings. With similar features like a \$25 minimum balance to open and no minimum balance fee, waived overdraft fee, waived telephone transfer fee, and free digital and mobile banking, the account is tailored as a resource to help you put your best foot forward.

Visit [wsbonline.com](http://wsbonline.com) to schedule an appointment to meet with a banker and see if you qualify for Stepping Stone®.

Let WaterStone Bank be your stepping stone on your journey back to financial success. *We're here just for you!* ☞



Deposit and loan products offered by WaterStone Bank SSB. A Stepping Stone® Checking Account is only available to consumers who are at least 18 years old at the time of application. \$15.00 minimum balance required to open the account and does not pay interest. A \$1.50 per item fee applies to bank checks and money orders. All trademarks, service marks, and trade names referenced are the property of their respective owners.

If you have specific questions about any banking products that you would like addressed in this column, please email [WaterStoneQuarterly@wsbonline.com](mailto:WaterStoneQuarterly@wsbonline.com), or send your inquiry to: "Ask the Expert," WaterStone Quarterly, WaterStone Bank, 11200 W. Plank Ct., Wauwatosa, WI 53226. "Ask the Expert" is intended to provide general information and is not intended to provide terms and conditions of any bank product. For more information, please visit a branch office, [wsbonline.com](http://wsbonline.com), or call the Customer Support Center at (414) 761-1000.

# Jack-O-Lantern Jubilee

Featured Nonprofit Partnership: Milwaukee Downtown Inc., and Jack-o-Lantern Jubilee presented by WaterStone Bank

Milwaukee Downtown Inc. is celebrating 25 years of hard work towards its mission to lead and inspire engagement in the efforts that build Downtown as a thriving, sustainable, innovative, and vibrant heart of the community.

Through strong advocacy for arts and culture in the city, Milwaukee Downtown, Inc. has supported the creation of Sculpture Milwaukee and commissioned several downtown murals. They've also worked to address the issues of homelessness in the city through a partnership with Milwaukee County Housing Division. Furthermore, the organization hosts several free community events geared towards families, including this year's Jack-o-Lantern Jubilee. WaterStone Bank is excited to kickstart a philanthropic partnership with Milwaukee Downtown, Inc. as the presenting sponsor of this fall-themed event.

Mark your calendars and carve out some time on Saturday, October 29 from 10 a.m. to 2 p.m. at Red Arrow Park for the Jack-o-Lantern Jubilee presented by WaterStone Bank! The event will provide the community with a safe alternative for trick-or-treating intended for families with

kids ages two to eight. The free event includes pumpkin painting (first come, first serve), treat bags, a kid's costume parade, dance party, and meet and greets with storybook characters and neighborhood heroes from the Milwaukee Fire and Police Departments!



# Bank Sponsored Events

OCTOBER 9	Susan G. Komen More Than Pink Walk
OCTOBER 14 - 15	Legends & Lore at Old World Wisconsin
OCTOBER 21 - 22	Legends & Lore at Old World Wisconsin
OCTOBER 29	Jack-O-Lantern Jubilee presented by WaterStone Bank
NOVEMBER 12	Oak Creek Community Center Veteran's Appreciation Gala
NOVEMBER 23	Oak Creek Community Center Community Thanksgiving Dinner
DEC. 2 - JAN. 1	Waukesha Walk of Lights powered by WaterStone Bank
DECEMBER 3	West Allis Christmas Parade
DECEMBER 2 - 4	Winter Wonders Holiday Light Show (WSB feature weekend)
DECEMBER 9 - 10	Winter Wonders Holiday Light Show (Night Market Dates)



It's all here *for you.*



If you love banking here, you'll love working here!  
Visit [wsbonline.com](http://wsbonline.com) for a listing of current employment opportunities.

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## WaterStone Quarterly



*Give Hope.*

**Donate \$10**

or more and receive a limited edition mug.

*Mugs only available at branch locations.*

*All proceeds go to the Susan G. Komen Foundation to help find a cure.*

## Bank Hours

### LOBBY

Monday - Friday 9:00 am - 5:00 pm  
Saturday 9:00 am - 12:00 pm

### DRIVE-UP

Monday - Friday 8:30 am - 5:30 pm  
Saturday 8:30 am - 12:00 pm

### CUSTOMER SUPPORT CENTER

Monday - Friday 8:30 am - 5:30 pm  
Saturday 8:30 am - 12:00 pm



WaterStone Quarterly is published quarterly for the People of WaterStone Bank SSB. Inquiries and comments may be mailed to Editor/WaterStone Quarterly, WaterStone Bank SSB, 11200 W. Plank Ct., Wauwatosa, WI 53226 or emailed to [WaterStoneQuarterly@wsbonline.com](mailto:WaterStoneQuarterly@wsbonline.com). Copyright 2022.



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