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The Story of



southwest corporate
INVESTMENT SERVICES

And How It Can Help
Your Credit Union



The Story of Southwest Corporate Investment Service

Southwest Corporate Federal Credit was chartered in 1975 as the nation's first regional corporate credit union. It immediately went to work meeting the liquidity needs of the credit union in Texas, Louisiana, Oklahoma, New Mexico and Arkansas. But as the financial marketplace evolved, so did the needs of credit unions.

In 1988, Southwest Corporate Federal Credit Union was the first corporate credit union in the country to offer an Advisory Service for credit unions. Later, the Advisory Services was folded into Southwest Corporate Investment Services, a wholly-owned subsidiary of Southwest Corporate Federal Credit Union, when it was created to develop products and services to meet the increasingly sophisticated needs of credit union balance sheet management.

Today, Southwest Corporate Investment Services knows only one way to invest—the way that helps its member credit unions successfully reach their financial goals. Southwest Corporate Investment Services can help each credit union reach its strategic goals by utilizing comprehensive balance sheet management services and cutting-edge analytical tools. Coast to coast, credit union receive assistance from a team of financial experts with the ability to increase yield, purchase securities at competitive prices and improve balance sheet efficiencies.

How it Benefits Your Credit Union

Southwest Corporate Federal Credit Union has the ability to structure its own investments—a unique service not offered by all corporate credit unions. The professionals at Southwest Corporate Investment Services can help credit unions tap into the investment capability at Southwest Corporate Federal Credit Union, as well as an array of sophisticated and flexible resources that can help provide solutions for borrowing, lending and investing. But that's just the beginning.

Southwest Corporate Investment Services combines highly flexible products with some of the most personalized investment advice in the industry. For instance, Southwest Corporate Investment Services has designed a customized A/LM solution to provide cutting-edge capabilities that can help credit union succeed during a time when razor-thin margins leave little room for miscalculations.

Further, the Advisory Service works with credit union by using comprehensive balance sheet strategies to develop effective methods that attain the financial goals of each credit union. Thoughtful recommendations are made to complement each credit union's unique loan and deposit structure.

Advisors with Southwest Corporate Investment Services know credit unions, because credit unions are Investment Services' only business. Experienced advisors understand the dynamics of credit unions and are uniquely trained in the economic and regulatory environment facing credit unions. This gives each credit union the benefit of working with a team of knowledgeable advisors utilizing some of the most advanced tools available to maximize balance sheet efficiencies.

Southwest Corporate Investment Services augments individualized attention with an array of products and services specifically designed to meet the unique investment and borrowing needs of credit unions.



Southwest Corporate Investment Services offers the following solutions to help credit unions develop sound investment strategies to maximize balance sheet efficiencies.

Advisory*

The Advisory Service is a SEC-registered, comprehensive program of customized balance sheet solutions and integrated A/LM guidance from experienced industry professionals. Southwest Corporate Investment Services' advisors work directly with credit unions to make recommendations on balance sheet strategies, following a detailed analysis of financial conditions. This all-encompassing service provides balance sheet strategy, A/LM modeling, portfolio analysis, investment execution, recordkeeping and ongoing guidance for credit union executive management, boards and staff.

Asset/Liability Management*

From basic to complex, Southwest Corporate Investment Services provides customized A/LM analysis and strategies. For the more complex credit unions, Southwest Corporate Investment Services uses the advanced analysis and cutting-edge modeling strategies of BancWare® to measure a credit union's balance sheet risks. The A/LM Service produces a clear and concise report package that monitors financial performance and measures earnings fluctuations under a broad range of plausible interest-rate scenarios. And most importantly, credit unions have access to a team of knowledgeable financial analysts who can provide ongoing interpretation and support.

Derivatives*

Southwest Corporate Investment Services' derivative hedging program uses off-balance sheet transactions to offset long-term interest rate risk for qualified credit unions. This process helps manage a credit union's earnings and capital volatility. It also reduces risk and sets the stage for a credit union's improved financial performance.

In addition, Southwest Corporate Federal Credit Union provides the following solutions to help credit unions optimize their individual financial performance.

Certificates

In addition to creating industry-leading "non-callable" certificates, Southwest Corporate Federal Credit Union routinely creates structured certificates that yield 15-20 basis points over similar agency structures. One of the strengths of Southwest Corporate Federal Credit Union's certificate program is in its ability to meet a credit union's specific liquidity and investment goals through competitive pricing, flexibility and customization. The customized service offers credit unions several unique options, including "reverse inquiries," which enable credit unions to structure share certificates that meet specific maturity, cash flow and yield needs.

Liquidity

Southwest Corporate Federal Credit Union's overnight investment accounts are extremely competitive, tiered accounts designed to help credit unions more efficiently manage settlement activity and overnight liquidity. The balance held in the account determines the interest rate, and the account pays the highest interest rate on the entire balance, not just on that portion of the balance that exceeds tier thresholds. These accounts put every dollar to work, every minute of the day, while helping credit unions ease reserve requirements.

Loans and Loan Participation

Credit unions can meet their borrowing needs for both liquidity and asset/liability management purposes with Southwest Corporate Federal Credit Union's lending services. They offer flexible options, competitive interest rates/terms and the continuous development of unique lending solutions, like loan participations. Southwest Corporate was among the first corporate credit union in the nation to offer this service, which enable credit unions to free up capital by selling blocks of loans.

Brokerage**

Southwest Corporate Federal Credit Union's Brokerage Service, through CU Investment Solutions, Inc. offers credit unions customized investment programs and access to a wide range of securities provided by more than 15 primary dealers. It also provides up-to-date market information and analytical reporting that complies with NCUA regulations. Southwest Corporate Federal Credit Union is a convenient one-stop source for brokerage as well as certificate quotes.



Services and Solutions

Whether a credit union has a balance sheet that is relatively straightforward, extremely complex or somewhere in between, Southwest Corporate Federal Credit Union and its wholly-owned subsidiary, Southwest Corporate Investment Services, have products and services specifically designed to help a credit union achieve its balance sheet goals.

Some of the valued products and services offered by Southwest Corporate Investment Services include:

Advisory Service*

- Comprehensive balance sheet strategies
- Investment and A/LM policy review and updates
- Capital management strategies
- Monthly investment accounting reports
- Analysis and compliance reporting to meet Part 703 of NCUA's regulations
- Investment and A/LM educations
- Current economic commentary

Assesst/Liability Management Service*

- Comprehensive balance sheet risk analysis
- Advanced analytics available through BancWare®
- Personal consultation and assistance on an ongoing basis
- Complete, concise, ready-to-present reports for ALCO or Board of Directors

Derivative Hedging*

- NCUA compliant education and training
- Risk mitigation strategies
- Execution and monitoring of interest rate swaps and cap
- Improved financial performance

Some of the valued products and services offered by Southwest Corporate Federal Credit Union include:

Broker/Dealer Products and Services**

- Agency securities, Treasury bills, notes and bonds
- Asset-backed securities
- Mortgage-backed securities, CMO's and REMICS
- Up-to-date market information
- Analytical reporting for Part 703 of NCUA's regulations

Lending and Loan Participation

- Competitive rates
- Flexible collateral requirements
- Customized lending structures

Certificates and Liquidity

- Significant yield advantages on Tiered Overnight Accounts
- Competitive customizable certificate yields and structures

* These products and services are available through Southwest Corporate Investment Services, a wholly-owned subsidiary of Southwest Corporate Federal Credit Union.

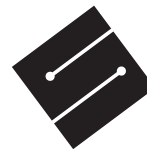
Note: Not bank guaranteed, may lose value.

Note: "BancWare®" is a federally registered service mark owned by BancWare, LLC

** This service is available through CU Investment Solutions, Inc.™
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Note: ISI is a member NASD and SIPC.

ISI's brokered marketable securities are not insured by NCUSIF, are not guaranteed by Southwest Corporate Federal Credit Union, and are subject to market risk.



southwest corporate
INVESTMENT SERVICES

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