

Hilltop Holdings Inc. Investor Presentation

May 2015

Preface

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FORWARD-LOOKING STATEMENTS

This presentation and statements made by representatives of Hilltop Holdings Inc. (“Hilltop” or the “Company”) during the course of this presentation include “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Company’s actual results, performance or achievements to be materially different from any future results, performance or achievements anticipated in such statements. Forward-looking statements speak only as of the date they are made and, except as required by law, the Company does not assume any duty to update forward-looking statements. Such forward-looking statements include, but are not limited to, statements concerning such things as our business strategy, our financial condition, our litigation, our efforts to make strategic acquisitions, our recent acquisition of SWS Group, Inc. (“SWS”) and integration thereof, our revenue, our liquidity and sources of funding, market trends, operations and business, expectations concerning mortgage loan origination volume, expected losses on covered loans and related reimbursements from the Federal Deposit Insurance Corporation (“FDIC”), projected losses on mortgage loans originated, anticipated changes in our revenues or earnings, the effects of government regulation applicable to our operations, the appropriateness of our allowance for loan losses and provision for loan losses, the collectability of loans, the Company’s other plans, objectives, strategies, expectations and intentions and other statements that are not statements of historical fact, and may be identified by words such as “anticipates,” “believes,” “could,” “estimates,” “expects,” “forecasts,” “goal,” “intends,” “may,” “might,” “probable,” “projects,” “seeks,” “should,” “view,” or “would” or the negative of these words and phrases or similar words or phrases. The following factors, among others, could cause actual results to differ from those set forth in the forward-looking statements: (i) risks associated with merger and acquisition integration, including the diversion of management time on acquisition-related issues and our ability to promptly and effectively integrate our businesses with those of SWS and achieve the synergies and value creation contemplated by the acquisition; (ii) the Company’s ability to estimate loan losses; (iii) changes in the default rate of the Company’s loans; (iv) risks associated with concentration in real estate related loans; (v) the Company’s ability to obtain reimbursements for losses on acquired loans under loss-share agreements with the FDIC; (vi) changes in general economic, market and business conditions in areas or markets where the Company competes; (vii) severe catastrophic events in Texas and other areas of the southern United States; (viii) changes in the interest rate environment; (ix) cost and availability of capital; (x) changes in state and federal laws, regulations or policies affecting one or more of the Company’s business segments, including changes in regulatory fees, deposit insurance premiums, capital requirements and the Dodd-Frank Wall Street Reform and Consumer Protection Act; (xi) the Company’s ability to use net operating loss carry forwards to reduce future tax payments; (xii) approval of new, or changes in, accounting policies and practices; (xiii) changes in key management; (xiv) competition in the Company’s banking, broker-dealer, mortgage origination, and insurance segments from other banks and financial institutions, as well as investment banking and financial advisory firms, mortgage bankers, asset-based non-bank lenders, government agencies and insurance companies; (xv) failure of the Company’s insurance segment reinsurers to pay obligations under reinsurance contracts; and (xvi) the Company’s ability to use excess cash in an effective manner, including the execution of successful acquisitions. For further discussion of such factors, see the risk factors described in the Hilltop Annual Report on Form 10-K for the year ended December 31, 2014 and other reports filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement.

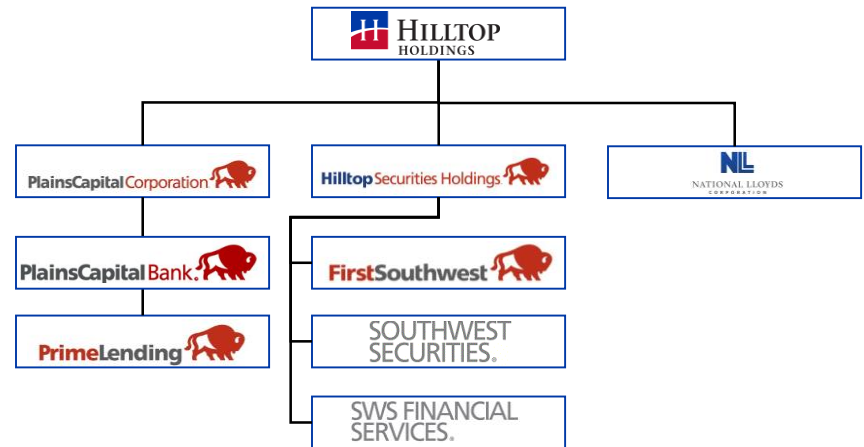
Hilltop Holdings Overview and Update

Hilltop Holdings – Overview

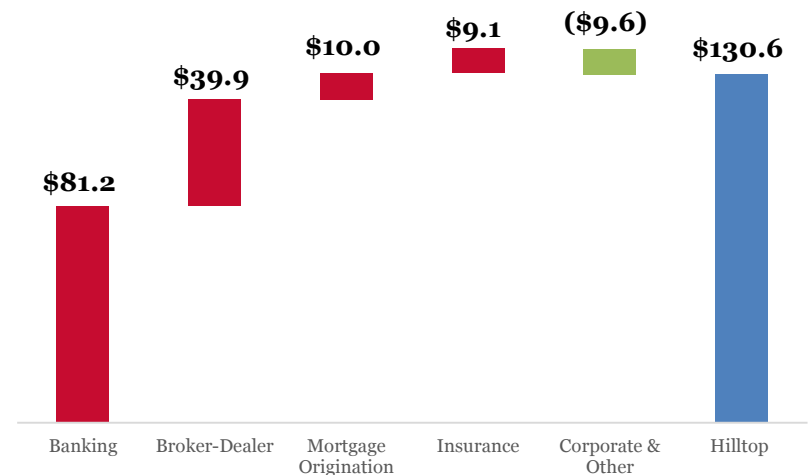
- Hilltop Holdings is a Dallas, Texas-based diversified financial holding company with a complementary set of operating companies
- Hilltop provides banking, financial advisory, mortgage origination, and insurance through its wholly-owned subsidiaries PlainsCapital Bank, Hilltop Securities Holdings, PrimeLending, and National Lloyds Corporation, respectively
 - PlainsCapital Bank is the 5th largest¹ Texas-based bank with 68 branches located in all major Texas markets
 - Hilltop Securities Holdings is the parent of First Southwest, the #1 financial advisor to municipalities², and Southwest Securities, the largest full-service brokerage firm based in the Southwest³
 - PrimeLending is the 6th largest⁴ mortgage originator in the U.S. by purchase units and has over 250 locations in 42 states
 - National Lloyds Corporation is an insurance company that provides primarily fire and homeowners insurance for low value dwellings in Texas and other southern states
- Hilltop’s operating subsidiaries are well positioned in their respective markets and collectively generate strong earnings and capital

Notes: (1) Per SNL Financial; deposit data as of 6/30/14 and pro forma for acquisitions
 (2) Per Ipreo MuniAnalytics; based on number of bond and note issues over the last five years
 (3) Based on number of retail financial advisors
 (4) Per Marketrac; based on 2014 data

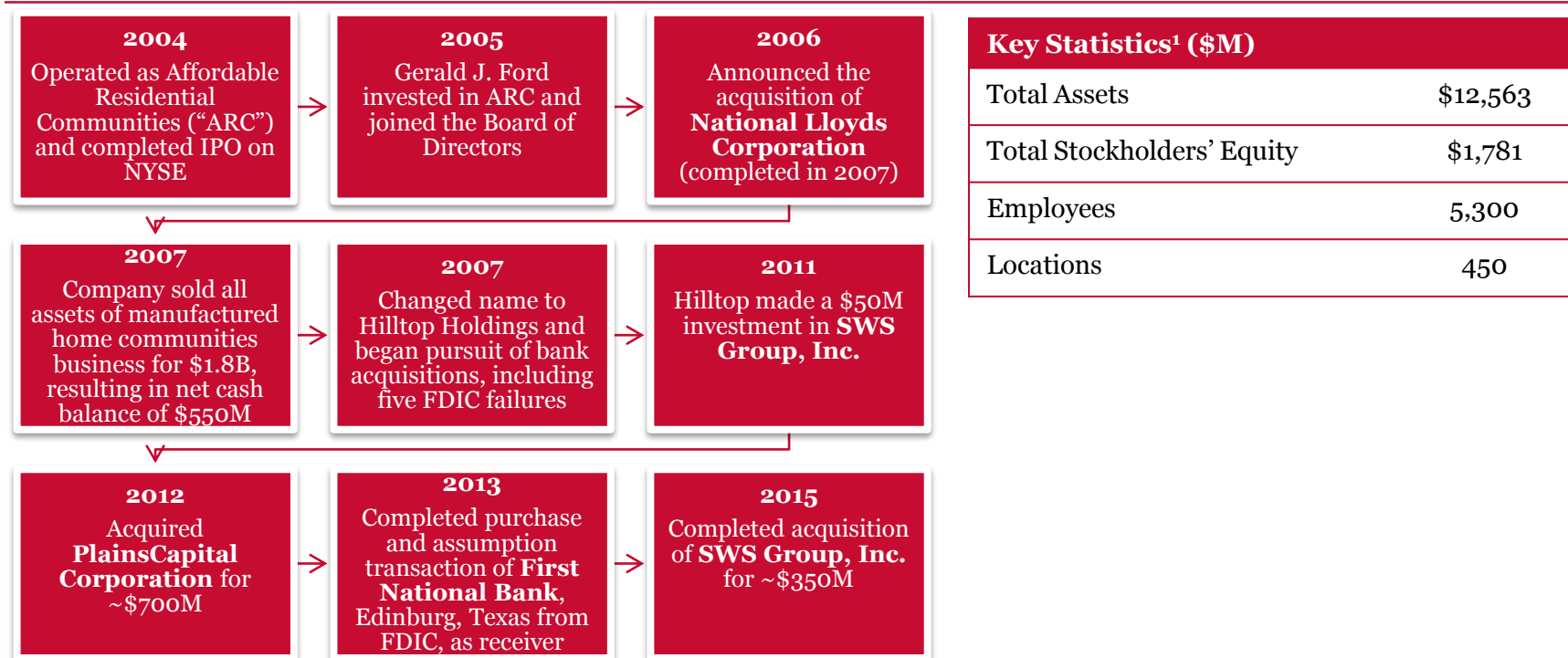
Organizational Structure



Q1'15 Pre-Tax Income by Segment (\$M)



Hilltop Holdings – Timeline

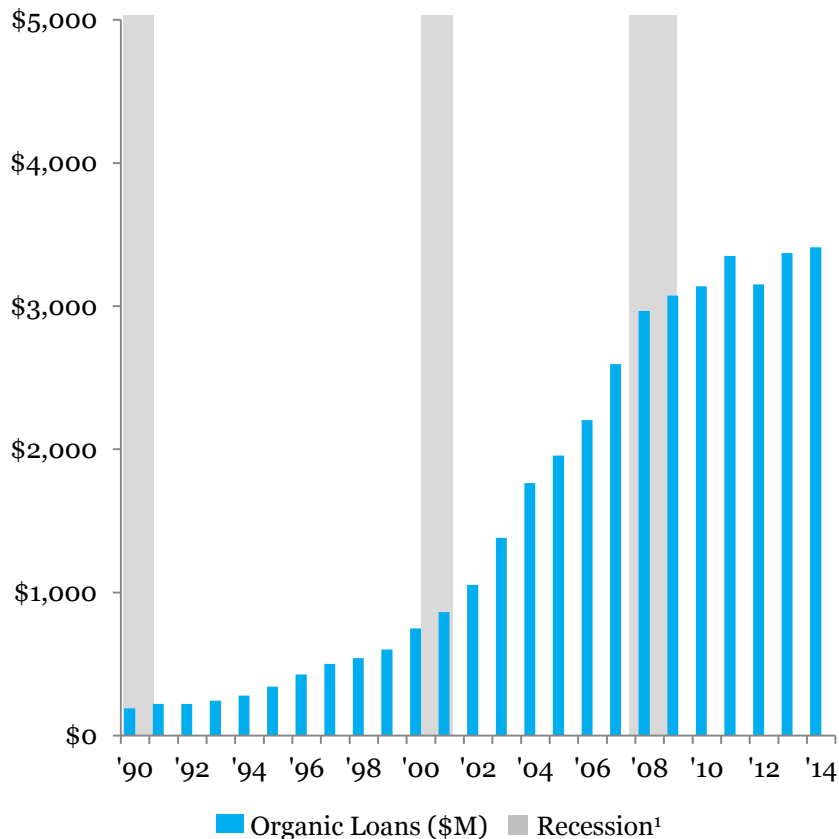


- After selling ARC's assets in 2007, Hilltop had net cash of \$550M and pursued several bank acquisitions
- In November 2012, Hilltop made the transformational acquisition of PlainsCapital Corporation, while maintaining its leadership and structure
- In September 2013, Hilltop expanded its Texas banking footprint via the FDIC-assisted transaction of First National Bank
- On April 1, 2014, Hilltop announced a definitive merger agreement with SWS Group – closed January 1, 2015
- With assets of \$12.6B, excess capital, and freely usable cash, Hilltop seeks to build a premier Texas-based bank and diversified financial services holding company through acquisitions and organic growth

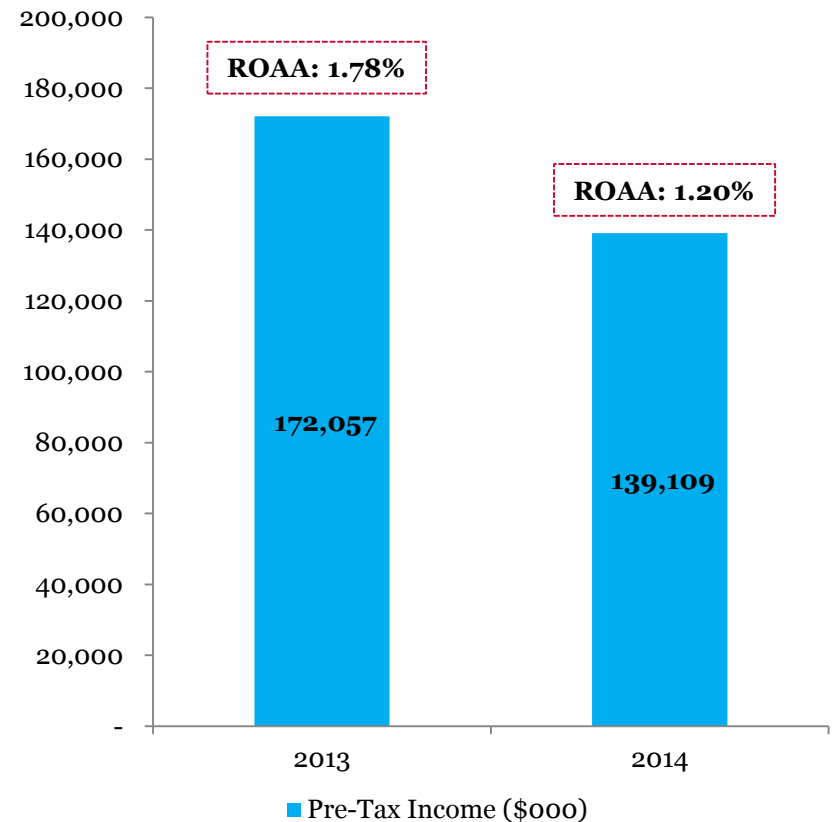
Hilltop Holdings – Core Banking Franchise

- Since its founding 27 years ago, PlainsCapital Bank has demonstrated consistent loan growth while maintaining quality earnings

Organic Loan Growth



Pre-Tax Income and ROAA



Source: SNL Financial; Data represents PlainsCapital Bank
 Notes: 2013 bank results include FNB bargain purchase gain
 (1) U.S. recessions as declared by the National Bureau of Economic Research

Hilltop Holdings – Leadership

- Gerald J. Ford, Hilltop’s Chairman and largest shareholder, has successfully acquired and sold banks and other financial institutions for 38 years
- Alan B. White, Hilltop’s Vice Chairman and PlainsCapital’s founder, has consistently grown earnings and assets over the past 27 years through a culture of building long-term relationships and customer responsiveness
- Our senior management teams have complimentary expertise in management and acquisitions

Hilltop Holdings (HTH)



Gerald J. Ford

Chairman of the Board and Largest Shareholder

- Company Tenure: 9 years
- Financial Services Experience: 38 years



Jeremy B. Ford

President and CEO, HTH

- Company Tenure: 5 years
- Financial Services Experience: 15 years



Darren E. Parmenter

Principal Financial Officer, HTH

- Company Tenure: 15 years
- Financial Services Experience: 8 years



Corey G. Prestidge

General Counsel, HTH

- Company Tenure: 7 years
- Financial Services Experience: 12 years

PlainsCapital Corporation (PCC)



Alan B. White

Vice Chairman, HTH; Chairman & CEO, PCC

- Company Tenure: 27 years
- Financial Services Experience: 45 years



James R. Huffines

President and COO, PCC

- Company Tenure: 14 years
- Financial Services Experience: 38 years



John A. Martin

CFO, PCC

- Company Tenure: 4 years
- Financial Services Experience: 43 years

Subsidiary CEOs



Jerry L. Schaffner

President & CEO

PlainsCapital Bank

- Company Tenure: 27 years
- Financial Services Experience: 30 years



Todd Salmans

CEO

PrimeLending

- Company Tenure: 9 years
- Financial Services Experience: 35 years



Hill A. Feinberg

Chairman & CEO

First Southwest

- Company Tenure: 23 years
- Financial Services Experience: 40 years



Robert Otis

CEO

National Lloyds

- Hired effective April 2014
- Financial Services Experience: 25 years

Hilltop Holdings – Operational Updates

PlainsCapital Bank

- Non-covered HFI loan growth of 19% in the quarter following the acquisition of SWS Bank; favorable loan pipeline with \$1.57 billion in total unfunded commitments versus \$1.43 billion at Q4 2014
- Strong net interest margin of 4.59% for the quarter
- 68 branches at 3/31/15 and continue to divest unprofitable branches acquired in the FNB Transaction
 - As a result of the 13 FNB branch closures in the quarter, PCB expects annualized, pre-tax savings of approximately \$4.8 million, which includes reduction in staff and occupancy costs. In addition, PCB will save approximately \$4.7 million pre-tax annually following the rolling off of high yielding FNB CDs by the end of 2015
 - Expect to dispose of branch in Eagle Pass on or about June 1, 2015
 - 3 new Coastal Bend branches in Corpus Christi, Alice and Victoria to open in Q2 2015
- Legacy PCB's credit quality remains strong – non-covered NPAs to total consolidated assets of 0.26%
- Energy exposure declined from 6.5% of loan portfolio at Q4 2014 to 5.8% at Q1 2015

SWS Bank Integration Update

- PlainsCapital Bank integrated SWS Bank quickly and completed systems conversion over the weekend of April 10, 2015
- Since the transaction, the Bank has consolidated 4 SWS Bank branches resulting in closures of Albuquerque, Ruidoso, SW Fort Worth, El Paso and 3 lending production offices located in Houston, Austin and San Antonio (approximately \$1.4 million in annual occupancy and other noninterest expense)
- 4 SWS Bank branches (Granbury, Dallas Renaissance, Arlington, Waxahachie) and two major business lines (commercial lending and mortgage purchase) will be retained
- SWS Bank had 138 employees on the close date of January 1, 2015; the Bank will retain approximately 60 employees following an early Q2 reduction in force (approximately \$8.3 million in annual salary & benefit savings)

PrimeLending

- PrimeLending had a profitable quarter driven by declining rates and resulting increase in refinancings, with 40% refinance volume in Q1 2015 compared to 21% in Q1 2014
 - Gain on sale margins flat between Q1 2015 and Q4 2014
- Q1 2015 lock volume has grown 66% versus Q1 2014 to \$4.4 billion
- Q1 2015 volume increased 51% compared with Q1 2014, even with lower loan officer headcount (currently 1,246)
- Gained market share in the quarter, increased to 0.98% during Q1 2015 compared to 0.92% during FY 2014

Source: Mortgage market share based on Mortgage Bankers Association volume projections.

Note: Non-covered HFI loan growth excludes margin loans to customers and correspondents

Hilltop Holdings – Operational Updates

Hilltop Securities Holdings

- Public finance revenue up \$6.4 million in Q1 2015 compared to Q1 2014, driven by addition of SWS bankers, continued refinancings by clients and improving market share (now top 10 in Texas underwriting market share rankings)
- Structured Finance (legacy FirstSouthwest TBA business) continues to see improved year over year performance as a result of increased lock production

SWS Broker-Dealer Integration Update

- Have established new leadership in key areas:
 - Bob Peterson has been appointed as President/CEO of Southwest Securities (Mr. Peterson will still become President/COO once the broker-dealers have been combined)
 - David Geschke is a new hire that will now lead our Retail efforts
- After a thorough evaluation process, the integration and management teams have chosen a service bureau provider for the combined broker-dealer
- Continued focus on systems integration and regulatory approvals in order to drive timely integration of the broker-dealers

National Lloyds Corporation

- National Lloyds Corporation had a strong and profitable quarter – earned premiums were relatively flat (policies-in-force down while rates were up) and claim counts down year over year
- Hired new Marketing and Product executives to improve distribution efforts and product analysis, respectively

Source: Public finance underwriter market share year to date ranking per Thomson Reuters as of April 21, 2015.

Hilltop Holdings And Subsidiaries Financial Review

Hilltop Holdings – Q1 2015 Highlights

- For the first quarter of 2015, net income to common stockholders was \$113.4 million, or \$1.13 per diluted share
 - First quarter 2015 adjusted net income was \$38.8 million¹, or \$0.39 per diluted share, when excluding the bargain purchase gain and transaction and integration costs related to the SWS Merger (closed January 1, 2015)
 - For the first quarter of 2014, net income to common stockholders was \$23.8 million, or \$0.26 per diluted share
- ROAA was 3.72% in Q1 2015, relative to 1.14% in Q1 2014
- ROAE was 27.27% in Q1 2015, relative to 7.65% in Q1 2014
- Hilltop's four operating segments reported \$140.2 million in pre-tax income during Q1 2015
 - PlainsCapital Bank contributed \$81.2 million of pre-tax income, including a preliminary bargain purchase gain of \$39.5 million
 - Hilltop Securities Holdings contributed \$39.9 million of pre-tax income, including a preliminary bargain purchase gain of \$43.3 million
 - PrimeLending contributed \$10.0 million of pre-tax income
 - National Lloyds Corporation contributed \$9.1 million of pre-tax income
- Total stockholders' equity increased to \$1.8 billion at March 31, 2015, up \$321.1 million from Dec. 31, 2014
- Hilltop remains well-capitalized with a 12.68% Tier 1 Leverage Ratio² and a 20.82% Total Risk Based Capital Ratio
 - Hilltop had approximately \$59 million of freely usable cash at quarter end and retains excess capital at subsidiaries
- On April 9, 2015, Hilltop issued \$150 million of 10 year senior debt at 5.00%
 - On April 28, 2015, Hilltop used proceeds of \$114.5 million from the offering to redeem all of its outstanding Non-Cumulative Series B Perpetual Preferred Stock and associated accrued but unpaid dividends
 - Remaining excess cash from the debt issuance will be used for for general corporate purposes
- Will continue to be disciplined and seek new bank M&A opportunities in 2015, while focusing internally on an efficient integration of the broker-dealers

Note: (1) See appendix for reconciliation of reported net income to adjusted net income as presented

(2) Based on the end of period Tier 1 capital divided by total average assets during the respective quarter, excluding goodwill and intangible assets

Hilltop Holdings – Financial Summary

Selected Items	Q1 2014	Q4 2014	Q1 2015
Net Income to Common (\$000)	23,760	31,716	113,402
EPS - Diluted (\$)	\$0.26	\$0.35	\$1.13
Book Value Per Share (\$)	\$13.76	\$14.93	\$16.63
NIM (taxable equivalent)	4.62%	4.72%	3.53%
Assets (\$000)	9,033,432	9,242,416	12,562,894
Loans HFI, Gross (\$000)	4,559,394	4,563,116	5,386,701
Deposits (\$000)	6,663,176	6,369,892	7,129,277
Hilltop Stockholders' Equity (\$000)	1,354,497	1,460,452	1,781,443
NPLs/Total Loans ¹	0.51%	0.42%	0.44%
NPAs/Total Assets ¹	0.32%	0.25%	0.26%
Tier 1 Leverage Ratio ²	13.12%	14.17%	12.68%
Total Risk Based Capital Ratio	19.32%	19.69%	20.82%

Notes: (1) NPLs, NPAs and Total Loans exclude covered loans and covered OREO

(2) Based on the end of period Tier 1 capital divided by total average assets during the quarter, excluding goodwill and intangible assets

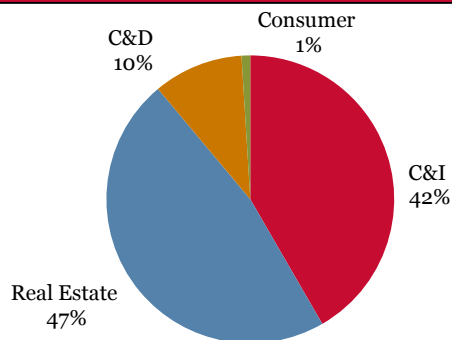
PlainsCapital Bank – Q1 2015 Highlights

- Pre-tax income increased to \$81.2 million in Q1 2015 versus \$31.9 million in Q1 2014 primarily due to a \$39.5 million preliminary bargain purchase gain related to the SWS Transaction
 - Q1 2015 results also included \$1.8 million of costs (employee expenses) directly attributable to integration of the former SWS Bank and a \$4.4 million gain on sale of SWS Bank's securities
- Net interest income growth was driven by non-covered loan growth and operations from the SWS Merger, while noninterest income increased due to increases in service charges and fees on deposits assumed with SWS Bank as well
- Noninterest expense declined as a result of platform efficiency initiatives, such as the closure of certain legacy FNB branches
- PrimeLending funds originations through a \$1.5 billion warehouse line from PlainsCapital Bank; \$1.1 billion was drawn at March 31, 2015
- Tier 1 Leverage Ratio¹ increased to 11.34%, up from 10.31% in Q4 2014

Reported Summary Results (\$000)	Q1 2014	Q1 2015
Net Interest Income	79,572	83,442
Provision for Loan Losses	(3,228)	(2,486)
Noninterest Income	16,228	58,775
Noninterest Expense	(60,677)	(58,532)
Income Before Taxes	31,895	81,199

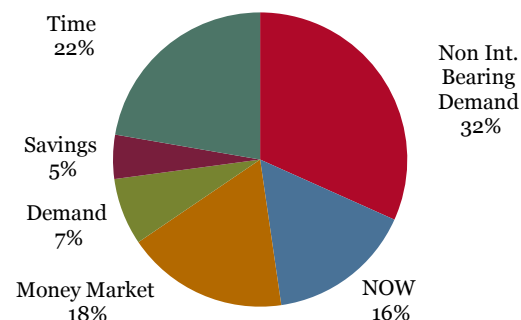
Key Highlights	Q1 2014	Q1 2015
ROAA (%)	1.04	3.37
NIM (%)	4.80	4.59
Efficiency (%)	63.3	41.2
Fee Income (%)	16.9	41.3
Assets (\$000)	\$8,018,568	\$8,373,160

HTH Consolidated Loans HFI by Type



Total Loans²: \$5.4 billion

HTH Consolidated Deposit Mix by Type



Total Deposits²: \$7.1 billion

Notes: (1) Based on the end of period Tier 1 capital divided by total average assets during the respective quarter, excluding goodwill and intangible assets

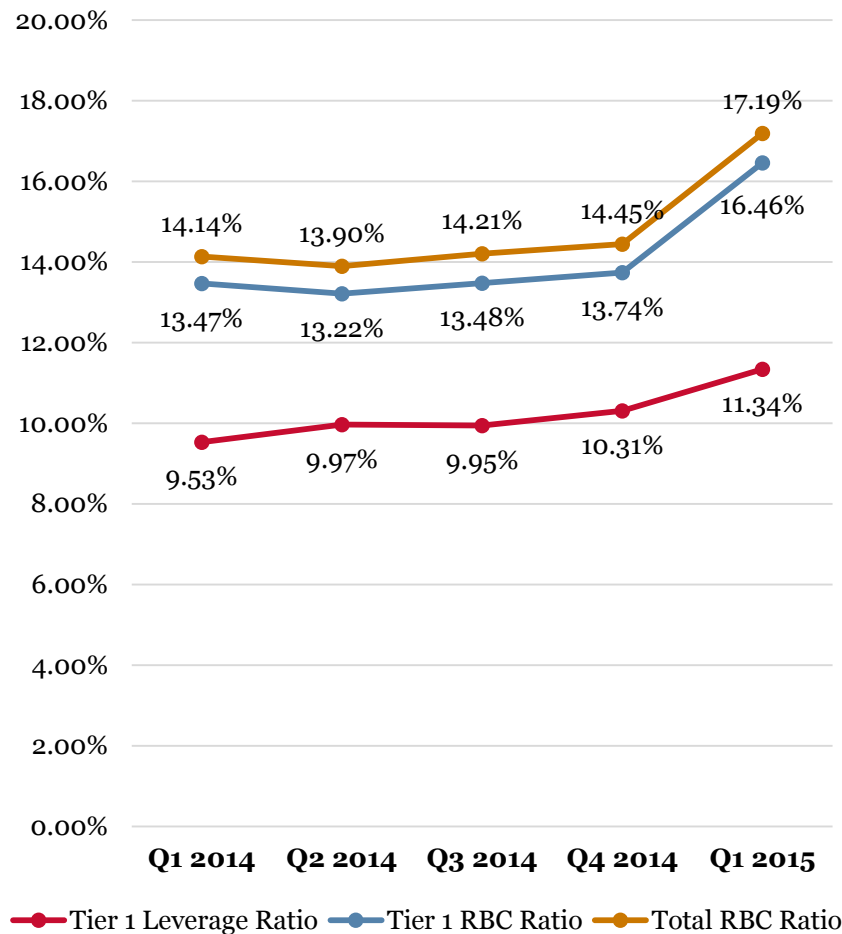
(2) Loans and deposits by type represents consolidated balances at Hilltop and, therefore, eliminate intercompany balances; C&I loans include amounts due on margin loans to customers and correspondents (held at broker-dealer) of \$608.6 million at Q1 2015

PlainsCapital Bank – Credit Quality and Capital Ratios

Credit Quality



Bank Capital Ratios

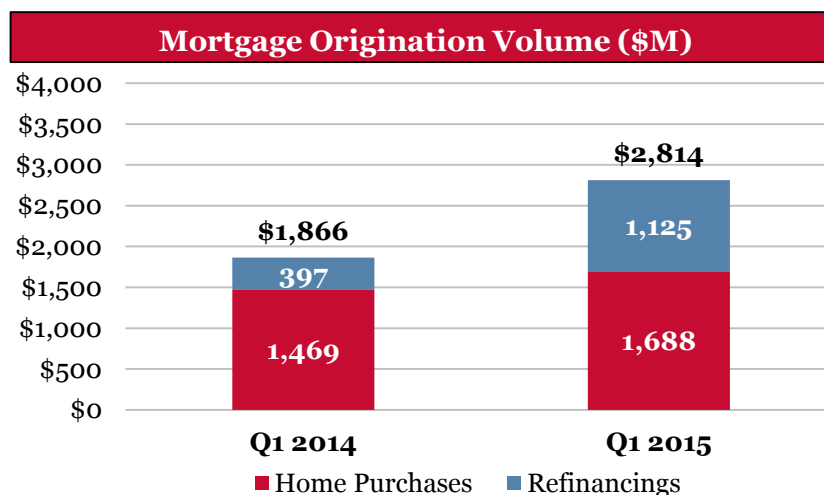


PrimeLending – Q1 2015 Highlights

- Pre-tax income grew to \$10.0 million in Q1 2015 versus a pre-tax loss of \$3.0 million in Q1 2014 due to significantly higher origination volumes in a typically seasonally low quarter
- Origination volume of \$2.8 billion in Q1 2015 was \$947 million greater than Q1 2014 due to growth in both purchase and refinance business
 - Purchase volume (as % of total volume) decreased to 60.0% in Q1 2015 from 78.7% in Q1 2014, although dollar volume was up \$219.6 million
 - Refinance volume increased \$727.7 million, or 183.1%, from Q1 2014 to \$1,125.2 million in Q1 2015 due to a drop in interest rates
- Noninterest income increased \$43.5 million, or 47.4%, from Q1 2014 to \$135.3 million in Q1 2015 due to the higher origination volume and stable margins
- Noninterest expense increased \$31.7 million, or 34.9%, from Q1 2014 to \$122.3 million in Q1 2015 due to higher variable compensation associated with higher origination volume
- PrimeLending retained servicing on approximately 9% of new loans originated in Q1 2015
 - Net MSR asset value of \$31.6 million at Q1 2015 on \$3.6 billion of serviced loan volume
 - Fair value of net MSR declined \$5.0 million during the quarter

Reported Summary Results (\$000)	Q1 2014	Q1 2015
Net Interest Income	(4,139)	(3,014)
Provision for Loan Losses	–	–
Noninterest Income	91,763	135,292
Noninterest Expense	(90,632)	(122,302)
Income Before Taxes	(3,008)	9,976

Key Highlights	Q1 2014	Q1 2015
Volume - \$M	\$1,866	\$2,814
Volume – Units	9,152	12,363
Volume - % Purchase	78.7%	60.0%
Volume - % Conventional	64.0%	65.7%
Locks (\$M)	\$2,616	\$4,351
Servicing Asset (\$M)	\$29.9	\$31.6
Mortgage Loans Serviced For Others (\$M)	\$2,693	\$3,615



Hilltop Securities Holdings – Q1 2015 Highlights

- Q1 2015 includes full quarter of operations with SWS, though Q1 2014 includes only FirstSouthwest
- Pre-tax income grew to \$39.9 million in Q1 2015 versus a pre-tax loss of \$153 thousand in Q1 2014 primarily due a preliminary bargain purchase gain of \$43.3 million related to the SWS Merger
 - Q1 2015 results also include pre-tax transaction costs of \$0.8 million, integration costs of \$2.2 million and \$0.2 million of professional fees related to the SWS Merger
 - After adjusting for preliminary bargain purchase gain and transaction and integration costs, Q1 2015 pre-tax was breakeven
- Public finance revenue increased year over year, as issue volume by count was up 66% and by aggregate dollar volume up 83% versus Q1 2014
- The U.S. Agency to-be-announced, or TBA, business, which provides interest rate protection for housing authorities, had fair value changes on derivatives that provided a net gain of \$8.6 million for Q1 2015
- Noninterest expense increased \$63.4 million, or 231.8%, from Q1 2014 to \$90.8 million in Q1 2015 primarily due to the inclusion of employees brought in as part of the SWS Merger (\$42.6 million of increase was associated with operations of SWS)

Reported Summary Results (\$000)	Q1 2014	Q1 2015
Net Interest Income	2,629	7,996
Provision for Loan Losses	(14)	(201)
Noninterest Income	24,597	122,877
Noninterest Expense	(27,365)	(90,795)
Income Before Taxes	(153)	39,877

Key Highlights	Q1 2014	Q1 2015
Compensation/Net Revenue (%)	61.3	73.7
FDIC Insured Balances at PCB (\$000)	\$225,784	\$548,197
Other FDIC Insured Balances (\$000)	\$114,938	\$1,268,587
Public Finance Issues (#)	289	480
Public Finance Aggregate Amount of Offerings (\$M)	\$20,358	\$37,174
Capital Markets Volume (\$M)	\$6,525	\$17,506
Lock Production/TBA Volume (\$M)	\$328	\$3,026

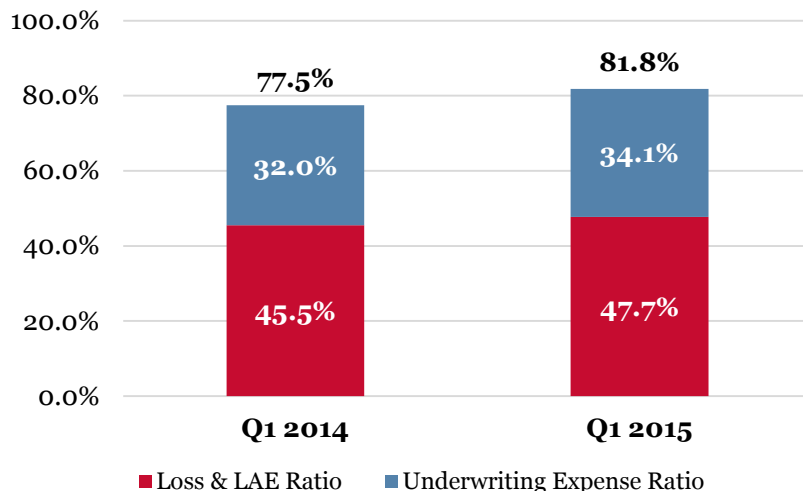
National Lloyds Corp. – Q1 2015 Highlights

- Pre-tax income of \$9.1 million in Q1 2015 relative to \$11.4 million in Q1 2014
- Revenue was relatively flat as rates were up but policies in force declined from planned exposure management initiatives
 - Reduced exposure to volatile weather limiting the number of insureds in high risk areas, contributing to improved loss experience since 2013
- An increase in expenses were driven by an increase in claims loss reserves associated with prior period adverse development related to litigation emerging from a series of hail storms within the 2012 through 2014 accident years, and additional costs associated with sales, marketing and corporate organizational initiatives

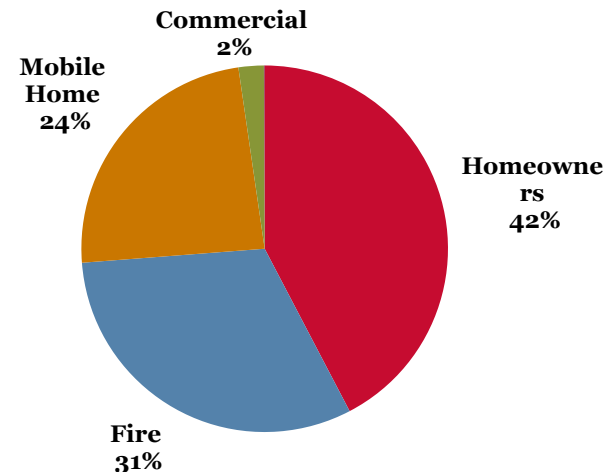
Reported Summary Results (\$000)	Q1 2014	Q1 2015
Net Interest Income	980	757
Provision for Loan Losses	–	–
Noninterest Income	42,773	41,845
Noninterest Expense	(32,341)	(33,466)
Income Before Taxes	11,412	9,136

Key Highlights (\$000)	Q1 2014	Q1 2015
Direct Premium Written	43,770	42,749
Net Premium Earned	40,319	39,567

Combined Ratio



Q1 2015 Direct Premiums Written



Hilltop Holdings Financial Information

Hilltop Holdings – Summary Income Statement

(\$000)	Q1 2014	Q2 2014	Q3 2014	Q4 2014	Q1 2015
Interest income	91,828	104,408	93,217	99,316	107,669
Interest expense	6,407	5,962	7,457	7,802	14,227
Net interest income	85,421	98,446	85,760	91,514	93,392
Provision for loan losses	3,242	5,533	4,033	4,125	2,687
Net interest income after provision for loan losses	82,179	92,913	81,727	87,389	90,705
Noninterest income	170,100	203,281	212,135	213,795	354,372
Noninterest expense	212,629	251,212	254,744	246,768	314,476
Income before income taxes	39,650	44,982	39,118	54,416	130,601
Income tax expense	14,354	16,294	14,010	20,950	15,420
Net income	25,296	28,688	25,108	33,466	115,181
Less: Net income attributable to noncontrolling interest	110	177	296	325	353
Income attributable to Hilltop	25,186	28,511	24,812	33,141	114,828
Dividends on preferred stock	1,426	1,426	1,426	1,425	1,426
Income applicable to Hilltop common stockholders	23,760	27,085	23,386	31,716	113,402

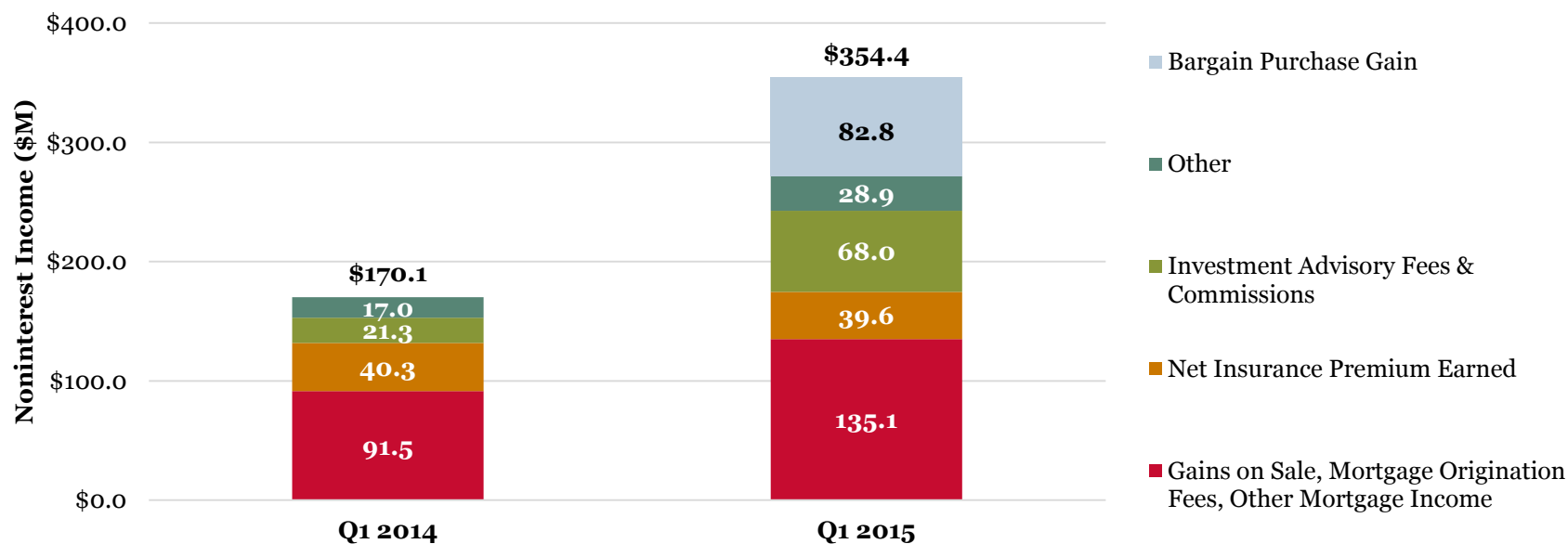
Hilltop Holdings – Net Interest Income & Margin

- Stated NIM decreased by 119 bps in Q1 2015 to 3.53% compared with 4.72% in Q4 2014 primarily due to the inclusion of the stock loan business from SWS
 - Average balance of other earning assets and other borrowings increased approximately \$2 billion each during Q1 2015 (legacy SWS stock loan business)
 - Cost of interest bearing deposits down 11 bps vs Q4 2014
- For Q1 2015, the tax equivalent NIM for Hilltop was 69 bps greater due to purchase accounting, driven mainly by:
 - Accretion of discount on loans of \$17.0 million
 - Amortization of premium on acquired securities of \$0.9 million

Annual Yields and Rates (%)	Q1 2014	Q4 2014	Q1 2015
<u>Interest Earning Assets</u>			
Loans, Gross	6.29	6.25	5.50
Investment Securities, Taxable	2.71	2.49	2.80
Investment Securities, Non-Taxable	4.06	3.73	3.84
Fed Funds Sold and Securities to Resell	0.29	0.31	0.10
Interest Earning Deposits	0.25	0.22	0.27
Other	5.67	4.27	2.11
Total Int. Earning Assets	4.90	5.09	4.06
<u>Interest Bearing Liabilities</u>			
Interest Bearing Deposits	0.31	0.45	0.34
Notes Payable and Borrowings	1.60	1.28	1.40
Total Int. Bearing Liabilities	0.46	0.60	0.72
Net Interest Margin (Stated)	4.62	4.72	3.53
Net Interest Margin (Pre-PAA)	3.35	3.53	2.84
Net Interest Spread	4.44	4.49	3.34

Hilltop Holdings – Noninterest Income

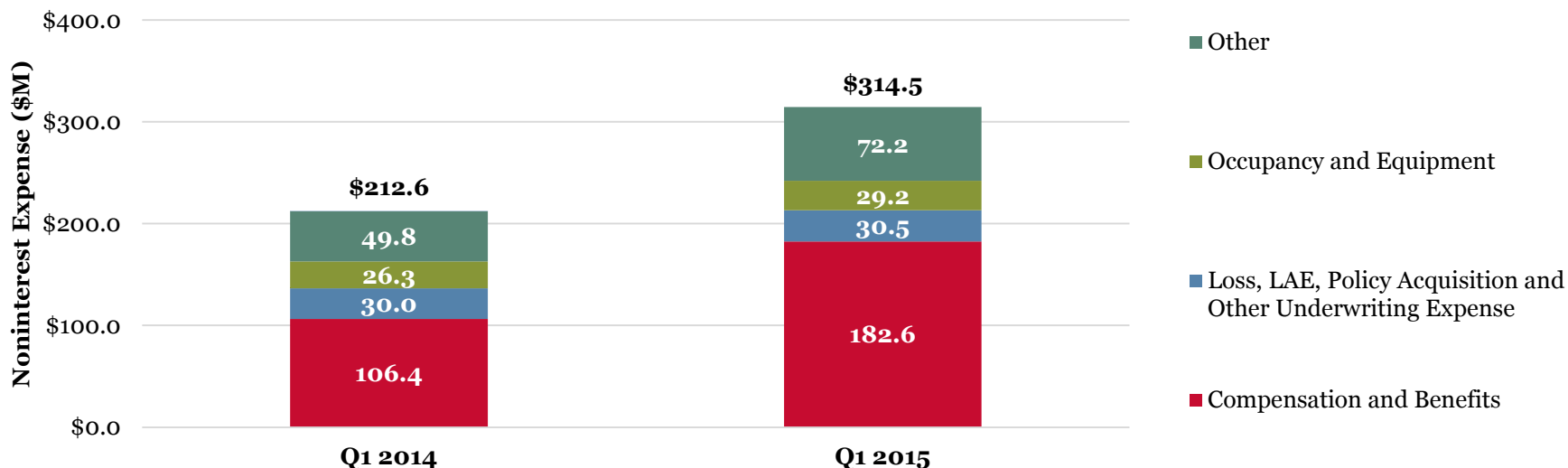
- Including the preliminary bargain purchase gain associated with the SWS Merger, noninterest income for Q1 2015 was \$354.4 million
- Excluding the preliminary bargain purchase gain, noninterest income for Q1 2015 was \$271.6 million, up 59.6% from Q1 2014
- Investment advisory fees & commissions increased \$46.6 million from Q1 2014 to \$68.0 million in Q1 2015, representing 25% of noninterest income for the quarter
- Net gains from the sale of loans, other mortgage production income, and mortgage loan origination fees increased \$43.7 million, or 47.8%, from Q1 2014 to \$135.1 million in Q1 2015, representing 50% of noninterest income for the quarter
- Net insurance premiums earned were \$39.6 million in Q1 2015, representing 15% of noninterest income for the quarter



Note: Component % of noninterest income excludes bargain purchase gain from noninterest income total. Noninterest income without preliminary bargain purchase gain presented because certain investors may use it to evaluate our business and financial results.

Hilltop Holdings – Noninterest Expense

- Noninterest expense was \$314.5 million in Q1 2015, up 47.9% from Q1 2014
 - During the quarter Hilltop incurred \$5.6 million in transaction costs and another \$4.4 million in integration costs associated with employee expenses, contractual costs and professional fees, all related to the SWS Merger
- Compensation increased \$76.1 million, or 71.5%, from Q1 2014 to \$182.6 million in Q1 2015, representing 58% of noninterest expense for the quarter
- Loss and LAE and policy acquisition and other underwriting expense were \$30.5 in Q1 2015, representing 10% of noninterest expense for the quarter
- Occupancy and equipment expense increased \$2.8 million, or 10.8%, from Q1 2014 to \$29.2 million in Q1 2015, representing 9% of noninterest expense for the quarter
- Other expenses increased \$22.3 million, or 44.8%, from Q1 2014 to \$72.2 million in Q1 2015
 - Amortization of identifiable intangibles from purchase accounting was \$2.8 million in Q1 2015



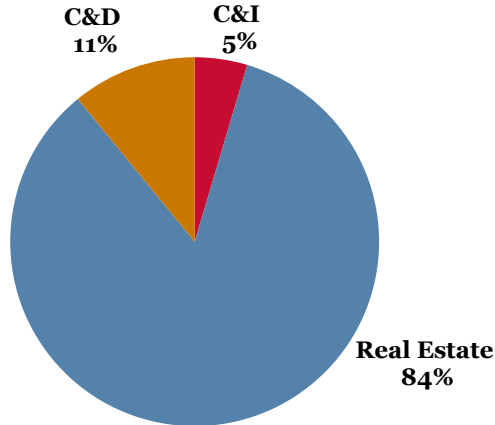
Hilltop Holdings – Balance Sheet

- Total assets increased in Q1 2015 relative to prior quarters primarily due to the inclusion of SWS
- Gross non-covered loans HFI increased \$914.2 million, or 23.3%, from Q4 2014 to \$4.8 billion at Q1 2015
- Gross covered loans decreased \$90.6 million, or 14.1%, from Q4 2014 to \$552.0 million at Q1 2015 due to successful ongoing efforts to resolve troubled loans acquired with FNB Transaction in Q3 2013
 - \$360.4 million, or 39.5%, decrease versus Q1 2014
- Covered OREO increased by \$758 thousand versus Q4 2014 due to foreclosure of properties related to covered loans
 - \$14.6 million, or 9.6%, decrease versus Q1 2014
- Gross loans HFI (covered and non-covered) to deposits ratio increased to 75.6% at Q1 2015, up from 71.6% at Q4 2014
- Total deposits increased \$759.4 million, or 11.9%, from Q4 2014 to \$7.1 billion at Q1 2015
 - 31.4% of total deposits are noninterest bearing
- Common equity increased \$321.0 million, or 23.8%, from Q4 2014 to \$1.7 billion at Q1 2015 due to earnings and the inclusion of SWS
- Subsequent to quarter end, Hilltop issued \$150.0 million in senior notes; redeemed SBLF preferred in full on April 28th

(\$000s)	Q1 2014	Q4 2014	Q1 2015
Assets			
Cash & Federal Funds	917,410	813,075	708,533
Securities	1,329,690	1,109,461	1,363,157
Loans Held for Sale	887,200	1,309,693	1,215,308
Non-Covered Loans HFI, Gross	3,646,946	3,920,476	4,834,687
Allowance for Non-Covered Loan Losses	(34,645)	(37,041)	(39,365)
Non-Covered Loans HFI, Net	3,612,301	3,883,435	4,795,322
Covered Loans, Net of Allowance	909,783	638,029	550,626
Covered OREO	152,310	136,945	137,703
Broker-Dealer & Clearing Receivables	174,442	167,884	2,222,517
FDIC Indemnification Asset	188,736	130,437	107,567
Goodwill & Other Intangibles	319,916	311,591	319,760
Other Assets	541,644	741,866	1,142,401
Total Assets	9,033,432	9,242,416	12,562,894
Liabilities and Stockholders' Equity			
Non-Int. Bearing Deposits	1,748,391	2,076,385	2,259,790
Int. Bearing Deposits	4,914,785	4,293,507	4,869,487
Total Deposits	6,663,176	6,369,892	7,129,277
Broker-Dealer & Clearing Payables	161,888	179,042	1,951,040
Short Term Borrowings	491,406	762,696	999,476
Notes Payable	55,465	56,684	108,682
Junior Subordinated Debentures	67,012	67,012	67,012
Other Liabilities	239,272	345,851	525,088
Total Liabilities	7,678,219	7,781,177	10,780,575
SBLF Preferred Stock	114,068	114,068	114,068
Common Equity	1,240,429	1,346,384	1,667,375
Total Hilltop Equity	1,354,497	1,460,452	1,781,443
Minority Interest	716	787	876
Total Liabilities & Equity	9,033,432	9,242,416	12,562,894

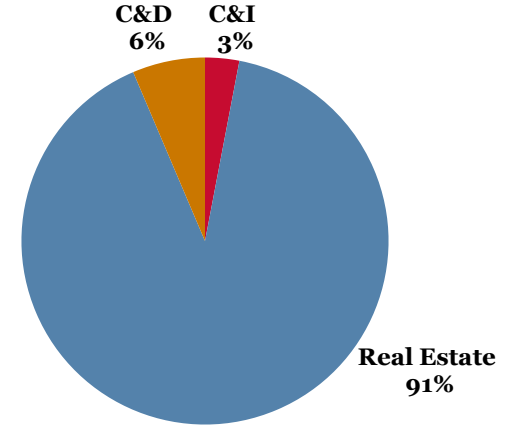
PlainsCapital Bank – Loan Portfolio by Classification

Covered PCI Loans



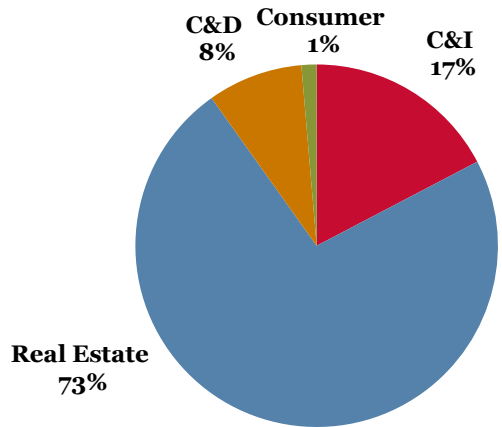
Q1 2015 Total: \$360.1 million

Covered Non-PCI Loans



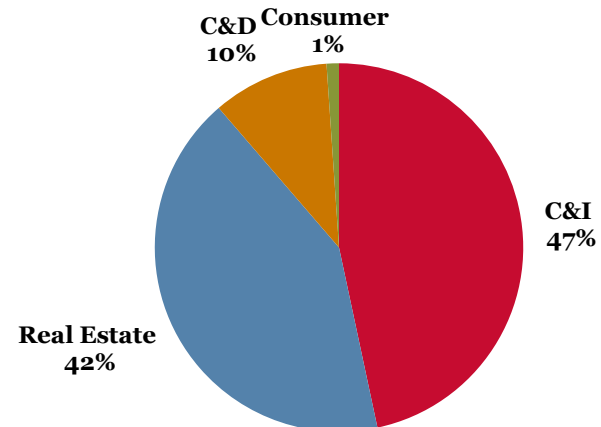
Q1 2015 Total: \$191.9 million

Non-Covered PCI Loans



Q1 2015 Total: \$114.9 million

Non-Covered Non-PCI Loans



Q1 2015 Total: \$4,719.8 million

Note: PCI stands for Purchased Credit Impaired loans. Loan classification mix represents consolidated balances at Hilltop and, therefore, eliminate intercompany loans. Amounts above equal carrying value, after deductions for discount

PlainsCapital Bank – PCI Loans at March 31, 2015

- Purchased Credit Impaired (“PCI”) loans are loans with evidence of credit quality deterioration, for which it is probable that not all contractually required payments will be collected
- PCI loans include covered and non-covered loans
- PCI loans had a total discount of \$275.2 million
 - \$239.0 million of the discount was related to covered loans
- Weighted average expected loss on PCI loans associated with each of the PlainsCapital Merger, FNB Transaction, and SWS Merger was 24%, 23%, and 19%, respectively

(\$000)	Covered PCI	Non-Covered PCI	Total PCI
Outstanding Balance	599,104	151,037	750,141
(Discount)	(239,009)	(36,169)	(275,178)
Carrying Amount	360,095	114,868	474,963
Allowance for Loan Loss	1,316	4,934	6,250
Total PCI Loans, Net of Allowance	358,779	109,934	468,713
Carrying Amount (Net of Allowance) / Outstanding Balance	59.9%	72.8%	62.5%

Note: Outstanding balance represents unpaid principal balance net of charge-offs and interest applied to principal

PlainsCapital Bank – Non-PCI Loans at March 31, 2015

- Non-PCI loans include newly originated loans, acquired loans without credit impairment at acquisition, and acquired loans that have renewed
- Non-PCI loans include covered loans and non-covered loans
- Portfolio on balance sheet at 98.3% unpaid principal balance with a total discount of \$48.8 million
 - \$34.8 million discount was related to non-covered loans, while covered loans had a \$14.0 million discount

(\$000)	Covered Non-PCI	Non-Covered Non-PCI	Total Non-PCI
Outstanding Balance	205,933	4,754,644	4,960,577
(Discount)	(14,014)	(34,825)	(48,839)
Carrying Amount	191,919	4,719,819	4,911,738
Allowance for Loan Loss	72	34,431	34,503
Total Non-PCI Loans, Net of Allowance	191,847	4,685,388	4,877,235
Carrying Amount (Net of Allowance) / Outstanding Balance	93.2%	98.5%	98.3%

Note: Outstanding balance represents unpaid principal balance net of charge-offs and interest applied to principal

Appendix

Hilltop Non-GAAP to GAAP Reconciliation and Management's Explanation of Non-GAAP Financial Measures

Hilltop presents two measures on page three of this presentation that are not measures of financial performance recognized by generally accepted accounting principles in the United States ("GAAP").

These measures are important to investors interested in changes from period to period in net income and net income per diluted share. For companies, such as Hilltop, business combinations can result in the recording of significant amounts of goodwill or bargain purchase gain and other expenses related to those transactions.

You should not view this disclosure as a substitute for results determined in accordance with GAAP, and this disclosure is not necessarily comparable to that of other companies that use non-GAAP measures. The following table reconciles these Hilltop non-GAAP financial measures to the most comparable GAAP financial measures, "net income to common shareholders" and "net income per diluted share."

Q1 2015 Reconciliation of Non-GAAP Adjusted Net Income	(\$000)	Diluted EPS (\$)
GAAP Net Income to HTH Common Shareholders	113,402	1.13
Add (Deduct):		
Bargain Purchase Gain	(82,816)	(0.82)
Transaction and Integration Costs (net of tax) ¹	8,187	0.08
Non-GAAP Adjusted Net Income	38,773	0.39

Note: (1) Includes various transaction and integration costs associated with the SWS Merger, which closed January 1, 2015