



## LETTERS FROM THE BOARD

### Wings' Servant's Heart Shone Throughout 2020

I've been in the credit union industry for more than 30 years and have never experienced anything like this past year. In its uniqueness, 2020 gave Wings an opportunity to really focus on the cooperative principles that we were founded upon, and I'm proud to say that those principles have kept Wings strong in the face of adversity.

One of our core values at Wings is to operate with a servant's heart, and now more than ever before, we relied on it to help guide our approach to the pandemic. We added new safety protocols in branches, increased our drive-thru offerings and enhanced our digital platforms by offering new features like video chat and digital mortgage closings. While businesses around our communities were closing, we were able to remain open as an essential business by maintaining a safe, healthy environment for you.

But that's not all – we also waived nearly \$400,000 in fees, paid out \$1.2 million in debt protection claims and processed \$100+ million in stimulus payments for more than 60,000 members. When all was said and done, we provided relief on 27,000 loans, totaling over \$700 million amid the most turbulent year in memory.

However, the pandemic wasn't just impacting our members, it was also impacting our communities. That's why we donated more than \$100,000 through the Wings Financial Foundation to several charitable organizations and food shelves, such as Urban Ventures, Sharing & Caring Hands, Toys for Tots and the Minnesota Zoo, among others. We also continued our financial education programs, connecting with more than 8,000 students, including over 3,700 through virtual classes and webinars.

All of this was possible because of you! The cooperative model that drives us forward relies upon savers and spenders working together to enhance the experience for the entire membership, and thanks to your participation, we were able to have an exceptional year.

Thank you for your membership. We look forward to providing you with outstanding value and service in the year ahead.



*R. Frank Weidner*  
R. Frank Weidner  
President and CEO

### Wings is Financially Strong and Well-Positioned for the Future

Thank you for being a member of Wings Financial Credit Union! 2020 was unlike anything we dreamed it would be heading into the year. However, despite branch closures and other obstacles, I'm proud to report that Wings increased capital reserves by \$80 million last year and is now as strong financially as it has ever been. There's no question that Wings is extremely well-positioned and prepared for whatever the future has in store.

Over the past year, the Board, management team and many of the Credit Union's employees have been developing plans to execute our 2025 Vision, which is to deliver unparalleled total value to the communities we serve through price, experience and people who care. We can provide this to the membership through pricing – Wings members saved \$36 million over its competitors in 2020 through better rates – but we are also enhancing our processes to create a faster, better and easier day-to-day financial experience.

To continue to provide this type of value for our membership, we need to be constantly growing the cooperative. Many new members join Wings after hearing about our offerings from friends, but one of the biggest ways that we can grow is through acquisitions, such as the deal with Brainerd Savings & Loan that we announced earlier this year. This acquisition will expand our footprint into central Minnesota, providing the members who live there – or go north on vacation – an additional service option in the area. The deal (subject to regulatory approval) is expected to close by May 31, 2021 and we're excited to welcome their employees and members into the Wings family!

Speaking of the Wings family, we were honored to be named a Top Workplace by the Minneapolis *Star Tribune* for the eighth consecutive year in 2020. Our amazing employees are crucial to our success and this year was no different. Our team was tested in ways that we never could have imagined, but

they remained resilient and continued to put your financial needs first.

Thank you again for your continued support of Wings Financial Credit Union. This past year was quite an eventful year, but your Board and the employees at Wings are ready to take advantage of the tremendous opportunities that we have ahead of us!



*Mark Photiades*  
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 during annual examinations and hires and retains independent auditors for our annual external audit of Credit Union procedures and financial condition. In 2020, Wings was examined by both the NCUA and the Department of Commerce and was audited by the accounting firm of CliftonLarsonAllen. 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*  
Cheryl Minks  
Supervisory Committee Chair

WINGS FINANCIAL CREDIT UNION  
AND SUBSIDIARY CONSOLIDATED  
STATEMENTS OF  
FINANCIAL CONDITION

As of December 31, 2020 and 2019

WINGS FINANCIAL CREDIT UNION  
AND SUBSIDIARY CONSOLIDATED  
STATEMENTS OF INCOME

Years Ending December 31, 2020 and 2019

	(\$ in thousands)	
	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$277,030	\$135,822
Investments	2,002,856	1,299,040
Loans Receivable, Net of Allowance for Loan Losses	4,151,490	3,928,307
Property and Equipment-Net	62,886	60,087
Other Assets	236,519	209,869
<b>Total Assets</b>	<b>\$6,730,781</b>	<b>\$5,633,125</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' Share Accounts	\$5,581,284	\$4,532,038
Borrowed Funds	234,000	300,000
Other Liabilities	67,005	58,368
<b>Total Liabilities</b>	<b>5,882,289</b>	<b>4,890,406</b>
Regulatory Reserve	95,144	95,144
Unrealized Gain (Loss) on "Available for Sale" Investments	36,572	11,342
Undivided Earnings	716,776	636,233
<b>Total Members' Equity</b>	<b>848,492</b>	<b>742,719</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$6,730,781</b>	<b>\$5,633,125</b>

	(\$ in thousands)	
	2020	2019
<b>INTEREST INCOME</b>		
Loans	\$164,236	\$145,353
Investment Securities	40,241	48,682
<b>Total Interest Income</b>	<b>204,477</b>	<b>194,035</b>
<b>DIVIDEND / INTEREST EXPENSE</b>	<b>44,513</b>	<b>48,607</b>
<b>NET INTEREST INCOME</b>	<b>159,964</b>	<b>145,428</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>31,464</b>	<b>8,174</b>
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	<b>128,500</b>	<b>137,254</b>
<b>NON-INTEREST INCOME</b>		
Miscellaneous Income	62,561	50,695
Gain (Loss) on Investments	4,660	2,487
<b>Total Non-Interest Income</b>	<b>67,221</b>	<b>53,182</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and Benefits	62,667	56,902
Occupancy	8,870	8,575
Office Operations	30,211	31,199
Other	13,430	10,343
<b>Total Non-Interest Expense</b>	<b>115,178</b>	<b>107,019</b>
<b>NET INCOME</b>	<b>\$80,543</b>	<b>\$83,417</b>



Supporting members  
through COVID-19

Processed \$109 million in stimulus payments for 60,144 members

Paid \$1.2 million in debt protection claims as unemployment rates climbed

Waived \$363,275 in fees to defer loan payments

Expanded touch-free and drive-thru services for a wider range of products and transactions



Giving back, ensuring  
future growth

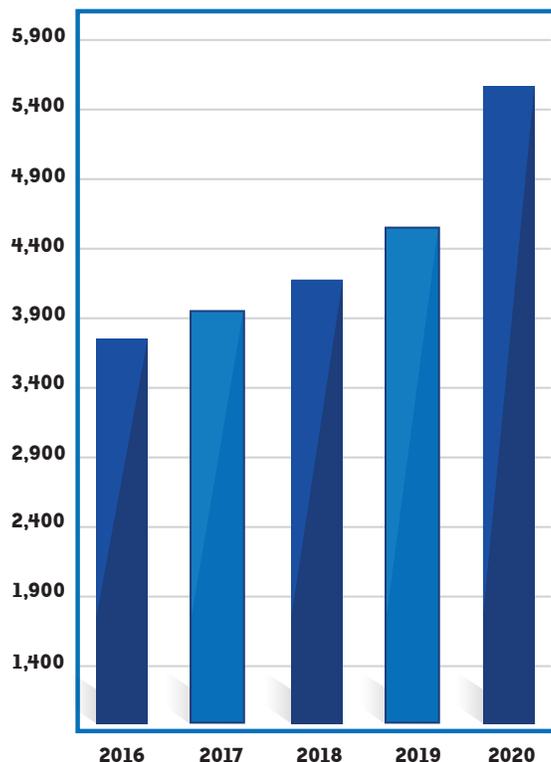
Donated \$100,000+ to community organizations, including \$50,000 to help rebuild south Minneapolis

Provided free financial education to 8,000+ students (many virtually) through the Wings Financial Foundation

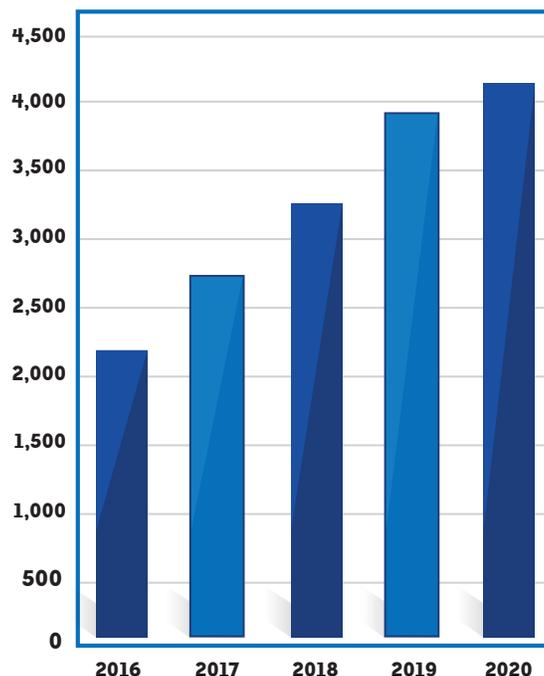
Purchased property in Northfield, MN for a new branch scheduled to open in summer 2021

## Growth and Security

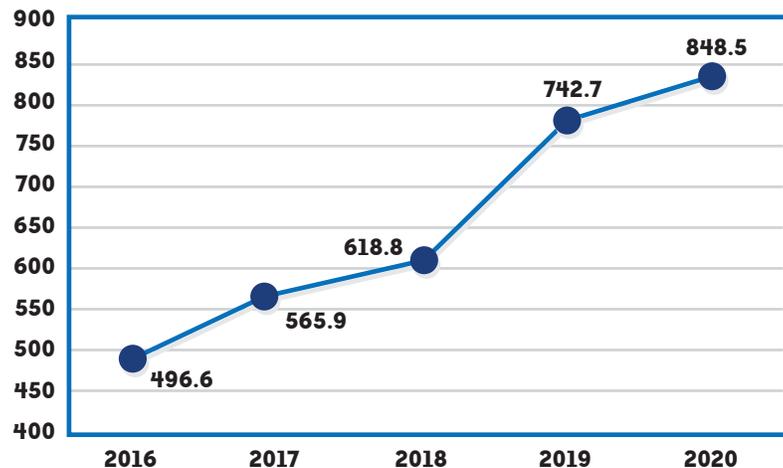
**Total Savings (Dollars in Millions)**



**Total Loans (Dollars in Millions)**



**Members' Equity (Dollars in Millions)**



*"I like knowing that [Wings] is a locally based institution and they invest back into the community."*  
 – Member Manda M.

*"We were treated like humans with empathy. Thank you for caring – we will be members for life!"*  
 – Member Ryan F.

*"People can make or break an organization and the people at Wings are dedicated to serving its members and helping the organization grow."*  
 – Wings employee

### Board of Directors

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

### Committee Members

David Olson  
 Elizabeth Caven  
 Ben Humphrey  
 Jane Pennington