

NEW SERVICES

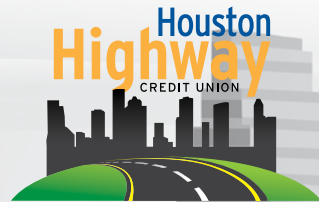
The AskAuto App

Searching for a car? This app allows you to scan VINs and get vehicle information such as average retail cost, and EPA estimates. You can save and compare vehicles, take notes, and even pre-fill your auto loan application with saved vehicle information and a quick scan of your driver's license.



MOBILE BANKING FOR IPAD™

We now offer our Mobile Banking app for the iPad, so you can transfer funds, check your balances, view recent transactions and more, all from your iPad!



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 Bank Victim
 CU Member



Federally Insured by NCUA

2013 Annual Report

...Cruising down memory lane





Houston Highway is proud to celebrate **61 years** of dedicated service to our members and our community. We have put thousands of Members on the Road to Financial Success. Houston Highway constantly seeks to improve for the benefit of all of our Member Owners. Along the road, we have introduced many valuable products and convenient services such as the AskAuto™ App, a surcharge-free nationwide ATM network with over 90,000 ATMs, and an assortment of free me-SERVICES\$ while maintaining our competitive interest rates for Savings and Loans.

As we reflect on 2013, we see continued improvement in our products and services. These achievements are possible because of our dedicated staff, Board of Directors and especially our loyal Members. Thank you for your continued efforts to make this CU 😊 excellent.

Report from Board of Directors

Welcome, Members, to our 61st Annual Meeting. As we celebrate 2013's achievements, it's my pleasure as Chairman of your Board of Directors to report on the strong financial position we've been able to maintain.

Houston Highway has grown this year in many ways. We continue to put forth innovative new products and services, competitive rates, and of course, we remain firm in our goal of turning 😞 Bank Victims into 😊 CU Members.

Board Members, Committee Members, Management and Staff work together to serve you, our Member/Owners. I am pleased to report that our credit union has qualified and capable leadership and will continue to grow and prosper as we maintain our commitment to provide quality service for you, your families, and the community.

Again, I'd like to thank our Membership for their continued support and loyalty to Houston Highway Credit Union. You are the reason we strive for excellence, and we cannot achieve it without you.

Mike Alford,
Chairman



...Cruising down memory lane

AGENDA

I. Call Meeting to Order	VI. Audit Committee Report
II. Determination of Quorum	VII. Unfinished Business
III. Minutes of Last Meeting	VIII. New Business
IV. Directors' Report by Chairman	IX. Election of Directors
V. President's Report	X. Adjourn

Note: Door Prizes will be awarded after business meeting.

Report of the President

Welcome to the 2013 Annual Meeting! 2013 marks Houston Highway's 61st Anniversary of serving our Members and the Houston community. We are excited to celebrate these 61 years with the Members who have made it possible. Thank you for being here today.

I am pleased to say that 2013 has been another year of growth for Houston Highway. Our Membership has increased by 149 😊 **CU Members** and we are thrilled to serve each one. We believe that our growth is due to our wide range of products and services, and the dedication we have toward advancing both technology and convenience for our Members. These efforts stem from our goal to transform 😞 **Bank Victims** into 😊 **CU Members** by providing the best products and services at competitive rates.

This year we have introduced new products including the AskAuto App, a free car buying app that allows you to scan VINs, research and compare cars, and even apply for loans straight from your smartphone by scanning your driver's license. In 2014, we will continue our me-SERVICE\$ Open House Events which allow Members to sign up and get free training on our free me-SERVICE\$ like Online Banking and Call24. In fact, we're holding a mini event tonight! If you have not yet signed up for our me-SERVICE\$, I encourage you to visit the 6 me-SERVICE\$ stations to sign up and learn about how the services can save you precious time. Our staff would be happy to help you sign up and can answer any questions you may have.

We had two successful community events in 2013 that brought in many existing Members and potential Members from our surrounding community. Members and guests had a great time and enjoyed free food, children's activities, document shredding, giveaways and prizes including a Family Vacation for 4 to Walt Disney World! We also hosted several other events including the annual Houston Chapter of Credit Unions Toy Drive, and a fundraiser for the Susan G. Komen Race for The Cure in honor of breast cancer survivor and HHCU vice president, Lois Krolczyk. Toward the end of the year, Santa even stopped by to offer free pictures with our little Members! I thoroughly enjoy seeing our Members fellowship

together at the Credit Union during these events, and I hope to see you all at our spring and fall events this year.

We are thankful that you are 😊 **CU Members** and not 😞 **Bank Victims**. Thank you for joining us today, it is wonderful to see you all.

Craig Atkinson,
President

Report of the Nominating Committee

The nominating committee consists of Quincy Allen, Karen Othon, and David Nitsch. We were charged with evaluating the individuals who chose to be considered for board of director positions. This year we had two qualified candidates to fill two open positions.

David Eng: David Eng is a long-time Member of HHCU. He works for US Dot as a Project Manager and holds the position of Vice Commander for the American Legion Post 596. David has served as an HHCU Advisory Board member for 5 years and on the Board of Directors for nearly 10 years.

Gregory Ranft: Gregory Ranft is a long-time Member of HHCU and works as a Civil Engineer at CDM Smith. He serves as a Council Member at his church, as well as a Student Advisor for the ASCE at the University of Houston. Mr. Ranft has served on the HHCU Audit Committee and is the current Audit Committee Chair. He has also served as an Advisory Board member for 6 years, and has been on the Board of Directors for the past 3 years.

The committee has made the following recommendations:

Position I: David Eng
Position II: Gregory Ranft

Quincy Allen,
Chairman



Report of the Audit Committee

As delegated by the Board of Directors, and as required by the Texas Credit Union Department regulations, the Audit Committee has the primary responsibility to review audited financial statements, internal controls, accounting policies and reporting procedures. The firm, John Weaver and Associates, was hired to conduct the annual audit for the period ending December 2012. That report received the highest ratings for accounting accuracy. Additionally, we have again contracted the firm for our 2013 audit which is currently in process.

The Texas Credit Union Department, in cooperation with the National Credit Union Administration (NCUA) also examined our operations from the perspective of the regulators and deposit insurers, taking into account the safety, soundness and compliance with all applicable laws and regulations.

The Audit Committee meets regularly throughout the year to review the operations of the credit union. We are pleased to find that the credit union has sound and efficient financial management practices. The credit union is well capitalized.

Gregory Ranft,
Chairman

Changes:

- Changes to Management: Kevin Conn, Executive Vice President; Nancy Rodriguez, Vice President
- Changes to Bylaws: None
- Changes to Articles of Incorporation: None
- Changes to Financial Condition: None
- Changes to Membership Size:
 - Members December 2013, 6,547
 - Members December 2012: 6,398
 - Net Member Increase: 149
- Services Offered Since Last Annual Meeting
 - AskAuto App
 - Mobile App for iPad

Directors:	Term Ends:
Mike Alford, Chairman	2016
Rita Dennis, Vice Chairman	2015
Otto Maresh, Treasurer	2015
Liz Gerstenberger, Secretary	2016
David Eng, Director	2014
Gail Morea, Director	2015
Gregory Ranft, Director	2014

Advisory Directors:

Lonnie Johnson, Sr.
Janet Kurtz

Audit Committee:

Gregory Ranft, Chairman
Eliza Paul
Janet Kurtz
Lonnie Johnson, Sr.

Staff:

- **Management:** Craig Atkinson, President; Kevin Conn, Executive Vice President; Lois Krolczyk, Vice President; Nancy Rodriguez, Vice President
- **Accounting:** Judy Anderson, Vicki Fleeger
- **Compliance/Audit Officer:** Kyle Nguyen, Bryan Auguillard
- **Branch Manager:** Anita Richardson
- **Assistant Branch Manager:** Juan Villegas
- **MSRs, Loans & New Accounts:** Rony Molina, Maria Mahoney, Nekitha Gracias, Jackeline Tamez, Gloria Celestine, Iris Martin
- **Community Outreach Manager:** Teresa Nicolas-Briggs



ASSETS:

Loans	\$37,649,290
Cash	\$488,992
Investments	\$20,007,579
Other Assets	\$3,004,666
TOTAL ASSETS	\$61,150,527

LIABILITIES:

Shares	\$26,524,119
Certificates of Deposit	\$17,669,679
IRA's	\$4,261,973
Share Drafts / Money Market	\$8,033,492
Total Member Deposits	\$56,489,263
Equity Accounts	\$5,168,953
Other Liabilities	\$(507,688)
TOTAL LIABILITIES	\$61,150,527

Operations

Gross Income	\$2,942,021
Dividends & Interest Paid to Members	\$248,801
Net Interest Income	\$2,693,220
Provision for Loan Losses Expense	\$323,300
Operating Expenses/ Gains	\$2,298,470
Net Operating Income	\$71,449

Non Recurring Expenses

CU Industry Liquidity Expenses	\$(41,305)
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Adjusted Net Income

\$30,145

2013

\$37,649,290
\$488,992
\$20,007,579
\$3,004,666
\$61,150,527

2012

\$37,450,455
\$353,550
\$17,938,731
\$3,059,303
\$58,802,039

2011

\$33,027,338
\$312,370
\$17,489,560
\$2,533,114
\$53,362,382

2013

\$26,524,119
\$17,669,679
\$4,261,973
\$8,033,492
\$56,489,263
\$5,168,953
\$(507,688)
\$61,150,527

2012

\$24,790,098
\$17,410,208
\$4,396,519
\$7,464,197
\$54,061,021
\$5,138,808
\$(397,790)
\$58,802,039

2011

\$20,387,538
\$17,956,778
\$4,406,513
\$6,235,037
\$48,985,866
\$4,855,325
\$(478,809)
\$53,362,382

Receive an additional

.05% APY*

on any new **Certificate of Deposit** up to a 1 year term, opened on or before April 30, 2014.

Special 5 year
Certificate of Deposit
with a rate of

1.50% APY*

on any new **Certificate of Deposit** opened on or before April 30, 2014.

Receive an additional

.10% APY*

on any new **Certificate of Deposit 1+ -2 year term**, opened on or before April 30, 2014. Does not include 1 year term.

Receive a
1.00% APR*
Discount

on any new vehicle loan funded on or before April 30, 2014. This discount cannot be combined with any other discounts including service and loyalty discounts.

Receive an additional
.15% APY*

...on any new **Certificate of Deposit 2+ year term**, opened on or before April 30, 2014. Does not include 2 year term.

Receive
1.00% APR*
Rebate

for any credit card balance transferred from another credit card to a new or existing HCU Credit Card, on or before April 30, 2014.

Special 4 year
Certificate of Deposit
with a rate of...

1.25% APY*

on any new **Certificate of Deposit** opened on or before April 30, 2014.

*APR= Annual Percentage Rate. APY= Annual Percentage Yield. Coupons may not be combined with any other discounts, including service and loyalty discounts. All coupons expire April 30, 2014. Normal credit criteria apply for auto loans and credit card applications. Loan rates are based on creditworthiness and are subject to change. Certificate rates are subject to change. Call for current rates.