

ANNUAL REPORT



A L L T O G E T H E R N O W



Federally insured by NCUA.

Wings Continues to Deliver Tremendous Value for its Members

Despite all the questions and uncertainty that 2021 brought, it was truly an exceptional year at Wings Financial Credit Union. Thank you for your engagement this past year! Your deposits, loans and use of the Credit Union's everyday financial services helped us create tremendous value for our entire membership.

New members are the lifeblood of any financial institution. I'm proud to say that we welcomed over 32,000 new members into our cooperative last year, including 3,300 through our merger with Brainerd Savings & Loan in central Minnesota. After being originally founded by just seven airline employees in 1938, Wings now has more than 320,000 members worldwide – quite the growth!

Many members join to take advantage of the great rates we offer on deposits, and in 2021 we grew our deposits by \$770 million, finishing the year at \$5.6 billion in total savings. This significant growth allowed us to fund a record-breaking \$2.0 billion in loans, and in the years ahead, we'll continue to put

the 'credit' in credit union as we give flight to our members' financial dreams.

But beyond our finances, the real difference maker for Wings is our servant's heart. In 2021, while many were still feeling the impact of the pandemic, we continued to put our members' needs first by generating more than \$34 million in direct value for our members through lower loan rates and higher deposit rates than the industry. In addition, our aversion to fees meant Wings members paid less than half the fee income that the average credit union collects. Beyond this tremendous price value, we were also there for our members who were negatively impacted by COVID, providing hardship assistance on more than \$100 million in consumer and mortgage loans. In addition, we also continued to prioritize our financial literacy initiatives, reaching a record 19,094 community members through seminars and webinars.

As we look at the year ahead, we have some exciting things planned for our membership. We're further expanding our services in existing and

new markets by building new branches in both central Minnesota (Baxter) and southern Minnesota (Rochester). We'll also continue to leverage technology – like Wings Voice ID and our chatbot, Skye – to create faster, better and easier member experiences, while remaining industry leaders on initiatives such as our remote online notaries, allowing for completely digital mortgage closings.

2022 promises to be another bright year for Wings and our membership. Thank you for continuing to participate in our cooperative – we look forward to continuing to provide you with outstanding value in the year ahead!



R. Frank Weidner
President & CEO



Continued Growth Propels Wings to New Heights

On behalf of your Board of Directors, I'd like to thank you for being a member of Wings Financial Credit Union! Your continued support has enabled the Credit Union to accomplish new heights this past year, and we've been able to do some great things for our members as a result.

In 2021, we achieved nearly \$1.1 billion in asset growth, finishing the year with \$7.8 billion in assets. Furthermore, we improved our capital position to \$860 million, ending the year with a net income of \$90 million. There's no question about it – this growth has Wings Financial extremely well-positioned for anything the future holds.

Speaking of the future, we want to continue to bring new members into the Credit Union to take full advantage of the cooperative model. Word of mouth is a great way to attract new members, but another avenue of growth is by expanding our physical marketplace presence. In 2021, we made

some strategic moves to help facilitate this growth, such as opening a new location in Northfield, Minnesota and completing a merger with Brainerd Savings & Loan to expand our footprint into central Minnesota. As a part of that transaction, we welcomed their members and employees into the Wings family, while introducing Wings' superior products and services to the market.

We also expanded our community fields of membership to make it even easier for members to join the Credit Union this past year. People who live or work in 33 different Minnesota counties are now eligible to join Wings, including a band of counties ranging from Olmsted County in southeastern Minnesota all the way to Marshall County in the far northwestern corner of the state. This expanded geographic coverage makes it even easier for new members to join Wings and help propel our future growth.

Of course, this growth wouldn't be possible without the hard work of our dedicated Wings employees on behalf of our membership. Their efforts are key to our success, and I'm proud to say that the Star Tribune named Wings one of the Top Employers in Minnesota for the ninth consecutive year in 2021.

Thank you for your continued support of Wings Financial Credit Union. With your continued patronage and engagement, we have a bright future ahead of us!



Mark Photiades
Board Chair



Wings Remains a Safe and Secure Financial Institution for its Members

The Supervisory Committee is responsible for identifying, measuring and monitoring the business risks undertaken by the Credit Union and ensuring the integrity of its financial reporting. We also work to ensure compliance with state and federal regulations and to protect the interest of the membership by making sure that the operations of the Credit Union are in line with applicable regulations. The Committee meets quarterly to review the effectiveness of the Credit Union's

risk management processes and related internal controls.

The Committee also works with the National Credit Union Administration (NCUA) and the Minnesota Department of Commerce (MNDOC) during annual examinations and hires and retains independent auditors for our annual external audit of Credit Union procedures and financial condition. In 2021, Wings was examined by both the NCUA and MNDOC and was audited by a national accounting firm. The examinations and audit for the past year show

that the Credit Union is in compliance with good financial practices and regulatory requirements.



Cheryl Minks
Supervisory Committee Chair



WINGS FINANCIAL CREDIT UNION
AND SUBSIDIARY CONSOLIDATED
STATEMENTS OF
FINANCIAL CONDITION

As of December 31, 2021 and 2020

(\$ in thousands)

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$248,322	\$277,030
Investments	2,739,504	2,002,856
Loans – Held for Sale	31,276	0
Loans Receivable, Net of Allowance for Loan Losses	4,475,465	4,151,490
Property and Equipment-Net	68,939	62,886
Other Assets	283,156	236,519
Total Assets	\$7,846,662	\$6,730,781
LIABILITIES AND MEMBERS' EQUITY		
Members' Share Accounts	\$6,351,743	\$5,581,284
Borrowed Funds	557,005	234,000
Other Liabilities	72,176	67,005
Total Liabilities	6,980,924	5,882,289
Regulatory Reserve	95,144	95,144
Unrealized Gain (Loss) on "Available for Sale" Investments	(35,893)	36,572
Undivided Earnings	806,487	716,776
Total Members' Equity	865,738	848,492
Total Liabilities and Members' Equity	\$7,846,662	\$6,730,781

WINGS FINANCIAL CREDIT UNION
AND SUBSIDIARY CONSOLIDATED
STATEMENTS OF INCOME

Years Ending December 31, 2021 and 2020

(\$ in thousands)

	2021	2020
INTEREST INCOME		
Loans	\$164,642	\$164,236
Investment Securities	41,596	40,241
Total Interest Income	206,238	204,477
DIVIDEND / INTEREST EXPENSE		
	35,715	44,513
NET INTEREST INCOME	170,523	159,964
PROVISION FOR LOAN LOSSES		
	24,292	31,464
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	146,231	128,500
NON-INTEREST INCOME		
Miscellaneous Income	61,468	62,561
Gain (Loss) on Investments	11,049	4,660
Total Non-Interest Income	72,517	67,221
NON-INTEREST EXPENSE		
Compensation and Benefits	73,060	62,667
Occupancy	9,349	8,870
Office Operations	33,718	30,211
Other	12,910	13,430
Total Non-Interest Expense	129,037	115,178
Net Income	\$89,711	\$80,543

ALL TOGETHER,

We achieved.



\$2+ billion in loan production,
setting a new record



\$770 million in deposit growth



Awards & recognition for
best credit union, best mortgages, Top Workplace
& more

We grew.



32,116 new members welcomed



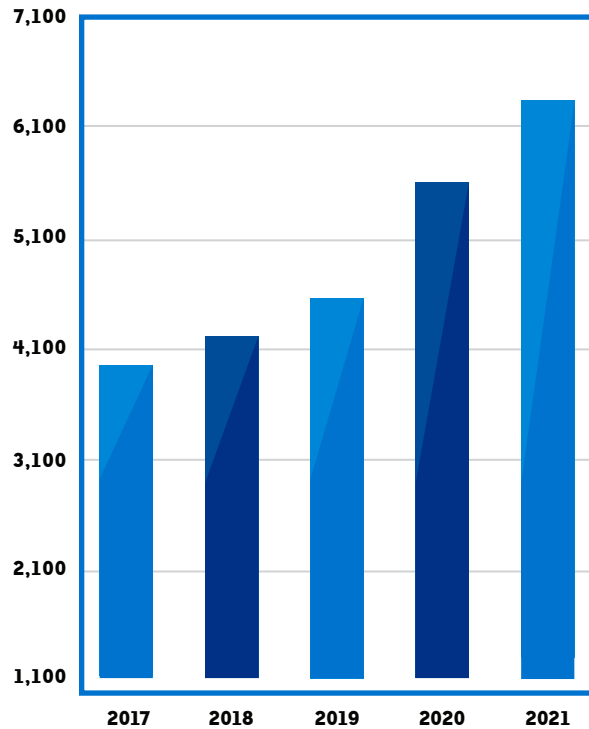
New branches in Brainerd &
Northfield; underway in Baxter & Rochester



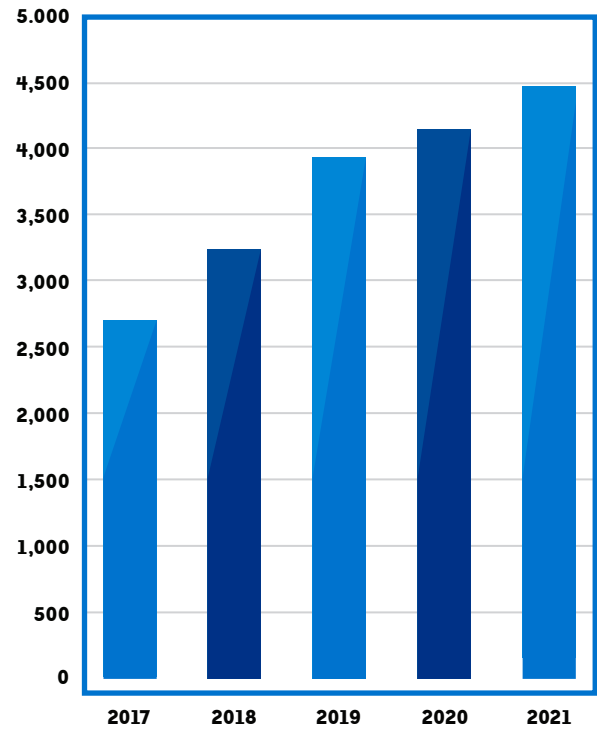
\$1.1 billion in asset growth, reaching
\$7.8 billion at year-end

Growth and Security

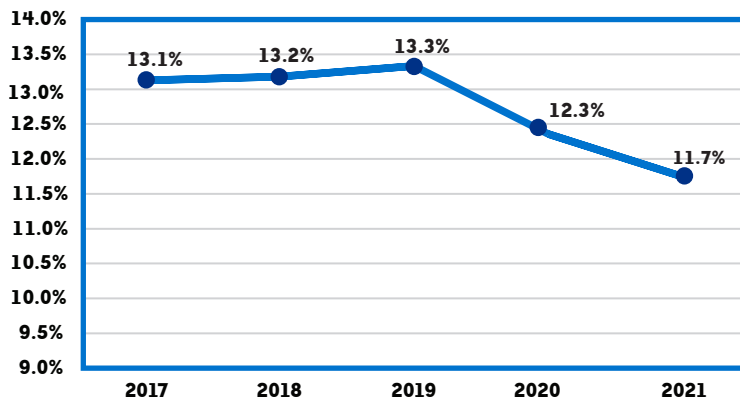
Total Savings (\$ in millions)



Total Loans (\$ in millions)



Net Worth %



We served.



\$100 million hardship assistance in consumer & mortgage loans



19,094 participants in financial education efforts



1,280 employee volunteer hours during annual Wings Day of Service

We saved.



\$34 million saved by members through better rates*



50% lower fees to support members through pandemic*



\$1+ million organizational savings through automation & process improvements

BOARD OF DIRECTORS

Mark Photiades, <i>Chair</i>	Greg Miller
Jo Ann Harris, <i>Vice Chair</i>	Cheryl Minks
Julie Rath, <i>Secretary/Treasurer</i>	Geoff Heck
	Frank Weidner

COMMITTEE MEMBERS

Elizabeth Caven	Drew Boeke
Ben Humphrey	Vicki Nielsen
Jane Pennington	

*Raddon Performance Analytics study comparing Wings Financial products to similar competitors' offerings.

This report contains the highlights of the year-end financial reports for 2021. Copies of the 2021 Audited Financial Statements, auditors' opinions and notes to financial statements are available at Wings' Headquarters: 14985 Glazier Avenue, Apple Valley, MN 55124.