



**MINNESOTA'S CREDIT UNION®**  
**Elevating members, enriching communities.**

**2022 Annual Report**



**Wings**  
FINANCIAL  
CREDIT UNION

Federally insured by NCUA.

## Wings Continues to Deliver Unparalleled Value to Members

At the beginning of the year, no one could have predicted what was in store for 2022. Between record levels of inflation and unprecedented rate hikes by the Fed, it was extremely challenging for many and much of the financial services industry struggled to adjust.

While 2022 was certainly different than we had expected, I'm happy to share that Wings' business model remained resilient and we provided outstanding value throughout the year! In fact, the year was strong both financially and operationally—even outperforming our initial budget in many ways.

This success is a result of great engagement from you, our members! Our cooperative model relies on your deposits, loans and use of the Wings' everyday financial services to drive widespread value for the membership as a whole.

We welcomed 28,259 new members to our cooperative in 2022, increasing our total to nearly

350,000 members worldwide, and we provided members with a record-breaking \$2.4 billion in loans. It's amazing to think how far we've come since being founded in 1938—that year, the Credit Union finished with just \$345 in total assets; last year, we finished with \$8.4 billion.

As we look ahead to 2023, we have some big things planned for our membership, like our continued rollout of self-service technology. You can see this in the branches with our Express Tellers, which will be introduced in additional Twin Cities locations this year as we remodel some of our older branches. We're also excited to introduce our virtual assistant, Skye, to the phone lines, providing members who call in with 24/7 self-service capabilities and no wait times.

We're also continuing toward our goal of providing faster, better, easier and more efficient member experiences. One place you'll see this is on our digital channels, where

we've launched a new member onboarding platform and leveraged state-of-the-art lending technology to make it even easier to get a loan from Wings.

2023 looks to be another great year for our cooperative and I'm inspired by the opportunities we have ahead of us. Thank you for your engagement—we look forward to continuing to provide you with unparalleled total value in the year ahead!



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

## Wings was "Minnesota's Best" in 2022

On behalf of your Board of Directors, I'd like to thank you for being a member of Wings Financial Credit Union! Because of your continued support, Wings was named "Minnesota's Best Credit Union" in the Star Tribune's Reader's Choice awards this past year—a testament to the great value that we're able to deliver to our members!

You can't be "Minnesota's Best" without superb member service and in 2022, we saw strong satisfaction scores as we welcomed more than 147,000 members into our branches and answered over 312,000 calls in our National Contact Center. Especially of note was Wings' outstanding service for mortgages (4.9 out of 5 on our member satisfaction surveys) and auto loans (4.8 out of 5), while our mobile app has a 4.8 rating out of 5 on the Apple App Store.

To be the best, you also need to continue to grow—after all, the more we grow, the more total value that we can provide to our membership. This past year, Wings set new

records for our cooperative in lending and surpassed \$8.4 billion in assets, finishing the year as Minnesota's largest credit union and one of the largest in the nation. We also got closer to completing our vision of becoming a credit union for all of Minnesota with the addition of two new state-of-the-art branches in Baxter and Rochester.

We also announced our first expansion into Wisconsin with the acquisition of Settlers bank. Founded in 2007, they have three locations (Appleton, Madison, Windsor) and pride themselves on doing things differently than the big banks—just like Wings. We're excited about the opportunities the transaction will provide and expect it to close in mid-2023 (subject to regulatory approval), at which point Settlers will become Settlers best Credit Union, a division of Wings Financial Credit Union

Finally, we wouldn't be able to be the best without our team of dedicated employees working tirelessly for our members. Wings is

committed to attracting and retaining top talent who can help deliver outstanding value. In 2022, this led to our cooperative being named one of top employers in Minnesota for the 10<sup>th</sup> consecutive year—what an outstanding accomplishment!

None of this would have been possible without you. Your engagement is a difference maker for Wings—so thank you again for making us "Minnesota's Best"!



*Jo Ann Harris*  
**Jo Ann Harris**  
Board Chair

## Wings Remains Safe and Secure for our 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 2022, Wings was examined by both the NCUA and the Department of Commerce and was audited by a national accounting firm. The committee believes 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, 2022 and 2021

(\$ in thousands)

|   | 2022                | 2021                |
|---|---------------------|---------------------|
| <b>ASSETS</b>   |                     |                     |
| Cash and Cash Equivalents                                     | \$ 250,532          | \$ 248,322          |
| Investments   | 2,317,496           | 2,739,504           |
| Loans – Held for Sale   | 0                   | 31,276              |
| Loans Receivable, Net of<br>Allowance for Loan Losses         | 5,480,039           | 4,475,465           |
| Property and Equipment-Net                                    | 71,948              | 68,939              |
| Other Assets  | 302,098             | 283,156             |
| <b>Total Assets</b>   | <b>\$ 8,422,113</b> | <b>\$ 7,846,662</b> |
| <b>LIABILITIES AND MEMBERS' EQUITY</b>                        |                     |                     |
| Members' Share Accounts                                       | \$ 6,527,201        | \$ 6,351,743        |
| Borrowed Funds  | 1,130,849           | 557,005             |
| Other Liabilities   | 97,670              | 72,176              |
| <b>Total Liabilities</b>                                      | <b>7,755,720</b>    | <b>6,980,924</b>    |
| Regulatory Reserve  | 0                   | 95,144              |
| Unrealized Gain (Loss) on<br>"Available for Sale" Investments | (327,883)           | (35,893)            |
| Undivided Earnings  | 994,276             | 806,487             |
| <b>Total Members' Equity</b>                                  | <b>666,393</b>      | <b>865,738</b>      |
| <b>Total Liabilities<br/>and Members' Equity</b>              | <b>\$ 8,422,113</b> | <b>\$ 7,846,662</b> |

## Wings Financial Credit Union and Subsidiary Consolidated Statements of Income

Years Ending December 31, 2022 and 2021

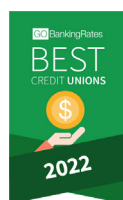
(\$ in thousands)

|  | 2022             | 2021             |
|--|------------------|------------------|
| <b>INTEREST INCOME</b>                                     |                  |                  |
| Loans  | \$ 192,844       | \$ 164,642       |
| Investment Securities                                      | 41,437           | 41,596           |
| <b>Total Interest Income</b>                               | <b>234,281</b>   | <b>206,238</b>   |
| <b>DIVIDEND/INTEREST EXPENSE</b>                           |                  |                  |
|  | <b>54,077</b>    | <b>35,715</b>    |
| <b>NET INTEREST INCOME</b>                                 | <b>180,204</b>   | <b>170,523</b>   |
| <b>PROVISION FOR LOAN LOSSES</b>                           |                  |                  |
|  | <b>13,949</b>    | <b>24,292</b>    |
| <b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b> | <b>166,255</b>   | <b>146,231</b>   |
| <b>NONINTEREST INCOME</b>                                  |                  |                  |
| Miscellaneous Income                                       | 58,042           | 61,468           |
| Gain (Loss) on Investments                                 | 10,006           | 11,049           |
| <b>Total Noninterest Income</b>                            | <b>68,048</b>    | <b>72,517</b>    |
| <b>NONINTEREST EXPENSE</b>                                 |                  |                  |
| Compensation and Benefits                                  | 77,945           | 73,060           |
| Occupancy  | 10,084           | 9,349            |
| Office Operations  | 38,110           | 33,718           |
| Other  | 15,521           | 12,910           |
| <b>Total Noninterest Expense</b>                           | <b>141,660</b>   | <b>129,037</b>   |
| <b>NET INCOME</b>  | <b>\$ 92,643</b> | <b>\$ 89,711</b> |

## Awards



### Minnesota's Best Credit Union

Star Tribune  
Readers' Choice Awards

### Best Credit Unions 2022

by gobankingrates.com



the balance

### Best Credit Unions 2022

by The Balance

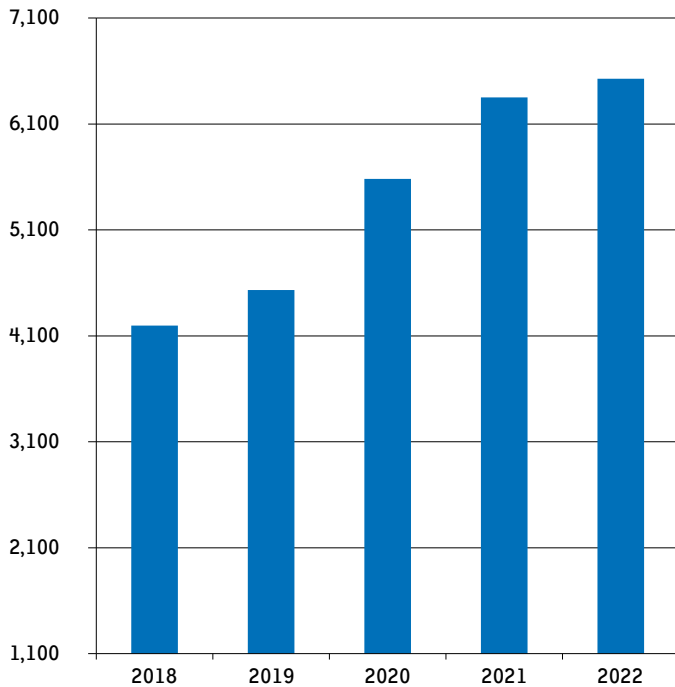


### Star Tribune Top Workplace

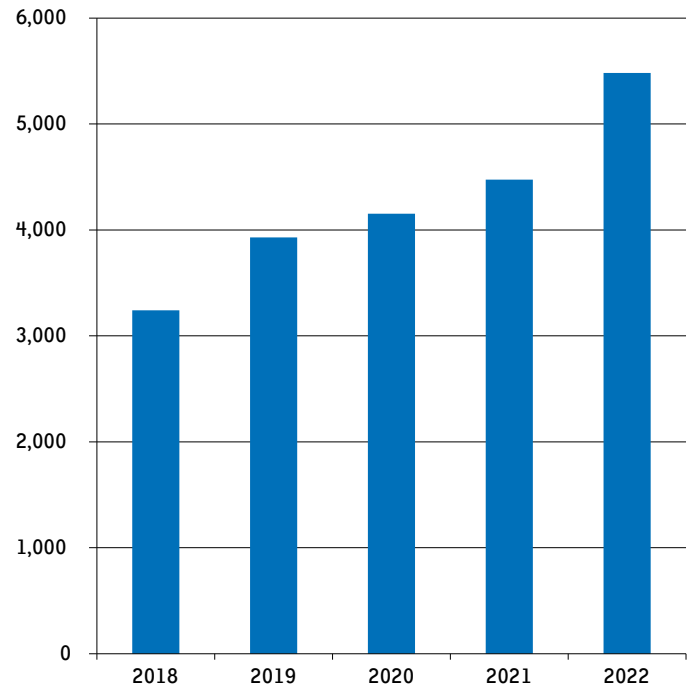
for 10<sup>th</sup> consecutive year

## Growth & Security

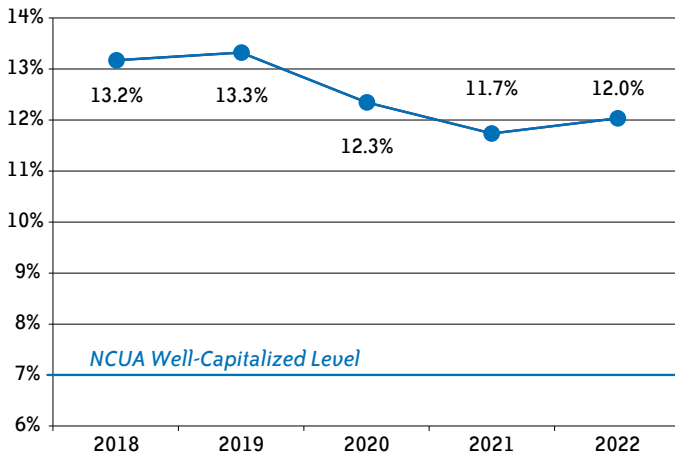
Total Savings (Dollars in Millions)



Total Loans (Dollars in Millions)



Net Worth %



## Milestones



**Opened new branches**  
in Baxter and Rochester



**Amazon Shop with Points**  
added to Member Rewards



**2,000 volunteer hours**  
during annual Wings Day of Service



**23,600 participants**  
in free financial education

## Board of Directors

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

## Committee Members

Elizabeth Caven  
Ben Humphrey  
Jane Pennington  
Drew Boeke  
Vicki Nielsen

This report contains the highlights of the year-end financial reports for 2022. Copies of the 2022 Audited Financial Statements, auditors' opinions and notes to financial statements are available at Wings' Headquarters: 14985 Glazier Avenue, Apple Valley, MN 55124.

