

2015 ANNUAL REPORT



Wings
FINANCIAL
CREDIT UNION

Letters from the Board

2015 Was Record Year for New Members and Loans

Thank you for another exceptional year at Wings! 2015 was a record-breaking year by several measures. Your membership in the organization and your use of the products and services we provide have built great value that is returned to members on a daily basis.

Wings welcomed 18,364 new members to Wings in 2015 – an all-time record and a 38% increase over 2014. Increasingly, consumers in the Twin Cities are learning about the outstanding value and service Wings provides its members, and we continue to see strong new member growth in our branches in Atlanta, Detroit, Orlando, and Seattle, as well.

Many of our new members joined through our newest branches. We followed our 2014 branch openings in Blaine, Eden Prairie, and Woodbury with new branches in Savage and Chaska in 2015. Members of these communities have long requested branch locations, and we were pleased to bring greater convenience to these growing communities.

One of the reasons members join Wings is the value returned through our low loan rates. Wings approved a record number of loans in 2015. We set aggressive targets for the year, and demand far exceeded expectations, with \$906 million in new loans driven largely by our competitive variable-rate mortgage products, and also through strong demand in consumer loans, particularly auto loans. Our total loan portfolio increased by \$431 million, from nearly \$1.4 billion to \$1.8 billion at year-end.

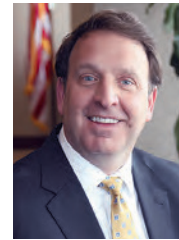
On the deposit side, members took advantage of our market-leading rates. Total savings grew by \$145 million to end the year at \$3.6 billion. With that foundation, Wings' total assets increased to end the year at \$4.23 billion.

Even as Wings has grown, we have maintained a keen focus on providing great service. In our annual member survey, which is sent to a random selection of approximately 10,000 members, we received a 95.6% satisfaction rating from those surveyed. This is an exceptionally strong number we are very proud of. Wings was also recognized

as a top performer by a leading national consumer rating publication for its outstanding service.

Just as our service to members is important, so is the volunteer service from our Board members. I would like to thank the members of our Board of Directors and Committees who volunteer a significant amount of time to ensure that Wings continues to deliver value to the membership. In particular, I would like to thank Arlie Johnson, who is retiring from our Board of Directors this year after nine years of service. Congratulations, Arlie, and thank you for your service to Wings.

Thank you for choosing Wings for your financial needs. We look forward to serving you in 2016.



R. Frank Weidner

R. Frank Weidner
President and CEO

Providing Great Service, Giving Back to Our Communities

Wings Financial Credit Union marked a year full of successes, which Frank outlined in his letter. These successes are only possible because of the solid foundation Wings has built, and most importantly because of your trust in Wings and use of our products and services.

This strong foundation grew even stronger in 2015. Total assets were at \$4.23 billion, an increase of \$172 million over 2014. Net worth, a standard measure of strength and stability, increased to 11.4% from 11.0% at year-end 2014. The National Credit Union Administration's benchmark for a well-capitalized credit union is 7%.

While financial stability and growth are key measures of Wings' success, service is vitally important to Wings, too. Record numbers of new members came to Wings in 2015, in part because of our products and services, but also because of the employees who take great pride in serving you well.

Some great service stories have been shared recently at Wings. One in particular comes from our Chaska branch, where one of our

representatives was literally credited with saving the member's life. Our representative was speaking with a long-time member experiencing pain in his neck, and he didn't seem quite right. The member downplayed the pain, but our employee insisted he leave the branch and immediately go to the hospital. The member did go to the hospital, and was immediately admitted because he was having a stroke. This member credited our representative with saving his life. This story has little to do with the products and services we offer, but it speaks to the care our employees take and the concern they show for our members.

Beyond daily individual impact on members' lives, Wings employees and their families impacted our communities in a significant way, volunteering 2,669 hours across the Twin Cities and in our branch communities outside of Minnesota. Numerous organizations benefitted from this generosity: Race for the Cure, Feed My Starving Children, The Sandwich Project, JDRF One Walk, American Heart Association, Autism Speaks, Second Harvest Heartland, and the Walk to Defeat ALS, just to name a few.

We have also increased our focus on the Wings Financial Foundation, which gives back to our communities and invests in providing financial education for community members of all ages. In 2015, the foundation held its first golf tournament, which with the support of our vendor-partners, raised over \$40,000 for the foundation to invest in the foundation's efforts. Our financial education efforts were recognized in several ways through awards from the Credit Union National Association (CUNA), our national trade association, through the Minnesota Credit Union Network, and from Junior Achievement of the Upper Midwest.

As I leave the Board of Directors this year, I am grateful for this opportunity to serve all of you, and I wish you well in the future.



Arlie D. Johnson

Arlie D. Johnson
Chairperson, Board of Directors

WINGS FINANCIAL CREDIT UNION
AND SUBSIDIARY CONSOLIDATED
STATEMENTS OF
FINANCIAL CONDITION

As of December 31, 2015 and 2014

(\$ in thousands)

| | 2015 | 2014 |
|--|--------------------|--------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$200,290 | \$195,164 |
| Investments | 2,043,527 | 2,319,711 |
| Loans Receivable, Net of Allowance for Loan Losses | 1,796,406 | 1,365,256 |
| Property and Equipment-Net | 33,686 | 28,825 |
| Other Assets | 153,943 | 147,452 |
| Total Assets | \$4,227,852 | \$4,056,408 |
| LIABILITIES AND MEMBERS' EQUITY | | |
| Members' Share Accounts | \$3,587,887 | \$3,443,400 |
| Borrowed Funds | 140,000 | 140,000 |
| Other Liabilities | 38,345 | 35,351 |
| Total Liabilities | 3,766,232 | 3,618,751 |
| Regulatory Reserve | 95,144 | 95,144 |
| Unrealized Gain(Loss) on "Available for Sale" Investments | (1,548) | 8,605 |
| Undivided Earnings | 368,024 | 333,908 |
| Total Members' Equity | 461,620 | 437,657 |
| Total Liabilities and Members' Equity | \$4,227,852 | \$4,056,408 |

WINGS FINANCIAL CREDIT UNION
AND SUBSIDIARY CONSOLIDATED
STATEMENTS OF INCOME

Years Ending December 31, 2015 and 2014

(\$ in thousands)

| | 2015 | 2014 |
|--|-----------------|-----------------|
| INTEREST INCOME | | |
| Loans | \$65,185 | \$55,646 |
| Investment Securities | 44,426 | 49,297 |
| Total Interest Income | 109,611 | 104,943 |
| DIVIDEND / INTEREST EXPENSE | | |
| | 29,816 | 31,866 |
| NET INTEREST INCOME | 79,795 | 73,077 |
| PROVISION FOR LOAN LOSSES | | |
| | 2,400 | 4,000 |
| NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES | 77,395 | 69,077 |
| NON-INTEREST INCOME | | |
| Miscellaneous Income | 31,931 | 27,890 |
| Gain(Loss) on Investments | 838 | (157) |
| Total Non-Interest Income | 32,769 | 27,733 |
| NON-INTEREST EXPENSE | | |
| Compensation and Benefits | 37,457 | 33,125 |
| Occupancy | 4,053 | 4,153 |
| Office Operations | 25,815 | 23,619 |
| Other | 8,723 | 6,301 |
| Total Non-Interest Expense | 76,048 | 67,198 |
| NET INCOME | \$34,116 | \$29,612 |

GIVING BACK TO OUR COMMUNITY

2,669

**TOTAL
VOLUNTEER
HOURS**

Wings employees volunteered with several organizations throughout the year, including The Sandwich Project MN, Feed My Starving Children, and the Susan G. Komen Race for the Cure.

The *Dora Maxwell*
Social Responsibility Community Service
AWARD

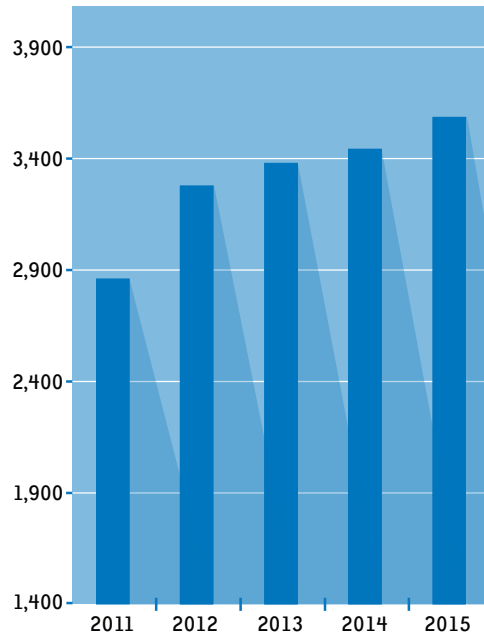
Awarded to Wings in 2015 for our work with the Kids in Need Foundation and their annual school supply drive.

“ I’ve been a member since July 2006, and I must say that due to the great customer service, I plan on remaining a member for life. I can’t wait to pass this on to my kids so they can reap the benefits.”

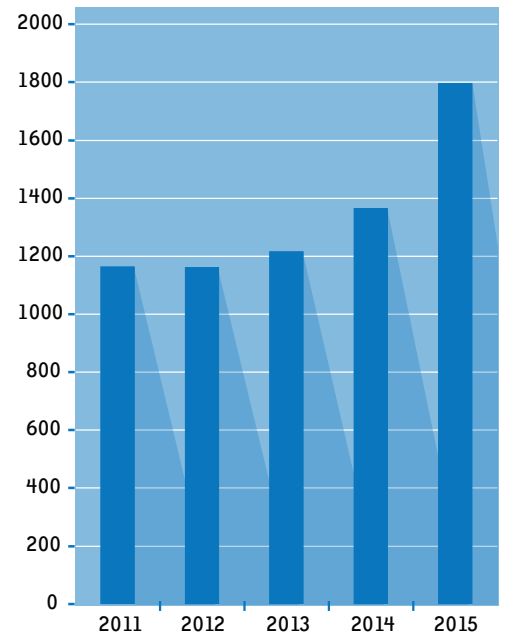
—Kirkston G.

GROWTH AND SECURITY

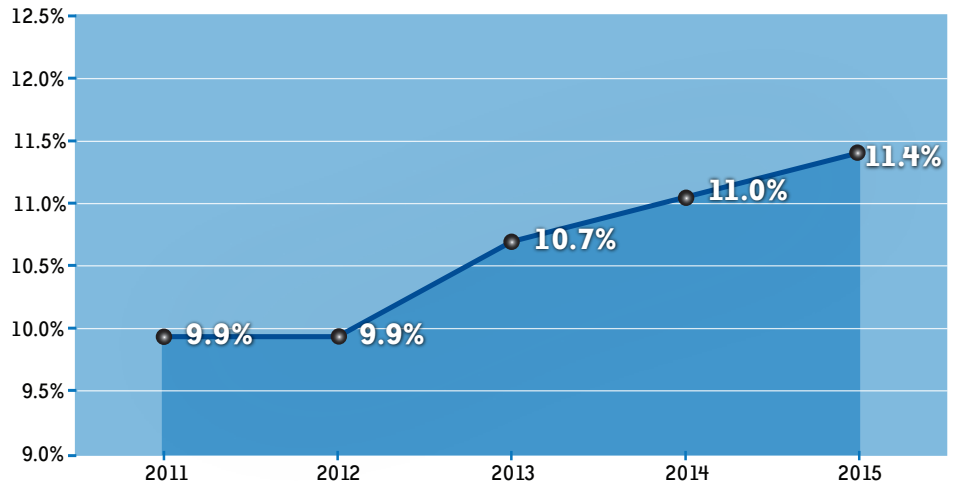
Total Savings (Dollars in Millions)



Total Loans (Dollars in Millions)



Net Worth %



HIGH MARKS IN FINANCIAL EDUCATION



382

SOAR Graduates

3,552

Students Reached

This report contains the highlights of the year-end financial reports for 2015. Copies of the 2015 Audited Financial Statements, auditors' opinions and notes to financial statements are available at Wings' Headquarters: 14985 Glazier Avenue, Apple Valley, MN 55124.



Wings was awarded the Desjardins Youth Financial Education Award for excellence in providing financial literacy education to the youth in our community.



Federally insured by NCUA.