

momentum

2ND QUARTER 2022

HilltopSecurities
Investment Banking Solutions

STEM⁺ MOBILE INNOVATION LAB



IN THIS ISSUE

HILLTOP SUPPORTS EDUCATION
THROUGH INNOVATION



HELPING OTHERS ACHIEVE THEIR DREAMS

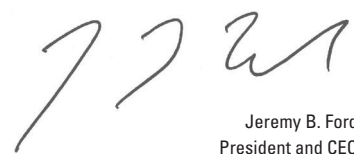
Hilltop understands the importance of investing in the future. Our operating companies—PlainsCapital Bank, PrimeLending, and HilltopSecurities—are dedicated to helping customers achieve their goals for tomorrow by making prudent financial decisions today. Whether borrowing to start a business, saving for retirement, funding infrastructure projects, or purchasing a home, we work every day to help our customers realize their dreams.

But as far as investments go, it would be difficult to find one more important—or more rewarding—than the one featured on the cover of this edition of *Momentum*. Through a donation of more than \$250,000 to the Fort Worth Independent School District’s Career and Technical Education Department, Hilltop is helping to open the door for young students to pursue exciting careers that can offer them a lifetime of opportunities. The donation is funding two new science, technology, engineering, and mathematics (STEM) Mobile Innovation Lab trailers that will give elementary and middle school students access to hands-on STEM training by bringing these resources directly to their campuses. This is part of Hilltop’s \$1 million commitment to support equity and inclusion in public education, and it is exciting to see our vision realized through

such an innovative program.

I’m grateful to the Fort Worth ISD, as well as the other partners in our \$1 million education initiative—the Dallas Education Foundation and Houston ISD Foundation—for their dedication to supporting students and providing us with the opportunity to make a positive difference in so many lives. As with Hilltop’s Buffalo Scholars program, HilltopSecurities’ involvement with the “Rock the Street, Wall Street” program, and our other investments in education, these opportunities are central to our mission of building relationships and supporting the communities we serve.

This mission can be seen throughout the pages of this edition of *Momentum*. I hope you enjoy reading about these projects and the many other topics covered here. We’re proud of the accomplishments and commitment demonstrated by Hilltop’s employees across the nation and look forward to sharing more of their stories in the months ahead.



Jeremy B. Ford
President and CEO

HILLTOP HOLDINGS 2022 BUFFALO SCHOLARS

Hilltop Holdings recently announced the recipients of the company’s annual Buffalo Scholars scholarship program, which is offered to the children of employees pursuing or planning to pursue an undergraduate degree at a four-year public college or university. Administered through Scholarship America, the 2022 scholarships were awarded to eight recipients who each received \$5,000 to assist with tuition, housing, and textbook expenses. The 2022 Buffalo Scholars are:



Raegan Barton

will attend Texas Tech University, majoring in Nursing. Her father, Rodger Barton, is a senior developer at Hilltop Holdings in Dallas.



Audrie Cavazos

attends The University of Texas – Rio Grande Valley, majoring in Biology. Her mother, Helen Cavazos, is a branch manager at PlainsCapital Bank in McAllen, Texas.



Peter Duane

currently attends Arizona State University, but may be transferring to The Ohio State University or University at Buffalo. His father, Peter Duane, is a production manager at PrimeLending in Williamsville, New York.



Macie Flenar

attends Oklahoma State University, majoring in both Marketing and Management. Her father, Jeff Flenar, is a special assets loan manager at PlainsCapital Bank in Dallas.



Isabelle Gramaglia

attends The University of Tennessee, Knoxville. Her mother, Amy Gramaglia, is a loan officer support specialist at PrimeLending in Charlotte, North Carolina.



Mike Milligan

attends The University of Oklahoma, majoring in Finance. His mother, Jan Milligan, is an accounting specialist at HilltopSecurities in Dallas.



Sylvia Tanguma

attends The University of Texas at Austin, majoring in Biology. Her father, Victor Tanguma, is a portfolio manager at PlainsCapital Bank in McAllen, Texas.



Derek Taylor

will attend The University of Tennessee, Knoxville, majoring in Computer Science. His mother, Lora Taylor, is an underwriter at PrimeLending in Tennessee.

Hilltop Holdings plans to honor the recipients and their parents with a virtual celebration later this summer, hosted by President and CEO Jeremy Ford and other senior executives.

“Congratulations to all of our 2022 recipients and their families,” Ford said. “Our organization is proud to support the children of our hardworking employees as they embark on their academic pursuits.”

PRIMELENDING RECOGNIZES 2022 TODD SALMANS CULTURE CHAMPIONS

Company culture is a point of pride at PrimeLending. In 2021, Great Place to Work® named PrimeLending a top workplace for women, millennials, parents, and more, and the company owes it all to its team. That is why PrimeLending created a company culture award of its own.

The Todd Salmans Culture Champion award honors employees who embody PrimeLending’s empowering, people-centric culture. Like the award’s namesake, Chairman Todd Salmans, Culture Champion nominees demonstrate the company’s core convictions: honesty and integrity, people-centric culture, agile, service beyond expectations, and one team one purpose.

PrimeLending is proud to honor this year’s Todd Salmans Culture Champions:



Anne Chambers
Branch Manager, Marysville, WA
NMLS# 98096

Anne Chambers is a driven leader whose dedication and service to her community, branch, and PrimeLending have set her apart. Her optimism and willingness to help have earned Anne the respect of her team and clients. Anne leads by example to help her branch grow and learn while fostering a positive work environment. Members of Anne’s team look to her as a role model, turn to her for support, and value her servant leader mindset.



Susan Orozco
Operations Manager, Lone Star Region

The Lone Star Region would not be the same without Susan Orozco. Her industry knowledge and mastery of the PrimeLending process have left an impression on her team. Her ability to view problems from both the company’s side as well as through the borrower’s eyes makes Susan a rare asset to the team. She jumps in to lend a hand anywhere she is needed and models excellence that, through her example, has inspired other team members to do the same.



Joseph Cromar
Production Support Manager, Retail Dev

Joseph Cromar is as well known for his company knowledge as he is for his positivity. In his tenure with the company, Joseph has built strong relationships as well as a vast knowledge of all things PrimeLending. His selfless approach to helping anyone who asks is part of what makes Joseph the first person team members turn to when they need guidance. While he jumps in headfirst to help people solve issues, he is always quick to say, “it was a team effort.” When a solution isn’t evident, Joseph takes it upon himself to create and build one; reaching across departments to bring together a team to reach a common goal.

LENDING A HAND TO UKRAINE RELIEF EFFORTS

This spring, Hilltop and its employees proved any donation, big or small, can make a difference for those suffering in Ukraine. Through a companywide campaign, Hilltop committed to matching employee donations up to \$2,500 to benefit three different organizations—Doctors Without Borders, UNICEF, and The Salvation Army.

“It’s important for us, as a Hilltop family, to be generous to those who need our help most,” said Hilltop’s President and CEO Jeremy Ford. “This is a reflection of our shared values and the culture of service we’ve built across the organization. I’m proud that we’re able to make a difference.”

Together, employees contributed a total of \$38,365.35 which Hilltop matched dollar for dollar for a total of \$76,730.70 to support these organizations. The money contributed will help volunteers continue to provide relief efforts to those impacted by the events in Ukraine.

Doctors Without Borders
\$28,600

UNICEF
\$29,253.80

The Salvation Army
\$18,876.90

HTS COMMODITIES LAUNCHES NEW WEBSITE



HTS Commodities, HilltopSecurities’ newest division that launched last year, unveiled its new website in April after several months of planning and design.

HTSCommodities.com has been in the works since the division was created in August of 2021 and offers visitors a comprehensive view of the products and services HTS Commodities provides across a broad range of sectors. In addition, visitors can access unique commodities market commentary as well as extensive market information. It also includes a list of HTS Commodities’ professionals that is searchable by area of expertise and market location. The new design closely aligns with HilltopSecurities’ other websites, offering a look and feel that is consistent with the firm’s branding across all business lines.

SISTERS AND SADDLES PLAINSCAPITAL KEEPS RODEO TRADITION ALIVE

Picture a rodeo, and the typical sights and events probably come to mind—barrel racing, bull riding, cowboy hats, and boots. But what you may not expect to see is a group of nuns cheering the action from the stands.

The Dominican Sisters of Mary likely turn heads each year when they make their annual visit to Rodeo Austin, all thanks to their longtime host, PlainsCapital Bank Round Rock President Shaun Tuggle.

“Showing the nuns around is my highlight every year,” Tuggle said. “They’re the most fascinating people.”

Tuggle has been involved with Rodeo Austin since he was a kid, showing animals and volunteering. When he joined PlainsCapital 20 years ago, the Bank got more involved by funding sponsorships and stock show activities. In 2008, Tuggle received a request he never expected.

“I was the president of Rodeo Austin at the time and a friend said she’d like to bring the Sisters from the Georgetown Convent to the rodeo. I said, ‘Let’s do it!’”

Tuggle gave the Sisters the full experience that year—the fairgrounds, the pig races, the carnival, and the rodeo. They’ve come every year since. This March, they even braved tornadoes during their annual outing.

Tuggle credits PlainsCapital for opportunities like this, allowing him to share his love for the rodeo while building valuable partnerships for the Bank.



“I’ve volunteered with various organizations over the years, which developed into leadership roles with nonprofits,” he said. “I think we’re all challenged with giving back, and if you look at what is important to us at PlainsCapital—our people, our customers, our community, our shareholders—it’s simple. That’s what we should all be challenged to do.”



HILLTOP PROVIDES NEW MOBILE STEM LABS FOR FORTH WORTH STUDENTS

Hilltop is helping elementary and middle school students in Fort Worth gain more access to STEM education (science, technology, engineering, and mathematics) through two new state-of-the-art mobile innovation labs. The 40-foot trailers visit campuses throughout the district, bringing hands-on learning opportunities to students who previously wouldn't have access to these types of facilities until reaching high school. They were made possible through Hilltop's donation of more than \$250,000.

"Now more than ever, we should all be supporting students who are interested in pursuing careers in the STEM fields," said HilltopSecurities President and CEO Brad Wings. "By encouraging the next generation to develop their talents in these areas, we're investing in the future of our communities, state, and nation."

HilltopSecurities spearheaded the donation to the Fort Worth ISD, and the two new labs prominently feature the company's logo. Each lab is specially designed for the district's younger students with more open space and seating, lower tabletops for student collaboration, and a teacher's desk. The specialized equipment in the trailer is focused on studying the areas of robotics, coding, and drones. The lab's exterior also includes a retractable canopy and an outward-facing TV for video lessons.

"The ultimate goal here is to bring the learning to life and give students those hands-on, real world experiences," said Daphne Rickard, FWISD career and technical education executive director. "This is really giving students a chance to see that what they're doing today can be their future career of tomorrow."

The first of the two new labs was launched at a special event in May at Milton Kirkpatrick Elementary School in Fort Worth, where fifth-grade students learned to build and launch a model rocket. HilltopSecurities representatives on hand for the event included Wings, Chief Administrative Officer Clare Graca, Head of Wealth Management John Muschalek, Investment Banker Michael Ball, Regional Head of Wealth Management Steve Jones, and Business Development and Events Manager Candace Emerson. Hilltop Holdings Chief Human Resources Officer Dudley Strawn and Director of Marketing and Communications Jennifer Sterns, and of course, Hilltop's mascot Mo the Buffalo, also were in attendance, along with officials from Fort Worth ISD's Office of Innovation, and Career and Technical Education Department.

The donation to Fort Worth ISD is part of Hilltop's commitment to invest \$1 million to support equity and inclusion in education. The investment also includes donations to the Dallas Education Foundation and the Houston ISD Foundation. The donations are designated to be used toward developing and supporting customized, flexible programs to support the individual needs of each district.

"Fort Worth ISD's STEM mobile trailers are exactly the kind of innovative solution we sought to support with our \$1 million commitment to Texas public education," said Hilltop President and CEO Jeremy Ford. "Hilltop is proud to partner with the Fort Worth ISD Career and Technical Education Department to support students' access to these STEM education opportunities."



Representatives from Hilltop and Fort Worth ISD attended opening remarks at the launch of the district's new mobile STEM labs.



Mo the Buffalo launches the model rocket he made using the new labs.



Instructors delivered an exciting lesson before students entered the new lab to begin work on the day's project.

PLAINSCAPITAL ANNOUNCES PROMOTIONS



Danny Schroder
Houston Region Chairman

Woodlands branch shortly before it opened at 1699 Research Forest Drive.

In March, PlainsCapital Bank announced a series of promotions across its Texas markets, including Danny Schroder to Houston region chairman, and John Hinton to president of the Bank’s Weatherford branch, succeeding Pat Hamilton who transitioned to president emeritus.

Schroder—who has more than 40 years of financial services experience—joined PlainsCapital in 2020 as president of The

“Danny has added tremendous value to our banking initiatives and expansion in East Texas,” said PlainsCapital Bank President and CEO Jerry Schaffner. “As a longtime Houston resident and seasoned banking professional, he’s familiar with the financial solutions that businesses and individuals need to move forward. We’re excited that he will be leading the Houston market in his new role.”

Hamilton has more than 43 years of banking experience in the Weatherford area. **Hinton**—who joined PlainsCapital in 2006—has 31 years of banking experience, including 22 years in the Weatherford market.

“Pat’s more than 16 years of service to PlainsCapital Bank have made a difference in our clients’ lives and the Weatherford community,” said Fort Worth Region Chairman Mark Warren. “We know that John’s promotion to president will help PlainsCapital continue to offer high-quality banking solutions to Texas residents and entrepreneurs.”

PRIMELENDING LEADERS RECOGNIZED

Congratulations are in order for several esteemed members of PrimeLending’s leadership team!



Eric Pretzlaff, PrimeLending CFO, has been recognized by *HousingWire* as a 2022 Finance Leader. This award honors the top finance executives in mortgage who are driving financial performance, expanding margins, improving liquidity and helping their businesses access the capital markets.

With more than 22 years of experience in the mortgage industry, Eric leads all aspects of financial management and reporting for the national retail lender as a technician, strategist, and teacher.

During his 11-year tenure, Pretzlaff has not only established high standards for all financial policies and procedures, but has also invested time and energy to ensure the entire organization understands the key financials and business drivers. Over the last two years, Pretzlaff and his team worked through rapidly changing market conditions to make quick adjustments, demonstrating analytical excellence and seasoned intuition. Thanks to the steady leadership of Pretzlaff and PrimeLending’s capital markets team, the company has successfully navigated numerous challenges.



Kim Harland has been promoted to SVP, regional manager over PrimeLending’s new Desert District Region, which includes Arizona, New Mexico, Nevada and Utah. With more than 20 years of progressive production leadership experience, Kim has proven that she is an effective sales leader as well as an

excellent recruiter since joining PrimeLending in 2015 as area manager for the Desert District. Under Kim’s leadership, her area has demonstrated a track record of sustained growth. But more than just delivering bottom line results, Kim has earned a stellar reputation as a servant leader thanks to her willingness to take on new challenges, relentless commitment to positive change, and genuine compassion for her team and the entire PrimeLending organization.



Dawn Robinson, SVP and southwest regional manager, was recently recognized as one of The Top 50 Women Leaders of Dallas for 2022 by *Women We Admire*. Dallas has a rich history of women leaders who have paved the way for the city’s success. Today’s leaders, like Dawn, are continuing to shape the future

and set a high bar for the next generation. In her more than 23 years at PrimeLending, Dawn has made a tremendous positive difference throughout the organization. Known for her “can-do” attitude, championing of the customer’s voice, and dedication to go above and beyond for her team, Dawn represents the very best attributes of PrimeLending’s company culture.

JONATHAN MCCLELLAN GRADUATES FROM COLUMBIA LEADERSHIP PROGRAM

When he joined HilltopSecurities in 2019, Investment Banker Jonathan McClellan brought with him a strong desire to learn new skills, apply them to succeed, and help those around him. So last year when he learned of an opportunity to apply for enrollment in the Developing Black Leaders in Financial Services program at Columbia Business School, he jumped at the chance. HilltopSecurities Co-Head of Public Finance David Medanich encouraged his decision.

McClellan graduated from the program in March and says he looks forward to applying his new knowledge to his career.

“I’ve been so thankful for the opportunity to go through this program,” McClellan said. “It has reshaped my view and the way that I approach work. Coming from a sales role I was very self-driven and individually focused. Going through the program changed my perspective and understanding on the value of working as a team. It’s made me better individually, and as a result, it’s helped our team.”

The Developing Black Leaders in Financial Services program is delivered in partnership with the American Securities Association. It is designed to develop leadership and management competencies, improve macroeconomic and financial acumen, and establish a professional network of fellow black leaders in the financial services sector. About 40 participants attended networking opportunities and 39 hours of instruction by Columbia Business School faculty and industry leaders. The first year’s sessions took place live online, followed by in-person sessions on Columbia’s campus in year two.

“I thought it was very enlightening,” McClellan said. “It helped me to realize what I really want to get out of my career. I want to learn and grow, be innovative, and come up with new ideas. I want to help others expand their knowledge base to advance in their careers. I’m focused on being more team-oriented, because helping others succeed benefits the company as whole.”



McClellan, pictured above in class and below after receiving his certificate, graduated from Columbia Business School’s Developing Black Leaders in Financial Services Program in March.



INSPIRING THE NEXT GENERATION OF FEMALE FINANCE PROFESSIONALS

Ask any high school student what they want to be when they grow up, and chances are they'll have some sort of answer. It may be vague, but there's usually a small seed of an idea. This spring and last fall, a group of women from HilltopSecurities joined girls from Irma Lerma Rangel Young Women's Leadership School in Dallas in virtual sessions to help that seed of an idea grow—possibly into a future in finance.

“I like to tell the ladies, even if you don't know exactly what you're going to do right now, it's okay,” said Barbara Pittman, senior vice president of insurance at HilltopSecurities. “Life will throw you curve balls, and things will change. Learning to adapt and adjust positively is important.”

The volunteer mentoring is part of a larger effort known as “Rock the Street, Wall Street”, a financial and investment literacy program designed to spark the interest of a diverse population of high school girls to pursue careers in finance. But Pittman and the 16 other HilltopSecurities women involved agree: it's equally important to teach these girls to speak up, ask questions, and learn how finance impacts their lives, even if they choose to pursue a career in another field.

“These girls are head and shoulders above where I was at that time in my life,” said Carol Garza, a municipal regulatory analyst at HilltopSecurities. “At our first meeting, they admitted they were scared to meet us. But we've pulled back the curtain to show them that there's nothing mysterious here, and that they can do it, too.”

The volunteers often let the girls take the lead on creating budgets, learning financial basics, building resumés, and preparing for college. The hope is that these life skills will guide them through adulthood. Marti Shew, an investment banker at HilltopSecurities, says the impact is mutual.

“I feel very fortunate and grateful to have had so many people help me along the way,” Shew said. “This is a way to give back and guide them about simple, small things we take for granted. It's also a great way for the firm (HTS) to stay relevant, in terms of trends and what's happening, because at the end of the day, these are potential future colleagues or investors. They are part of the future.”

CYBERSECURITY KEEPING BUSINESSES SAFE

Cybercriminals can strike at every part of a business, and their methods continue to grow more sophisticated. Any unprotected channel used to do business is at risk of being targeted. A successful cyberattack could end up costing a business hundreds if not thousands of dollars. Deciding to enhance cybersecurity is one of the most important decisions a business will make.

Businesses face three main types of cyberthreats.

Business Email Compromise (BEC)

Fraudsters target the email account of an executive or supervisor—usually someone with authority. Once they have access to their contacts, the scammers then pose as the executive to send an email to a person with access to finances, asking for a wire transfer to their own account. BEC usually involves social engineering, a method of manipulating a target by preying on emotions to get them to complete their request. A scam email may contain urgent language that prompts the receiver to act quickly, rather than question the request.

Ransomware

In a ransomware attack, cybercriminals use malware to render your electronic documents inaccessible or to steal sensitive data. They will demand a ransom in exchange for the key to unlock the data. Few businesses that pay the ransom actually get all their important data back. Employee computers and enterprise servers are all at risk of being targeted by malware.

Cybercrime

Cybercriminals are continually advancing the technology they use to steal business' most important assets: employee data and customer data. As predatory technology advances, businesses should also keep improving their security measures and protocols.

Educate and Train Against Cyber Attacks

There are many avenues through which scammers can access a business' sensitive information. Business owners should implement some form of cybersecurity at every access point and train all employees to use cyber safety practices. It's important to educate employees on the risks of cyberthreats and how to recognize fraudulent communications. Cybersecurity is imperative at every level of a business so that both business owners and their customers are protected.

Q&A: Katie Koster

Managing Director,
Head of Development Finance
HilltopSecurities

Q: Describe your current position and responsibilities or primary objectives.

A: My responsibilities include revenue production; development, supervision of, and collaboration with other Debt Capital Market bankers; recruiting; participation in the Public Finance Executive Operating Committee; and general business strategy.

My primary objectives are to leverage my existing relationships and finance expertise in land-secured finance to gain market share in California; recruit revenue-producing bankers in the specialty finance sectors to better meet our clients' needs in this space and grow Debt Capital Market revenues; and to build out the development finance practice nationally through internal collaboration, recruitment, development, and retention.

Q: What do you think has enabled you to build a successful career in municipal finance?

A: From the very beginning of my career, I have been surrounded by individuals who took it upon themselves to help me learn the industry and who supported and advocated for me along the way. I have always believed that it was instrumental to keep asking questions and learn from others rather than having to be the smartest person in the room. I have looked for opportunities to learn new skills and have taken stretch assignments. I've also volunteered when possible to work with others across industry sectors. More recently, I have been a mentor and sponsor to individuals in the earlier stages of their careers and continue to learn from them as well.

Q: How do you incorporate creativity into your work?

A: Creativity is extremely important to staying on the cutting edge of innovation in finance, particularly in land-secured financing where developers want to maximize bond proceeds and get capital early in the development cycle. Risk management is equally important.

We have to temper our desire to create new financing mechanisms that drive growth and innovation with maintaining credit quality through appropriate due diligence and disclosure. What is unique in my role is creating a product that serves the goals and objectives of the local public agency issuer, provides sufficient capital for the project, and delivers return for investors.

Q: How do you support diversity and inclusion initiatives to spearhead cultural change?

A: One of my career milestones was being selected to serve as co-chair of my previous employer's inaugural Diversity and Inclusion

Council. The council was instrumental in writing a business case for diversity and inclusion, which was adopted by the company board and implemented throughout the organization.

I have also been involved with Women in Public Finance throughout most of my career, having served as vice president of the national organization, chair of the Strategic Planning Committee, and founder of the Los Angeles Chapter.

Q: What advice do you have for young professionals in public finance?

A: Share knowledge with others in your class to enhance your basic skill set, look for opportunities to take on challenging projects from more senior bankers, ask to be mentored, and look for advocates along your journey. Make strategic career changes—even laterals when possible—to learn the many different verticals within an investment bank.

Mentorship can also be highly impactful for both a mentee and the mentor. It is a method by which a company can reduce employee turnover, increase engagement among employees, plan for leadership succession, promote diversity and inclusion, and attract and retain top talent.

For the mentee, it can be a way to set goals and have someone to be accountable to. Mentors can gain new perspectives, strengthen their emotional intelligence and communication skills, develop a positive reputation as an advisor and a guide for others, and grow their own leadership skills.

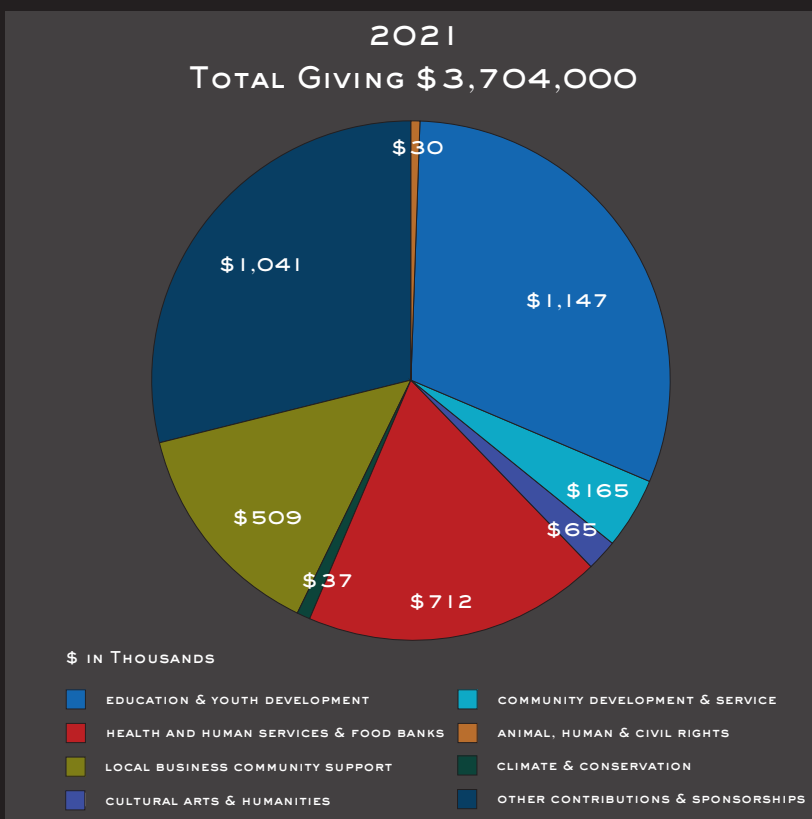
Public finance professionals can empower the next generation by understanding that talent comes in many forms. We can raise awareness to new hires about programs that promote professional growth and celebrate and encourage diversity.



HILLTOP PUBLISHES 2021 ESG REPORT



In April 2022, Hilltop Holdings released its 2021 environmental, social, and governance (ESG) report, offering stakeholders transparency into its culture, principles, policies, practices, control environment, management, and assessment of operational risks. The extensive report highlights Hilltop's ESG enhancements in 2021. During the year, the company formed an ESG Committee, established an ESG policy, and achieved its stated 2021 ESG Goals.

The report also includes the Diversity, Equity, and Inclusion (DEI) Commitment Statement created by Hilltop's Diversity Momentum Council, which demonstrates the company's goal of representing both the population and values of the communities it serves. Additionally, the report outlines how Hilltop reduced its carbon footprint, increased philanthropic and charitable contributions, and launched new employee training programs as part of its continued efforts to support the environment, help communities thrive, and foster an inclusive workplace.



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