



Membership

WesCorp Membership

As a member/owner of WesCorp, your credit union has access to customized financial solutions.

For more than thirty years, WesCorp's principal objective has been to help build a strong, sound credit union system. Credit unions know WesCorp is a strong, trustworthy and stable partner committed to improving the financial well-being of its members. It is this trust and confidence that has helped us become the nation's largest corporate credit union. We are called upon daily to serve the wholesale financial needs of credit unions throughout the United States, and we are proud to provide customized financial solutions to help you maximize earnings, expedite back-office operations and reduce costs.

The Benefits of Membership

WesCorp has worked diligently to develop a strong investment infrastructure, to create versatile credit products, and to provide quality correspondent services to meet your needs. We enable our members to increase earnings on deposits through low fees, affordable credit and market rates of return. You can rely on WesCorp's unique business models and our commitment to always raise the bar for ourselves.

WesCorp's economies of scale enable us to provide high-yield investment programs and customized investment structures that are guaranteed to beat comparable agency prices. Our Investments team beats agency rates by 10 to 20 basis points or more in virtually every transaction.

WesCorp's customized solutions include:

Investment Services

Our expanded investment authorities combined with our sophisticated investment infrastructure enable WesCorp to provide credit unions with sophisticated tools, analytics, expertise and competitive yields—all within the corporate network. Our deep bench of investment experts and strategists works closely with you to develop the financial options that best suit your particular investment objectives.

Our investment products include:

- Market Daily Shares
- Regular Shares
- Fixed Certificates

- Structured Certificates, including Amortizing, Callable, and Step-up
- Term, Floating-Rate Certificates
- Variable-Rate Certificates
- Derivatives Hedging
- Loan Participation
- Securities Safekeeping
- 703 Compliance Package

Credit Services

WesCorp is your credit union's solution for liquidity. And although you can't always anticipate your liquidity needs, our comprehensive menu of credit services offers cost-effective, competitive options designed to give you flexibility in meeting the borrowing requirements of your members. We can also work with your credit union to develop a customized loan package to meet your specific needs. For instance, recently we began accepting auto loans and faith-based loans as collateral. When a credit union has a need, we find a solution.

Our credit products include:

- Fixed-rate term loans
- Variable-rate secured loans
- Letters of credit
- Settlement loans

Electronic Payment Services

Making deposits and withdrawals is a key part of your daily operations—whether you are moving funds to WesCorp for your credit union's investment, settlement or loan accounts, or redirecting funds to another financial institution. WesCorp offers several convenient

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funds-transfer options, including wire transfers, automated clearing house (ACH) services and settlement, all of which you can easily handle through WAVE—WesCorp Automated Virtual Employee. WAVE allows WesCorp members to access their account information using a secure Internet connection. Your credit union can conduct numerous financial transactions through WAVE, including balance and transaction histories, check image retrieval, wire transfers, cash orders, and certificate purchases.

Our electronic payment services include:

- Pre-authorized, third-party and international wires
- Cash Services
- ACH Services
- WAVE

Item Processing Services

WesCorp has a full range of item processing services to assist you in efficient, accurate processing of all your transactions. Our IPS team uses state-of-the-art digital check-imaging technology for optimal quality and speed. Timely collection and reporting, immediate response to telephone inquiries, and same-day turnaround on most adjustment and copy requests translate into increased operational effectiveness and improved earnings.

Our item processing services include:

- Member share drafts
- Check imaging
- Check collection, including foreign check collection and TT&L settlement
- Corporate checking, including account reconciliation and Positive Pay
- Snapshot (online check images for your members)

Information Services

WesCorp offers a variety of informational services that provide you with the tools to help manage your WesCorp account. We also want to make sure you stay

informed about your corporate and what is happening in the credit union community. Our member newsletter, *Words from WesCorp*, shares interesting news briefs and insights from a wealth of financial sources and WesCorp professionals. *InsideRISK* is a WesCorp publication dedicated to keeping you informed about the latest techniques for identifying, evaluating and managing the risks in your balance sheet. We also publish a quarterly newsletter, *BoardWords*, which is designed especially for your board of directors. And you can also visit our Web site at www.wescorp.org to learn more about our extensive line of products and services.

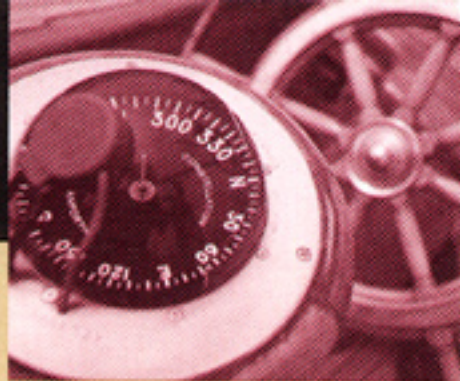
How to Become a Member

To enjoy all the benefits of WesCorp membership, simply complete a membership application, obtain the required authorized signatures and fund a Member Capital Account (MCA). The MCA is the basic component of WesCorp membership, representing your ownership stake in WesCorp. It requires an investment of 1/8 of 1 percent of your most recent semi-annual reported assets or 5 percent of your average non-capital deposits held at WesCorp for the prior six months, whichever is greater. The amount of member capital is adjusted semi-annually on the last business day of May and November. Dividends are paid quarterly at a rate equivalent to the 13-week T-Bill plus 100 basis points. This is a three-year notice account and is not subject to share insurance coverage by the NCUSIF. The funds are also subordinated capital and represent a member/owner's equity in WesCorp.

You can open your WesCorp MCA by wiring funds to WesCorp or enclosing a share draft with your membership application.

For More Information

Please call our Membership Services Department at (800) 442-4366 for more information on becoming a WesCorp member, or visit our Web site at www.wescorp.org.



Credit Services

Credit Services

When you think liquidity, think WesCorp

At WesCorp, we realize how important liquidity and asset/liability management are to your credit union. That's why we make it a priority to provide the kinds of convenient, responsive and cost-efficient credit services you need in order to offer credit to your members. Because each credit union's needs are unique, we offer a variety of flexible credit solutions, such as overnight and term loans. We can also work with your credit union to tailor loans to meet your credit union's goals.

Versatile Fixed-Rate Loan

A fixed-rate loan typically has the lowest interest rate among WesCorp's credit offerings. You can use this loan to borrow on either a short- or long-term basis and can choose among numerous options. You select your own loan maturity—up to 10 years—which means the loan will fit your credit union's needs and at a favorable rate.

Another benefit—especially when you're shopping for a loan—is our daily rate update, which reflects market conditions. And once your loan rate is set, it remains fixed for the entire term of the loan. If you choose, you may secure your loan with an existing WesCorp fixed- or variable-rate certificate that has a maturity equal to or greater than the term of the loan. We also accept securities you have in safekeeping at WesCorp, as well as automobile loans—WesCorp's auto loan collateral program was the first of its kind and offers the most competitive rates available—and faith-based loans as collateral for fixed-rate loans. When you collateralize your fixed-rate loan, you receive the benefit of a lower rate.

The principal of a loan is due at maturity, and interest payments are due the first day of the month. We rec-

ommend that you choose your maturity date carefully, since fixed-rate loans paid off prior to maturity are subject to a prepayment penalty. You can expedite approval for a fixed-rate loan by submitting a loan agreement to our Credit Services Department now. Then, when you are ready to set the terms, simply give us a call and we will initiate the approval process and arrange to advance your funds the very same day.

WesCorp also offers amortizing loans as an asset/liability management tool. We can match payment of your fixed-rate loan to specific assets on your books. This ensures that your credit union will not be impacted by rate fluctuations in the marketplace.

Benefits of a Variable-Rate Secured Loan*

Another valuable credit service is a WesCorp variable-rate loan, which you may use to borrow against your WesCorp certificate any time during the life of that certificate. A significant benefit is that your credit union continues to earn dividends on the certificate after the loan is funded, and there are no prepayment penalties should you choose to repay the loan early.

* Rates are subject to change daily.

WesCorp Letter of Credit

With a WesCorp Letter of Credit, your credit union can strengthen its contractual agreement with a third party and guarantee your financial power. It can be structured to meet any number of specific goals and can also save you the time and cost of having to provide other types of requirements. While other institutions charge a fee for issuing a letter of credit, WesCorp provides it free of charge to our members.

Settlement Line

Your settlement line at WesCorp is primarily an overdraft account, designed for short-term needs to fund settlement activity that exceeds the day's expected clearings. You may also use your settlement line as a demand line of credit. Because there are no fees to establish and maintain the account, and secured accounts receive a lower rate, a settlement line is also cost-effective. Activating a settlement line is easy, and your credit union can request any amount (subject to credit approval).

Guaranteed Line of Credit

For information on a WesCorp Guaranteed Line of Credit, please contact one of our credit services representatives.

Streamlined Application Process

Whatever your credit union's needs—overnight funds or long-term lending—WesCorp's credit services are comprehensive and easy to use. And we've designed the application process to be simple and quick. Just call our Credit Services team at (800) 442-4366, extension 425 or 426.



Investment Services

Term, Floating-Rate Certificates

Obtain a higher yield without increasing interest-rate risk

With our expanded authorities, WesCorp is in a position to provide even more flexible investment opportunities and higher yields to members. Our Term, Floating-Rate Certificates are designed specifically for members who are currently investing in short-term liquid accounts and wish to retain short-term interest-rate sensitivity.

Term, Floating-Rate Certificates have liquidity characteristics similar to fixed-rate investments, except the interest rate increases or decreases with a predetermined market interest-rate index. Members earn an enhanced yield in the form of the liquidity premium, just as they do with a fixed-rate investment.

Enhanced Returns

These certificates provide an enhanced return for credit unions that want to minimize interest-rate risk, but have excess liquidity and a significant amount of core funds invested in short-term accounts, such as the Market Daily Account. Depending on economic conditions and share growth or contraction, these certificates provide an ideal vehicle in which to commit some core funds, earning you a higher yield without increasing interest-rate risk.

The rate earned on these certificates is the sum of the index plus the spread. The spread remains fixed for the life of the investment unless otherwise negotiated, and the quoted spreads can change daily based on market conditions.

Investment Opportunities for Members

Term, Floating-Rate Certificates present a sound investment opportunity, particularly for IRA/Keogh investments, since they offer competitive yields, compared to money market mutual funds.

WesCorp offers three standard floating-rate products, indexed to the weekly average three-month T-bill

yield, one-month LIBOR and WesCorp's Market Daily rate. For certificates with a same-day settlement, rates are posted on WesCorp's Web site and daily rate sheet. Certificates for forward settlement are available and may be negotiated with the professionals in our Investment Division.

On occasion, WesCorp may offer additional floating-rate products, including some with caps and/or floors. Check our Web site or rate sheet daily for these offerings. WesCorp can also customize a term, floating-rate product for you.

These certificates qualify as eligible collateral within WesCorp's standard credit facilities in the event that a certificate holder requires temporary liquidity prior to the certificate's maturity. Redemption prior to maturity is not permitted unless otherwise stated.

For More Information

Our investment professionals are standing by ready to assist you. Just call WesCorp's Investment Services at (800) 442-4366, extension 307, for more information, or visit our Web site at www.wescorp.org.

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Investment Services

Callables and Step-ups

Take advantage of competitive investment options from WesCorp

Investments with embedded options, such as the principal calls and rate step-ups found in callable and step-up products, carry greater interest rates than comparable investments without embedded options. If you are interested in additional yield and are willing to accept the option risk, callable or step-up certificates may be the perfect investment for you.

Defining Callables and Step-ups

A callable certificate has an embedded call feature that allows the issuing institution to refund the entire principal balance on a designated future date (or dates). The buyer is compensated for this risk by earning an interest rate that exceeds a comparable term, bullet-maturity certificate. WesCorp's Callable CD is a fixed-rate certificate with an embedded call option that permits WesCorp to call it back on a pre-determined basis, typically monthly, quarterly, or semi-annually. These investments have a \$100,000 minimum balance requirement.

Step-ups are another form of callable certificate. In addition to being callable, step-ups feature a rate that will reset (step-up) to a higher rate on a certain contractual date during the life of the certificate. If market rates increase to the established step-up rate, the step-up will likely extend to the next call date, earning the higher "stepped-up" rate and producing a highly competitive overall yield on your certificate. If market rates do not increase to the established step-up rate, your certificate may be called.

Investor Benefits

When you invest in WesCorp's Callable and Step-up certificates, the premium you receive above the Treasury curve is a result of the option you sell

WesCorp to call or redeem your investment at designated dates.

- Our Callables and Step-ups earn higher yields than agency callables and step-ups with similar terms and duration.
- WesCorp can customize any agency look-alike certificate at a higher yield than agency securities. If you identify an attractive agency security or structure, call WesCorp to compare the yields.
- These products are classified as corporate credit union CDs, which means they're not treated as securities according to NCUA rules, which eases your compliance burden.
- These certificates carry market-based penalties.

Risk Factors

As with any investment, there are risks. Both types of certificate have call options that allow WesCorp to call them back on preset dates. If WesCorp chooses to call a certificate, you will be refunded cash that would have to be reinvested at current market levels. Callables are typically "in the money," meaning they would likely be called if interest rates fell moderately or more, and you might have to reinvest at a lower rate. Conversely, if interest rates rise, your callable certificate would likely extend to the next call date,

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which could produce liquidity concerns if you were planning on the investment being called sooner rather than later.

WesCorp recommends not making liquidity bets that these products will be called. These products cannot be forced to fit in to your overall investment strategy. You should be prepared with the liquidity to fund them to maturity and the flexibility to reinvest if they are called.

For More Information

To learn more about WesCorp's Callable and Step-up certificates, please visit our Web site at www.wescorp.org or call our Investments Department at (800) 442-4366, extension 307.



Investment Services

Loan Participation

WesCorp redefines loan participation for credit unions

It was once thought that credit unions in great need of liquidity were the only ones who benefited from loan participations. These days, you can also use loan participation as a balance-sheet management tool to boost your credit union's loan yield. WesCorp's Loan Participation Program offers you immediate liquidity to fund your loan demand and a source of additional loan assets to enhance the yield of your retained loan portfolio.

The WesCorp Advantage

WesCorp offers a dynamic advantage to credit unions who buy or sell loan participations by serving as a principal in all transactions. WesCorp enhances each loan participation transaction with our unique focus on building a strong and enduring relationship with member credit unions. Unlike other institutions or traditional brokers, WesCorp guarantees its continuing involvement throughout the life of the loans with a comprehensive support system to monitor loan receivables and provide transaction reporting to both sellers and buyers.

WesCorp provides several unique opportunities not currently available through any other institution:

- Immediate access to a qualified principal buyer in WesCorp
- Ability to fix forward funding/sale rates for three to six months ahead
- Standardized programs that provide quality assurance to new or conservative buyers
- Inventory of products readily available to buyers
- Assistance to buyers in developing internal procedures and satisfying board requirements
- Full due diligence support on all loan packages
- Reliable and comprehensive reporting to both sellers and buyers, as needed

- Ability to build and document a history of portfolio performance so that sellers can attain the best terms for future transactions

Whole Loans Purchased and Sold

In order to support credit unions in the management of their loan pipeline, WesCorp can purchase existing whole loans and commit to purchase participations on a forward delivery basis. In addition to auto loans, the program extends to include non-standard mortgages and other loan types, including home equity loans and lines of credit, residential mortgage loans, and credit card receivables. We can also sell whole loans outside the credit union system and/or establish an asset securitization conduit, ensuring abundant liquidity to meet your members' needs and providing valuable balance-sheet management opportunities.

No Hassles, No Fees

WesCorp will purchase loan participations on either a recourse or non-recourse basis. Sellers, therefore, have immediate access to a reliable and consistent source of funding, and buyers have access to a pool of assets where WesCorp has already done extensive due diligence. Until now, brokers handled most loan participations by simply introducing a seller to a buyer and taking a fee for the service. WesCorp remedies that by partnering with you, providing due

diligence and ensuring ongoing liquidity in the process. And we don't charge a brokerage fee.

The Operational Support You Need

Along with our financial strength and the expertise of our staff, WesCorp brings both sellers and buyers extensive operational support through a state-of-the-art collateral monitoring system. WesCorp has enlisted the support of Lewtan Technologies, Inc.®, the solutions leader in the securitization industry. Lewtan's ABS System™ is a comprehensive solution for performing all collateral processing, investor reporting, and accounting required for servicing asset-backed transactions.

Add due diligence support, economies of scale, and a new level of liquidity, and you have a smooth and efficient transaction from start to finish. We will also resolve the problems often encountered in tracking principal and interest payments and collateral performance over time.

For more information on how you can take advantage of this comprehensive program, please contact our Investment Services Group at (800) 442-4366, extension 307.



WesCorp

WAVE—WesCorp Automated Virtual Employee

Use the Internet for immediate access to all your account information and a host of WesCorp services

WesCorp is dedicated to providing our members with the tools they need to keep pace in today's challenging business environment. Keeping up with the latest advances in technology and offering you the products and services that make the most of these innovations is just a part of our commitment to helping you meet and surpass your members' needs.

WAVE—WesCorp Automated Virtual Employee—is WesCorp's online account access system for today and into the future. It serves as your real-time electronic gateway to all of your account activity, electronic transactions, current rates and a wealth of other useful information. WAVE also provides WesCorp members with a secure network in which to conduct financial transactions.

Convenience Is a Click Away

WAVE makes managing your WesCorp accounts easy and convenient. Just log on any time from 6 a.m. to 9 p.m. (Pacific Time) Monday through Friday and from 6 a.m. to 2 p.m. Saturday. The information on WAVE is in real-time—it's updated as it happens. So you always have an up-to-the-minute picture of your account balances and activity.

WAVE provides instant access to current balances as well as detailed transaction history, making your month-end reconciliation easier. An additional download option lets you import selected data directly into your spreadsheet or similar software. You can also print reports for all financial activity and reconcile daily.

Take Advantage of Real-Time Investment Opportunities

With WAVE, you can take advantage of investment opportunities by accessing the latest rate information, plus you're able to keep daily tabs on your certificates and securities-safekeeping activity.

Take a Look at What WAVE Can Do for You

Your complete account access on WAVE allows you to:

- Review your balances and transaction history
- Print copies of paid member share drafts
- View, print and download your monthly WesCorp statement
- Make payments to or pay off your WesCorp loans
- Monitor your certificates and securities in safekeeping
- Obtain current loan and investment rates and request loan advances
- Request wire transfers and review incoming and outgoing wire activity
- Review check collection availability, adjustments and return items
- Review and retrieve check images
- View corporate checking activity
- Order cash and purchase certificates
- Send and receive item processing file transfers
- Perform user maintenance (designated WAVE administrators only)

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Additional Benefits for Member Share Draft Participants

Participants in WesCorp's Member Share Draft program can access check images quickly and easily through WAVE. Once you sign up for this enhancement, your credit union can fulfill share draft copy requests while your members are at your branch office. The most recent three months of cleared check images are available through a unique query function that lets you search by date, dollar amount, draft number, and sequence/trace number. You can also view the front and back of check images and enlarge the image for details. Many WesCorp members have reported that the ability to access check images has greatly enhanced their fraud prevention efforts. WAVE also allows you to review check collection and return-item detail each day and make adjustments long before the reports or physical items reach your credit union.

User Maintenance and Data Security

The User Maintenance feature gives your credit union control of establishing internal WAVE users. Once you establish your local WAVE administrators through our Membership Services group, they will be able to initiate WAVE access for all other employees. The dual-person verification process and the use of passwords give you optimum security and control. WAVE also uses Secure Sockets Layer (SSL) technology to encrypt your account information as it moves between your PC browser and WesCorp's computer systems. Additional authentication technology in the form of a hand-held hardware token provides an additional level of security for wire transactions.

Equipment Requirements

To access WAVE, you will need Internet access and

the Microsoft Internet Explorer browser (version 4.01 or subsequent).

For More Information

WAVE's strong foundation allows us to continue to build and implement additional applications. WAVE is ever-changing to meet your evolving needs. WAVE is WesCorp—strong, steadfast and progressive. For more information on how you can obtain your own electronic access to WesCorp through WAVE, call our Membership Services Department at (800) 442-4366, extension 444.



Electronic Payment Services

ACH Services

With ACH Services' browser-based technology, you can easily interface with other applications, eliminating the need for separate software delivery and extending origination capabilities to your SEGs. Meeting your members' electronic payment needs has never been easier.

ACH Services is the online ACH origination and receipt system for all your credit union's ACH transactions. Reliable, cost-effective and ultimately user-friendly, ACH Services uses the speed and convenience of the Internet to achieve a more efficient means of ACH processing. Using ACH Services, your credit union can offer a valuable and comprehensive ACH product to your members while you benefit from simplified and faster operations.

Benefits

ACH Services encompasses all aspects of full-service ACH origination and receipt, including several benefits not found with other ACH systems:

- With continuous flow processing, applications are always available so your files are processed quickly.
- Browser-based technology easily interfaces with other applications and eliminates the need for separate software delivery. With ACH Services you can extend origination capabilities to your SEGs.
- The integrated risk module lets you check files against your credit union's exposure limits.
- Turnkey outsourcing eliminates the need to maintain hardware, software and operations support.
- Your credit union retains user set-up and maintains user security.
- Financial EDI offers EDI capabilities for file mapping and reformatting plus remittance information delivery.

- Through automated posting, WesCorp posts settlement files directly to your WesCorp account.

ACH Pickup and Delivery

WesCorp picks up ACH files from the Federal Reserve Bank, and you are able to pick up and deliver your ACH files through the ACH Services browser or your own mainframe processing system.

Exception Processing

You may submit exception items (notifications of change, returns, etc.) via the ACH Services browser, or via mainframe or PC file transmission. With the derived return option, you can process your daily exception items with minimal intervention.

Reporting

ACH Services provides you with a full complement of daily and monthly reports for record keeping, cash management and risk management.

Trace and Research

Entries are warehoused for 30 calendar days, and WesCorp is available to provide full trace and research of your ACH inquiries.

Secure Connection

ACH Services operates over the Internet, so there is no need for additional software or hardware. Since there is nothing to load onto the hard drive of your PC, you have more flexibility in your day-to-day operations, and recovery is easier. Plus, advanced security features protect the information, ensuring that your credit union's funds are safe and secure.

SYSTEM REQUIREMENTS

Internet connectivity

For the Internet option, you will need to make sure your PC meets the following system requirements:

- Web browser compatible with Microsoft Internet Explorer, version 4.0 or higher, with 128-bit cipher strength encryption
- Internet Service Provider (ISP) of your choice
- Modem attached to a touch-tone telephone line
- Floppy disk drive (to archive reports electronically)
- Printer

Mainframe connectivity

Other connectivity considerations or requirements include:

- Import batches and templates created in either NACHA or non-NACHA formats to the ACH Services system
- Asynchronous or bisynchronous communication equipment to support ACH collections and distributions

Asynchronous communication protocols supported:

- ZMODEM (recommended)
- XMODEM
- XMODEM-1KXMODEM
- ASCII
- KERMIT

Bisynchronous communication protocols supported:

- 2780 Emulation
- 3780 Emulation (recommended)

Although ACH Services can support a variety of modems, a Hayes-compatible modem is recommended.

For More Information

For detailed pricing and sign-up information, please call WesCorp at (800) 442-4366, extension 444.