



WaterStone Quarterly

An Exclusive Publication for the People of WaterStone Bank

SAFETY OF DEPOSITS AT WATERSTONE BANK

MESSAGE FROM **DOUG GORDON**



Dear Valued Customers,

I am writing to you in light of the recent events that have disrupted the banking industry. As you may have heard, two banks, Silicon Valley Bank and Signature Bank, collapsed after failing to raise capital and facing a run on deposits.

I understand that this news may have raised concerns about your own financial security and the safety of your funds with us. I want to assure you that WaterStone Bank is in a very different position than these banks and that your money is well protected.

How WaterStone Bank is Different

First of all, the ratio that best describes a Bank's financial strength is its capital-to-assets ratio. WaterStone Bank (and its parent company, Waterstone Financial, Inc.) has over \$370 million in capital reserves and a ratio in excess of 18%. This is 1.5x the average Wisconsin bank. While other banks were investing in long-term bonds to get yield in a low-interest rate environment, WaterStone Bank invested in shorter term mortgage-backed securities and ceased buying long-term municipal bonds. Because of this, WaterStone responded readily to raising interest rates and our capital has remained strong.

WaterStone Bank is also a member of the Federal Deposit Insurance Corporation (FDIC), which guarantees your deposits up to \$250,000 per depositor, per insured bank, for each account ownership category. In addition, we have over \$370 million in capital reserves over and above the FDIC insurance to further protect your deposits.

I hope this letter addresses concerns you may have about WaterStone Bank's stability and security. We value your trust and loyalty, and we are committed to providing you with excellent, local service, as we have for the past 100 years.

If you have any further questions or feedback, please do not hesitate to contact me or any of our Community Presidents at one of our local branches. We are always here for you.

Sincerely,

Douglas S. Gordon
Chief Executive Officer

Coming Soon: July 22 & 23 – Milwaukee’s Lakefront

The Milwaukee Air & Water Show

The Navy Blue Angels Flight Demonstration Squadron is back to headline the Milwaukee Air & Water Show, which returns to the lakefront for its 18th year. Incredible aerial acrobatics and high-speed water displays are part of the action-packed lineup.

MKE
AIR & WATER SHOW
Presented by WaterStone Bank

WaterStone Bank is proud to present this crowd-pleasing community event, which brings together thousands of fans and boosts local businesses. We are committed to honoring the military and its veterans through celebrations such as this, and through our affiliation with

programs that support the financial needs of service members.

Enjoy a day of family-friendly fun in the sun, to the soundtrack of roaring engines. We can't wait to see you there! 🇺🇸



Classic Club

The Classic Club Program[^] is exclusively for adults 50 and older who have or open a new WaterStone Bank Checking account, and offers many great benefits and saving features.

Open your account today!

Earn up to

**\$300
BONUS**

when you open a Classic Club Checking + Ultimate Money Market Account.

**EARN
1,000**

**ScoreCard[®]
Rewards
Bonus Points**

[^]Checking and Money Market Offer Effective May 1, 2022. To be eligible for the WaterStone (WSB) Classic Club Program, you must be at least 50 years old and have a WSB Universal Checking account. Only one WSB program can be tied to an account. No-fee Overdraft Protection benefit requires an additional WSB deposit account owned by the Classic Club member with funds sufficient to cover the overdraft items. Bonus offers require a new Universal Checking account to be open and active for the entire statement cycle in order to qualify for that statement cycle's bonus. The Universal Checking account requires \$100.00 minimum balance to open the account. Money Market is a tier rate product and pays interest. Current market interest rates and APY information is located on our website at www.wsbonline.com/rates/deposit-rates. Account must be open and active for 180 calendar days, or a \$30.00 closing fee may be assessed at account closing. Offer is redeemable at any branch location, cannot be combined with other offers, and is limited to one per household. For tax reporting purposes, a 1099 form may be issued at year end for recipients of bonuses. \$200.00 Automatic Deposit bonus offer requires a \$500.00 minimum automatic deposit of payroll, pension, social security or government benefits to be received within 60 calendar days of account opening and will be credited to the new checking account on the first statement cycle after the direct deposit is received. Rewards will be consolidated and credited to the new checking account on the last day of the statement cycle. Upon opening a WSB Universal Checking account and enrolling in ScoreCard[®] Rewards program, 1,000 ScoreCard[®] Rewards points will be credited to your ScoreCard[®] Rewards account within 30 calendar days of account opening. Ultimate Money Market Account: You must deposit \$100.00 to open this Money Market account. A minimum balance fee of \$30.00 will be imposed monthly if the average daily balance for the statement cycle falls below \$5,000.00. A \$100.00 money market bonus to be paid within 60 days of money market account opening with balance of \$10,000.00 or more. Offer applies to new Classic Club money market account customers only and does not apply to individuals that currently have a money market or closed a WSB money market within the past 180 calendar days. The average daily balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period. A statement cycle may be from the 17th (a calendar day) of a month to the 16th (a calendar day) of the next month. To determine your statement cycle please ask your Personal Banker at the time of account opening. Offer subject to change at any time. REV030123

Business Highlights



ST. VINCENT DE PAUL
THRIFT STORE
Helping others · Changing lives

Business Customer Spotlight: St. Vincent de Paul of Waukesha County

With around 150 employees and more than 75 volunteers, St. Vincent de Paul of Waukesha County is a nonprofit organization that exists to serve the needy, and whose outreach has no boundary, according to Marketing and Communications Manager Josh Barnickel. Since first opening its doors for donations in the city of Waukesha in 1953, the organization has grown to operating three thrift stores, including its newest in Pewaukee. That store, opened in 2017, is the largest thrift store in Wisconsin.

In the time that St. Vincent de Paul has been a customer of WaterStone Bank, Barnickel says a “wonderful working relationship” has evolved. He points to the bank’s key sponsorship of the organization’s annual Neighbors Helping Neighbors fundraiser.

“WaterStone Bank’s commitment to our mission of helping the needy of our community has been a pivotal piece of support for positive change throughout Waukesha County,” says Barnickel.

Called the Father of the Poor, St. Vincent de Paul (1581-1660) was recognized for his deep faith, keen intellect and enormous creativity. The organization that bears his name continues that work by developing new initiatives in providing outreach programs for a widening spectrum of customers. Barnickel says that “Through new multi-lingual conferences to new subsidized housing and shelter developments, St. Vincent de Paul Society of Waukesha County is focused on progressing and evolving our support offerings to better serve our community and the needs of our people.”

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to learn how we can add value to your business.



Celebrating Small Businesses

Enjoy these money saving offers for Small Businesses!

\$250^A

When opening a Business Checking Account

No Annual Fee
your first year with a Business Advantage Line^{††}

Up to
\$300[†]

in savings and peace of mind when signing up for Positive Pay, Remote Deposit Capture & ACH Origination

FREE
Business Financial Analysis/Check-up

FREE Deposit Bag with a New Account

FREE Consultation with a Merchant Services Representative

Flexible Rewards with **WaterStone Bank Credit Cards**

\$0 Annual Fee for the First Year with a **Business Advantage Line**

Enhance your employee benefits with our exclusive **BRAVO** Program

Do you participate in a HDHP?

Add the **WaterStone Bank HSA** to your benefit package. No monthly fee, no minimum balance.

^ABusiness Checking bonus offer requires a new WaterStone Bank SSB (WSB) Business Checking account and requires account to be open and active for the entire statement cycle in order to qualify for the bonus. Business Checking account requires \$100.00 minimum balance to open the account and does not pay interest. Offer(s) applies to new checking account customers only and does not apply to individuals that closed a WSB checking account within the past 180 calendar days. Offer is redeemable at any branch location, cannot be combined with other offers, is limited to one per customer and is not valid to individuals that received an incentive under another offer in the past 5 years. For tax reporting purposes, a 1099 form may be issued at yearend for recipients of bonuses. A statement cycle may be from the first day of a month to the last day of that same month. To determine your statement cycle please ask your Personal Banker at time of account opening. Bonus will be paid on the last day of the first full statement cycle. Account must be open and active for 180 calendar days, or a \$30.00 closing fee may be assessed at account closing. See Account Disclosure for more information. Offer subject to change at any time. [†]Earn up to \$300.00 in savings when signing up for Positive Pay, Remote Deposit Capture and ACH Origination. WSB will cover the first 3 months of fees for the activities listed. Check Positive Pay includes no set up costs and will cover \$25.00 per month. ACH Positive Pay is covered for 3 months at \$20.00 per month. Check and ACH Positive Pay is covered for 3 months at \$35.00 per month. Remote Deposit Capture fees are covered at \$35.00 per month. WSB will waive set up cost of \$50.00 for ACH Origination and will cover 3 months at \$10.00 per month. Offer subject to change at any time.

^{††} Business Advantage Line of Credit is utilized to help small businesses for working capital needs that automatically converts to a term loan at maturity. Minimum loan amount is \$5,000.00 and maximum loan amount is \$50,000.00. 12 months of interest only, at that time the note converts to a principal and interest note with a 36-60-month amortization. Small businesses must have their primary deposit account with WSB and must have been in business for 2 years. If the borrower is not a sole proprietorship, any 20% or more ownership is expected to guaranty the obligation. No annual fee of \$75.00 for the first year of usage with Business Advantage Line. Processing fee of \$200.00. Appraisal/Evaluation may be necessary depending on collateral held. Interest rate depends on product used. Applications for credit are subject to bank and credit approval. Advertised fees and loan programs are subject to change at any time, and vary depending on Business Advantage Line of Credit product selected, see banker for further details.



Ease Into Your Mortgage with a Temporary Buydown

Imagine a scenario in which you've finally found your dream home, but interest rates in the current market put the overall mortgage a little out of your price range. Or maybe you found a house listed at an ideal price, but would like to reserve some of your money for expenses. In either of these cases, a tool that your lender might recommend is a temporary buydown.

A temporary buydown is a mortgage loan option in which the seller reduces the interest rate for the first one to three years of the home buyer's loan. The lower interest rate helps buyers save money and ease into ownership.

The Benefit of a Temporary Buydown

A temporary interest rate buydown can benefit all parties involved.

Home buyers benefit as they're able to ease into their mortgage gradually. In addition to the rising costs of goods, buying a house brings with it extra costs, such as a down payment, closing costs, mortgage insurance and more. A graduated payment can help to offset extra expenses.

For sellers, who likely want to sell as quickly as possible, offering a temporary buydown can give home buyers an extra incentive to purchase a property without a need for the seller to lower the list price.

How Does a Buydown Work?

The home seller, or home builder in the case of new construction, covers the difference between what the buyer's payment typically would be and the adjusted, bought-down rate. You can ask your realtor to negotiate a buydown with the seller or builder.

Buydown Options:

- A 3-2-1 buydown reduces the interest rate by 3% in the first year, by 2% in the second year and by 1% in the third year, before rising to the full rate after that.
- A 2-1 buydown lasts two years, with an interest rate that is 2% less in the first year, 1% less in the second year, and at the full rate after that.
- A 1-0 buydown, in which the interest rate is reduced by 1% only in the first year, is another option.

Temporary Buydown Example

If you're a buyer who's locked in a 5.500% interest rate, a 3-2-1 buydown would allow you to make monthly payments at a 2.500% interest rate for the entire first year of your mortgage. Then, in year two, your payments would be based on a 3.500% interest rate. In the third year, your payments would be based on a 4.500% interest rate. Finally, once you hit year four and for the remaining life of your loan, your payments would reflect your originally agreed-upon 5.500% interest rate.

The same process would follow for a 2-1 buydown, except your interest rate would be reduced for years one and two, then resume your locked interest rate in year three. For a 1-0 buydown, the interest rate is reduced by 1% for the first year before adjusting to the original rate.

For home buyers who are on the upper edge of their purchase price range, or who simply want to save money during the first several years of their mortgage, a temporary buydown can be a creative way to ease into monthly payments. 🏠

Article provided by

Waterstone
MORTGAGE

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Give us a call at (414) 761-1000 (toll-free at (888) 686-7272 and verify your contact information on file is current. We're here just for you! 🏠



IRA Deadlines Are Approaching

Here's what you need to know.



Article provided by John Gehlhaart, Sr. Wealth Advisor,
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waterstoneinvestmentservices.com

Financially, many of us associate the spring with taxes – but we should also associate December with important Individual Retirement Account (IRA) deadlines. This year, like 2022, will see a few changes and distinctions.

Remember, this article is for informational purposes only and is not a replacement for real-life advice, so make sure to consult your tax, legal, and accounting professionals for the most up-to-date information about IRA account deadlines and contribution strategies.

December 31, 2023, is the deadline to take your Required Minimum Distribution (RMD) from certain IRAs.

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Citations: 1. irs.gov, October 26, 2022

April 18, 2023, is the deadline for making 2022 annual contributions to a traditional IRA, Roth IRA, and certain other retirement accounts. April 15 falls on a Saturday, so the deadline has been extended.¹

Some people may not realize when they can make their IRA contribution. You can make a yearly IRA contribution between January 1 of the current year and April 15 of the next year. Accordingly, you can make your IRA contribution for 2023 any time from January 1, 2023, to April 15, 2024.¹

A person can open or contribute to a Traditional IRA past age 72 as long as they have taxable income.

If you are making a 2023 IRA contribution in early 2024, you must tell the investment company hosting the IRA account for which year you are contributing. If you fail to indicate the tax year that the contribution applies to, the custodian firm may make a default assumption that the contribution is for the current year (and note exactly that to the I.R.S.).

So, write “2024 IRA contribution” or “2023 IRA contribution,” as applicable, in the memo area of your check, plainly and simply. Be sure to write your account number on the check. If you make your contribution electronically, double-check that these details are communicated. 📧

WaterStone Bank Scholarship Program: Building Bright Futures

At WaterStone Bank, we believe in investing in our community. We also believe that education is one of the keys to solving the challenges our community faces. One way we ensure that more students have access to quality education is through a longstanding program that awards scholarship funds to high schools within our community footprint.

This year, WaterStone Bank donated scholarship funds to more than 40 high schools in the greater Milwaukee area. These scholarships provide high school students with the opportunity to pursue their dreams and reach their goals after graduation. They also provide an incentive for students to stay focused on their studies, knowing that persistence and hard work can pay off in the form of college tuition assistance. The scholarship program is backed by the WaterStone Bank Foundation, which was established in 2002 to ensure the bank's ability to consistently give back to the communities we serve.

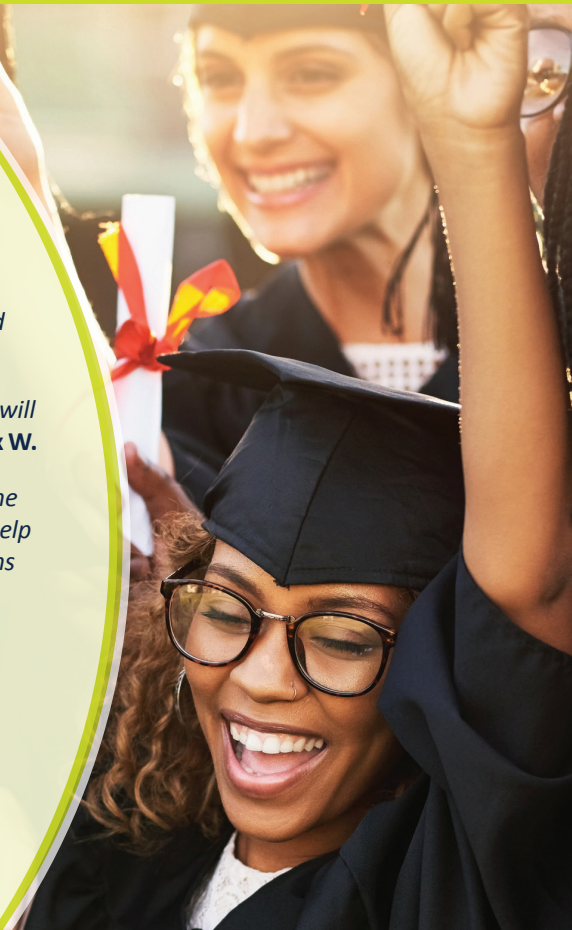
Some of our recipients from 2022 remind us why this award program is so important.

“Thank you so much for the WaterStone Bank Scholarship. It means so much to me, and I will use this money for textbooks and save the rest for school later on. You’ve been a big help to me and my family.” - Alyssa G.

“I will use this money for my tuition and I will work hard to show that I earned it.” - Alex W.

“Thank you so much for your interest in the future of our society. Please continue to help other seniors in the coming years. It means the world.” - Madison D.

By investing in students, we help them realize their potential and become tomorrow's leaders, which is a sound investment in the future. 📧



April is Financial Literacy Month

Financial literacy is an essential skill for everyone, regardless of age or generation. Understanding the basics of budgeting, saving and investing helps you make informed decisions and achieve your financial goals. Here are key things for everyone, from Gen. Z to Baby Boomers, to know:



1

Budgeting

Learning how to create a budget and stick to your spending priorities is a first step to financial literacy.

2

Saving

Setting up a savings account and regularly contributing to it pays lifelong benefits.

3

Investing

Starting out with investing can be intimidating, but with the right help, you'll be able to build wealth over time.

Credit

Understanding how credit works, plus being aware of your credit scores, helps you make better financial decisions.

4

Avoiding Scams

Know what to look for to avoid common scams such as identity fraud and phishing.

5

Retirement Planning


Allocating money towards pension funds over the long term gives you a comfortable and secure retirement.

6



U.S. Flag Service

If your spring cleaning reveals a U.S. flag in need of proper retirement, we can help! WaterStone Bank customers are invited to drop off worn flags at their local branch for a complimentary flag retirement ceremony (no limit).

It's just one of the extra special ways we've served the community for more than 100 years. 

Ask the Expert

Dia Wesner, Community President

Wauwatosa

Q: I've heard the term "financial checkup." Can you explain what that entails?

A financial checkup looks at the current state of your finances so you can develop a plan to meet short- and long-term financial goals. Just like regular visits to the doctor protect your overall physical health, examining these areas can safeguard your finances.



Budget: Create a monthly budget and organize your current finances by taking a good look at what money is coming in—income—and what's going out—expenses.

Monthly income will consist of take-home salary or wages, investment income and any other income, such as from a side job. Monthly expenses include mortgage or rent, loan payments, utilities, cell phone and internet and insurance. Don't forget about other costs such as food, clothing, entertainment, daycare and gas. Income minus expense is monthly net cash flow.

Emergency fund: Build an emergency savings fund for unexpected expenses.


Set up a savings account for this purpose, and use your monthly net cash flow to figure out the amount you can reasonably allocate to establish the emergency fund. Then have that amount automatically transferred to the account from each paycheck.

Become debt-free: Determine the interest rates associated with credit cards and installment loans, then start the process of reducing debt by paying off those that have the highest interest rates, before moving on to the rest.

Savings: Expand your options for saving. Beyond standard savings accounts, money market accounts have additional features that can help you build your savings faster by paying higher interest rates.

Investment: Look ahead and plan for ways to have your money work for you. Your newfound financial freedom will allow you to choose investment options for building your comfortable future.

In the same way that your physical health needs change over time, so do your financial needs. Revisit these steps annually, and anytime you undergo a big life change, to stay in tiptop financial shape.

When you're ready to schedule your financial checkup, we're here just for you. Give us a call at (414) 761-1000 or select an appointment at your desired branch via our Online Appointment Scheduler. 

If you have specific questions about any banking products that you would like addressed in this column, please email Marketing@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, or call the Customer Support Center at (414) 761-1000.

Bank Sponsored Events

April 14	Potawatomi Area Council, Boy Scouts of America Leadership Breakfast
April 18	PEARLS for Teen Girls Inspired to Lead Gala
April 20	Pathfinders 2023 Streets – An Evening for Youth Empowerment
May 13	Walk to End Lupus
May 18	Children’s Wisconsin Miracle Marathon
May 20	Best Buddies Friendship Walk
June 12	Best Buddies Golf Outing
July 11, 13, 14	Kids Nights at the Zoo
July 22 - 23	Milwaukee Air & Water Show
August 14	St. Vincent de Paul Golf Outing
September 24	Susan G. Komen More Than Pink Walk

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





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WaterStone Quarterly

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ScoreCard® Rewards &
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Out-of-Network ATMs



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