TO BECOME SOUTHERN CALIFORNIA’S PREMIER BANKING PARTNER BY PROVIDING PERSONALIZED AND INNOVATIVE SERVICE IN EVERY INTERACTION, AND MAKING A DIFFERENCE IN THE COMMUNITIES WE SERVE

Wescom Vision Statement
A community doesn’t form in one day, or start with one person. A community is created when a group of people come together and work toward a common goal – this is how the Credit Union Movement and Wescom were started.

This year we recommitted to our members and Southern California communities with changes to our Purpose, Mission, and Vision statements. The new statements define our goal to exceed expectations in everything we do and to help Southern Californians build better lives.

In 2018 we set forth to implement initiatives to make sure we were acting on our updated Core Ideology. In the following pages you’ll learn how we improved our products and services to enhance our members’ banking experience, offered more financial education opportunities to help members make smart financial decisions, and dedicated time to our Southern California communities.

FINANCIAL HIGHLIGHTS

(Dollars in Thousands)

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
<th>Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assets</td>
<td>$3,478,388</td>
<td>$3,364,552</td>
<td>3.4%</td>
</tr>
<tr>
<td>Members’ Shares</td>
<td>$2,835,626</td>
<td>$2,747,298</td>
<td>3.2%</td>
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<tr>
<td>Loans</td>
<td>$2,288,311</td>
<td>$2,103,788</td>
<td>8.8%</td>
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</tbody>
</table>

16,613
NEW MEMBERS

85%
OF MEMBERS SAY THEY WOULD RECOMMEND OTHERS TO WESCOM

57
COMPLIMENTARY
FINANCIAL EDUCATION SEMINARS HOSTED

$190,836
DONATED TO CHARITIES THROUGH THE WECARE FOUNDATION IN 2018
We’re pleased to inform you that Wescom continued its strong performance, posting net earnings of more than $20 million in 2018.

This performance can be attributed to several initiatives in 2018 including enhancements to our delivery channels and products and services that make banking with Wescom more convenient. We had a more extensive focus on financial education and community outreach.

Our new expanded partnership with UCLA gave us the opportunity to bring the Wescom experience to UCLA Students, Faculty, Staff, and Alumni.

Helping our members save and borrow for their future was a founding principle at Wescom. This year we helped our members achieve their home purchasing needs by offering new home loans that offer 97 percent and 100 percent financing. These new loan options allow members to make a low down payment to help make purchasing a home more affordable. In 2018, we saw a 7.9 percent increase in real estate balances. To help our members save for their future we offered unique savings opportunities and saw a 10 percent growth in our certificate of deposit balances.

As more members find banking with us digitally convenient, we enhanced our online and mobile applications. Our new Card Center allows members to block, activate, and replace their debit or credit cards securely with anytime, anywhere convenience. Southern Californians found our new online membership application as a great way to open an account at Wescom. The online application contributed to 22 percent of our monthly new account openings. The convenience of this new application was imperative when we were out in the communities or on the UCLA campus. During just one UCLA event, we opened 220 new student accounts to incoming freshman. We hope these students remain Wescom members for life, like so many of our existing members.

In the fall we opened our 23rd branch in Anaheim that features a tech-forward branch design, walk-up and drive-up ATMs, and the opportunity to better serve our members in that community.

When making important financial decisions such as buying a home, deciding on insurance coverage, or saving for retirement, we gave members the tools they needed to make smart financial decisions to achieve their goals and add value to their overall banking. We featured our 25 free online financial education modules from our Financial Education Center in our digital marketing communications, specifically email and social media. When logging into eBranch or the mobile app, recurring educational pages are displayed, highlighting new and existing services and financial tips. We hosted over 50 complimentary financial education planning seminars for our members and three Bite of Reality workshops for nearly 1,160 young students, which helped them learn about real-life money challenges.

Giving back to our communities, whether it was sponsoring a community event or donating funds to those who needed it most, strengthened our position as Southern California’s go-to banking partner in 2018. Launching our Youth Team Excellence Nomination Program allowed us to reward youth sports teams who demonstrate our core values of excellence and teamwork with complimentary tickets to a UCLA Athletics event at Pauley Pavilion presented by Wescom. In celebration of World Kindness Day on November 13, we surprised individuals with free coffee at 23 SoCal locations as part of our online #WescomKindness campaign. Since its inception in 1999, our employee-run and -funded WeCare Foundation has donated more than $2.4 million in employee contributions and Wescom matching funds to local charities throughout the region. When disasters struck, our members, employees, WeCare, and the Credit Union responded by donating funds through in-branch coin drives, eBranch donations, and Emergency Assistance loan programs for those affected by the California wildfires.

Looking ahead to 2019, we are confident of the strong foundation we built this year to lead the Credit Union on a path to great success. We realize that our positive outcomes and commitment to our communities are deeply rooted in our long-standing tradition of service and helping Southern Californians build better lives.

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WE ARE, SOUTHERN CALIFORNIA’S CREDIT UNION...

In 2018 we reflected upon who we are as a Credit Union, about to celebrate our 85th anniversary, which gave us an opportunity to make changes to our Purpose, Mission, and Vision statements. We wanted to make sure that these statements support our long-standing history of focus on Southern California communities and our members’ overall banking experience with us.

**MISSION**
To exceed expectations in everything we do.

Nearby 200,000 members

**CORE VALUE**
- Member Focus
- Excellence
- Integrity
- Teamwork
- Continuous Improvement
- Mutual Respect

**PURPOSE**
To help Southern Californians build better lives.

PurPOse
To help Southern Californians build better lives.

VISION
To become Southern California’s premier banking partner by providing personalized and innovative service in every interaction, and making a difference in the communities we serve.

**VISION**
To become Southern California’s premier banking partner by providing personalized and innovative service in every interaction, and making a difference in the communities we serve.

- Near 200,000 members
- Pauley Pavilion presented by Wescom
- 23 branches in SoCal
- SoCal service area: Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial and Santa Barbara counties.
- Nearly 200,000 members
- 30,000+ fee-free ATMs nationwide through the CO-OP® Network
- Big Blue served as a mobile banking center at 200 community events

**MISSION**
To exceed expectations in everything we do.

- Nearly 200,000 members
- SoCal service area: Los Angeles, Orange, Riverside, San Bernardino, Ventura, San Diego, Imperial and Santa Barbara counties.
- 23 branches in SoCal
Whether our members came to us for their very first checking account as a college student, a mortgage to put their roots down, retirement planning, or because their family or friend referred them to Wescom, they came to us with individual, unique banking needs. In 2018, our goal was to provide personalized and innovative service in every interaction, and act with our members’ needs first.

“I find it very easy to use my Wescom Mobile App and eBranch to view my balances, BillPayer, and transfers. I currently have my auto insurance and my home insurance with Wescom Insurance Services. It’s been very easy to have my monthly expenses drawn from my account without having to worry about writing checks or entering in my debit card for every transaction.”
John A.
Member since 2014

SERVICE

members who use eBranch and the mobile apps

NEW DIGITAL FEATURES

- Adjust daily ATM cash withdrawal limit in eBranch and mobile
- Refer a friend to Wescom in the mobile app
- Accept a Personal Line of Credit offer in the mobile app
- Recurring educational page
- Change eBranch backgrounds for a personalized experience
- Get balances and history on the Apple Watch
- Receive account alerts via text or push notifications

MEMBER EXPERIENCE SCORE

84%

Net Promoter Score
Expectations
Comparative Value
Convenience
Individual Value

$96
SAVED ANNUALLY BY EACH PLATINUM AND SIGNATURE MEMBER WITH FEE-FREE CHECKING*

“*The savings shown is based on 12 months of the $8 monthly Checking Account service fee, which is waived for Platinum Signature Members and Signature Members, New Checking Accounts for the first 90 days, members age 18 through 25 who are active eBranch users and who have opted out of paper statements, Youth Accounts (members through age 17), Members age 60 and older, and Club and Organization Accounts.

Big Blue serves as a pop-up branch at 3 locations:
Chino
Glendale
Northridge

SAVED ANNUALLY BY EACH PLATINUM AND SIGNATURE MEMBER WITH FEE-FREE CHECKING*

63%
OF OUR MEMBERS ARE SIGNATURE OR PLATINUM SIGNATURE MEMBERS

In 2018, we helped members qualify for Signature Membership by increasing the Signature Relationship values on services that really make a difference in our members’ lives, such as mortgages, HELOCs, credit cards, and WFS accounts.

743
MORTGAGES FUNDED

8,553
MEMBERS HAVE A WESCO FINANCIAL SERVICES ACCOUNT

1,383
HOME EQUITY LINES OF CREDIT OPENED
There’s always a way to infuse charm into any brand. Teaching Wescom how to engage with the community through (social media) via likes, via commenting, via direct message, is high on the list of what I feel is so important – I feel a lot of companies miss that. It’s so important that I actually live what I am promoting on @pasadenacharm – so my family’s primary bank account is with Wescom and I just felt that really has added to my professional partnership with Wescom and helped us to have a long-term relationship.”

Taryn R.
Member since 2012
Wescom Social Media Influencer @pasadenacharm

When we looked at how we wanted to improve in 2018, we focused on the feedback our members gave us through surveys, our social media channels, or speaking to one of us at the Credit Union. The question we frequently asked before making a decision or change is, “What will our members think?” By listening to our members’ needs and providing them with the products and services they wanted, we recorded growth in nearly all service areas.

191% INCREASE IN NEW UCLA ACCOUNT OPENINGS

13% INCREASE IN NEW AUTO LOANS

228 million Total number of times Wescom was displayed in online and print media outlets

13.6% INCREASE IN NEW MEMBERS

13% INCREASE IN NEW AUTO LOANS

GROWTH

FIND US ON:

14,000 LIKES, SHARES, RETWEETS, AND COMMENTS ACROSS ALL OF OUR SOCIAL MEDIA CHANNELS

10% INCREASE IN CERTIFICATE BALANCES

Our 23rd branch opened in Anaheim

- Tech-forward design
- Walk-up and drive-up ATMs
- On-site coin booth

<table>
<thead>
<tr>
<th>New Members</th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,983</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>14,630</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>16,613</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- 4,800 FOLLOWERS
- 1,200 FOLLOWERS
- 680 FOLLOWERS

4,800 FOLLOWERS 1,200 FOLLOWERS 680 FOLLOWERS

14,000 LIKES, SHARES, RETWEETS, AND COMMENTS ACROSS ALL OF OUR SOCIAL MEDIA CHANNELS

GROWTH

4,800 FOLLOWERS 1,200 FOLLOWERS 680 FOLLOWERS

14,000 LIKES, SHARES, RETWEETS, AND COMMENTS ACROSS ALL OF OUR SOCIAL MEDIA CHANNELS

GROWTH

4,800 FOLLOWERS 1,200 FOLLOWERS 680 FOLLOWERS

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GROWTH

4,800 FOLLOWERS 1,200 FOLLOWERS 680 FOLLOWERS

14,000 LIKES, SHARES, RETWEETS, AND COMMENTS ACROSS ALL OF OUR SOCIAL MEDIA CHANNELS

GROWTH
We want to help our members make important financial decisions by giving them the tools and resources they need. In 2018, we continued to offer various financial education tools, resources, seminars, and workshops. When logging into the mobile app, members noticed a new, recurring educational page featuring new or existing services available on the app. Our financial education efforts also expanded to students from UCLA, surrounding high schools, and AbilityFirst, a non-profit organization that supports individuals with developmental disabilities and their families. Hosting Bite of Reality workshops for these young audiences allowed us to lay the foundation for a long-term, positive financial future with Wescom.
When there was a city festival, parade, or street fair in Southern California, Wescom was there. When our communities were in need, our members, team members, and the WeCare Foundation provided disaster relief. When we saw an opportunity to help more Southern Californians experience the Wescom difference, we announced our extended partnership as the Official Banking Partner of UCLA Athletics, the Rose Bowl Stadium, UCLA Campus Life and Recreation, and UCLA Alumni Association. In 2018, we actively lived our new vision of helping Southern Californians build better lives through donations to local charities, participation in community events, and expanding our services to the greater UCLA community.

“I was very impressed by Wescom sponsoring (UCLA Athletics) because they are such an outstanding Credit Union. It’s great for me because I use the ATM at Pauley Pavilion. It just works out really well because I don’t have to pay any fees.”

Wanda L.
Member since 1980
UCLA Athletics Event Usher

We were voted “Best Credit Union” and “Favorite Credit Union” by the readers of the following news outlets:

- PASADENA STAR NEWS
- SAN GABRIEL VALLEY TRIBUNE
- WHITTIER DAILY NEWS
- INLAND VALLEY DAILY BULLETIN
- OC REGISTER
- SOUTH BAY DAILY BREEZE
- L.A. DAILY NEWS
- LONG BEACH PRESS-TELEGRAM
- REDLANDS DAILY FACTS
- SAN BERNARDINO COUNTY SUN
- VENTURA COUNTY STAR

$190,836 DONATED TO CHARITIES THROUGH THE WECARE FOUNDATION IN 2018

$32,655 donated by Wescom, WeCare, and our members to support the victims of the Woolsey fires in Los Angeles and Ventura counties and the Borderline tragedy in Thousand Oaks

$1,140,000 donated to the National Multiple Sclerosis (MS) Society over our 12 year participation in the Bike MS Ride

#WESCOMKINDNESS RETURNED FOR THREE SURPRISE EVENTS, DELIGHTING INDIVIDUALS WITH FREE GIVEAWAYS SUCH AS COFFEE OR A CHRISTMAS TREE

COMMUNITY EVENTS ATTENDED

When we saw an opportunity to help more Southern Californians experience the Wescom difference, we announced our extended partnership as the Official Banking Partner of UCLA Athletics, the Rose Bowl Stadium, UCLA Campus Life and Recreation, and UCLA Alumni Association. In 2018, we actively lived our new vision of helping Southern Californians build better lives through donations to local charities, participation in community events, and expanding our services to the greater UCLA community.
DEDICATED VOLUNTEERS

Meet the members of our all-volunteer Board of Directors, Associate Directors, Audit Committee, and Directors Emeritus, who govern how Wescom Credit Union operates. Each works hard to act in the best interest of our members and to meet the demands of governing a financial institution with nearly $3.5 billion in assets.


director board

BOARD OF DIRECTORS

Noel Ross
Chairman

Javier Morales
Vice Chairman

Daniel Krause
Secretary

Tom Fischer
Treasurer

Gina A. Friedrich

Jeff Luong

Philip Perkins

Armando Nodal

Julie Sina

NA

Virginia C. Panossian

Brad Selby

Julie Sina

Director Board

ASSOCIATE DIRECTORS

Nami Dhanji

Krsitina Dixon

Jessica Gutierrez

Shemika Jones

David Martin

David Perez

Garrett Schneider

Director Board

SENIOR EXECUTIVE TEAM

The Senior Executive Team of Wescom Credit Union provides leadership and guidance in serving the needs of our members and delivering Signature Experiences in all aspects of member service.

Darren Williams
President/CEO

Kevin Sarber
Senior Vice President, Technology & Delivery

Lawrence McCausley
Senior Vice President, Member Services

Charles Thomas
Senior Vice President, Lending

Irv Ng
Senior Vice President, Chief Financial Officer

Jonathon Allen
Senior Vice President, Financial Services

Melissa Pederson
Senior Vice President, Technology & Delivery

Karen C. Middaugh
Senior Vice President, Member Services

Karen C. Middaugh
Senior Vice President, Member Services

Director Board

DIRECTORS EMERITUS

Will J. Brown

Addison Carter

Mark Dilbeck

Tim Dolan

Robert Graham

Victor V. Moy

Norberta N. Noguera

Thomas G. Suter

Liz Wood

Director Board

AUDIT COMMITTEE

Javier Morales
Chairman

Lawrence McCausley
Secretary

Armando Nodal

Julie Sina

Richard Wademann

Director Board

Director Board

Director Board

Director Board

Director Board

Director Board

Director Board

Director Board
### Consolidated Statement of Financial Condition

(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and Cash Equivalents</td>
<td>$124,759</td>
<td>$126,896</td>
</tr>
<tr>
<td>Loans to Members</td>
<td>2,288,311</td>
<td>2,103,788</td>
</tr>
<tr>
<td>Allowance for Loan Losses</td>
<td>(15,448)</td>
<td>(15,905)</td>
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<tr>
<td>Investments</td>
<td>900,473</td>
<td>974,033</td>
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<tr>
<td>Land and Building (Net)</td>
<td>43,275</td>
<td>39,525</td>
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<tr>
<td>Other Fixed Assets (Net)</td>
<td>23,526</td>
<td>24,793</td>
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<tr>
<td>National Credit Union Share Insurance Fund</td>
<td>27,236</td>
<td>25,898</td>
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<tr>
<td>Other Assets</td>
<td>86,257</td>
<td>85,524</td>
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<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>$3,478,388</td>
<td>$3,364,552</td>
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<tr>
<td><strong>Liabilities and Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Members’ Shares</td>
<td>$2,835,626</td>
<td>$2,747,298</td>
</tr>
<tr>
<td>Other Borrowings</td>
<td>286,349</td>
<td>265,778</td>
</tr>
<tr>
<td>Accrued Expenses and Other Liabilities</td>
<td>96,157</td>
<td>75,820</td>
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<tr>
<td>Regular Reserves</td>
<td>74,529</td>
<td>74,529</td>
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<tr>
<td>Undivided Earnings</td>
<td>242,250</td>
<td>221,452</td>
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<tr>
<td>Unrealized Gain (Loss) on Investments</td>
<td>(22,263)</td>
<td>(12,870)</td>
</tr>
<tr>
<td>Other Comprehensive Income</td>
<td>(4,259)</td>
<td>(7,455)</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td>$3,478,388</td>
<td>$3,364,552</td>
</tr>
</tbody>
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### Consolidated Statement of Income

For the twelve months ended

(Dollars In Thousands)

<table>
<thead>
<tr>
<th></th>
<th>December 31, 2018</th>
<th>December 31, 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Interest Income</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Loans</td>
<td>$97,242</td>
<td>$84,593</td>
</tr>
<tr>
<td>Investment Income</td>
<td>36,496</td>
<td>31,527</td>
</tr>
<tr>
<td>Total Interest Income</td>
<td>133,738</td>
<td>116,120</td>
</tr>
<tr>
<td><strong>Interest Expense</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dividends</td>
<td>10,511</td>
<td>8,254</td>
</tr>
<tr>
<td>Borrowed Funds</td>
<td>18,759</td>
<td>13,407</td>
</tr>
<tr>
<td>Total Interest Expense</td>
<td>29,270</td>
<td>21,661</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME</strong></td>
<td>104,467</td>
<td>94,460</td>
</tr>
<tr>
<td><strong>PROVISION FOR LOAN LOSSES</strong></td>
<td>2,940</td>
<td>1,250</td>
</tr>
<tr>
<td><strong>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</strong></td>
<td>101,527</td>
<td>93,210</td>
</tr>
<tr>
<td><strong>NON-INTEREST INCOME</strong></td>
<td>65,497</td>
<td>63,630</td>
</tr>
<tr>
<td><strong>NON-INTEREST EXPENSE</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Salaries &amp; Benefits</td>
<td>80,208</td>
<td>76,773</td>
</tr>
<tr>
<td>Data Processing &amp; Statements</td>
<td>15,439</td>
<td>14,544</td>
</tr>
<tr>
<td>Services &amp; Supplies</td>
<td>13,431</td>
<td>12,866</td>
</tr>
<tr>
<td>Occupancy Expenses</td>
<td>13,859</td>
<td>13,782</td>
</tr>
<tr>
<td>Member Education &amp; Promotion</td>
<td>8,189</td>
<td>4,706</td>
</tr>
<tr>
<td>Other Operating Expenses</td>
<td>15,100</td>
<td>11,070</td>
</tr>
<tr>
<td>Total Non-Interest Expense</td>
<td>146,226</td>
<td>133,740</td>
</tr>
<tr>
<td><strong>NET INCOME</strong></td>
<td>$20,798</td>
<td>$23,100</td>
</tr>
</tbody>
</table>

These numbers are unaudited.