

2021
**SUSTAINABILITY
AND
ENVIRONMENTAL, SOCIAL
& GOVERNANCE**
REPORT

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To Our Stockholders, Customers and Employees:

As a participant in the financial sector through our banking, mortgage, and municipal and wealth management businesses, Hilltop understands its role in monitoring and improving its environmental, social and governance principles. The Hilltop companies are committed to addressing environmental concerns, social issues, and governance risks that impact our short and long-term success. We are continually working to, improve the diversity of our workforce at all levels, provide capital accessibility to new and existing customers, and assess and mitigate evolving operational risks in each of our businesses.

Regarding operational risks, the pandemic provided Hilltop employees and customers with unique and unprecedented set of challenges. However, through planning, flexibility, and the dedication of our employees across the franchise, our companies worked together to ensure stability of operations by quickly responding to the needs and interests of employees, customers, and communities served.

Companywide, we continue to enhance our practices and policies to align with evolving Hilltop environmental, social, and governance initiatives. The future is promising as we embrace environmental, social and governance developments that inform and improve Hilltop's business and align with our commitment to sound and responsible corporate practices.



A handwritten signature in dark ink, appearing to read 'JBF' followed by a stylized flourish.

Jeremy B. Ford

President and CEO

Hilltop Holdings Inc.

During 2021, Hilltop furthered its commitment to ESG by establishing a structure to support its ongoing efforts. Most notable are the following enhancements.

Hilltop formed its ESG Committee, a subcommittee reporting to the Nominating and Corporate Governance Committee (NCGC) of the Hilltop Holdings Board of Directors. This group met at least quarterly to review and discuss ESG and Sustainability compliance and legislation, trends, peer benchmarking, and suggestions impacting its businesses. The ESG Committee's 13 members include leaders from Hilltop's Legal, Human Resources, Enterprise Risk Management, Finance, Facilities, Internal Audit, Compliance, Information Technology, Marketing, Procurement, and Investor Relations. The ESG Committee is supported by Hilltop's Director of ESG who is dedicated to providing federal, state, and regulatory compliance updates, best practices, statistical analyses, peer benchmarking and other information to facilitate the company's ongoing ESG initiatives.

The ESG Committee further established the Hilltop ESG Policy, which was approved by the NCGC to be effective in 2022 to serve as a guide for the company's ESG initiatives.

The Hilltop family of companies achieved all stated 2021 ESG goals as outlined in the baseline ESG and Sustainability Report previously published in March 2021.

In promoting the Company's ongoing commitment to diversity, the Hilltop Diversity Momentum Council launched a Diversity, Equity, and Inclusion (DEI) Commitment Statement in 2021. The statement demonstrates that Hilltop represents both the population and values of the communities we serve and illustrates a commitment to encouraging, nurturing, and celebrating a diverse and inclusive culture throughout the organization.

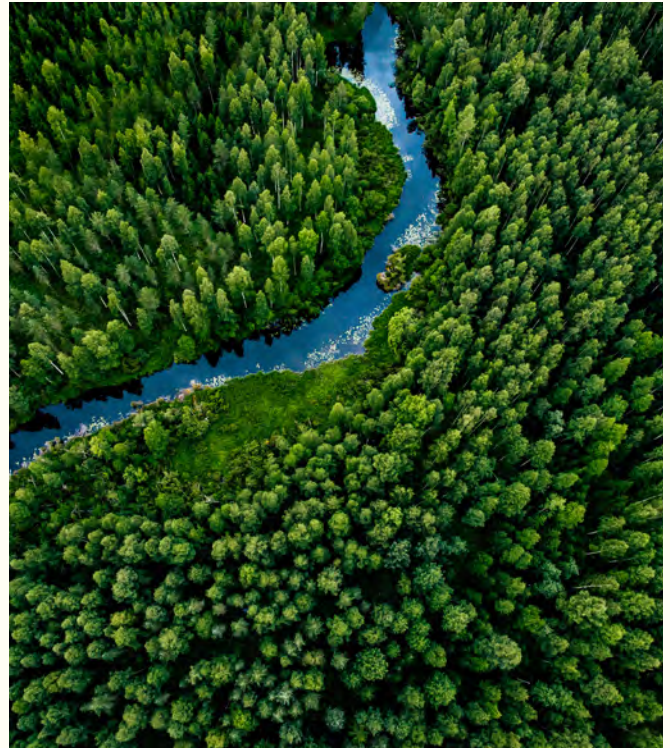
2021 ESG ENHANCEMENTS

FORMED ESG COMMITTEE

ESTABLISHED ESG POLICY

ACHIEVED STATED 2021
ESG GOALS

LAUNCHED DIVERSITY, EQUITY,
AND INCLUSION COMMITMENT
STATEMENT




DIVERSITY, EQUITY AND INCLUSION STATEMENT

WE VALUE YOU! THE HILLTOP FAMILY IS COMMITTED TO THE EVOLUTIONARY JOURNEY OF PROMOTING AWARENESS AND THE ADVANCEMENT OF DIVERSITY, EQUITY, AND INCLUSION THROUGHOUT OUR COMPANY AND THE COMMUNITIES WE SERVE.

HILLTOP ENCOURAGES AN INCLUSIVE ENVIRONMENT, CULTIVATING THE STRENGTHS OF VARIED PERSPECTIVES, EXPERIENCES, BACKGROUNDS, TALENTS, AND INTERESTS. WE ARE COMPOSED OF DIVERSE IDENTITIES, WE EMBRACE OUR EMPLOYEES' INDIVIDUALITY, AND WE STAND AS ONE VOICE GUIDED BY OUR ICARE PRINCIPLES.

WE BELIEVE DIVERSITY, EQUITY, AND INCLUSION ARE ESSENTIAL TO HILLTOP'S INNOVATIVE AND COLLABORATIVE CULTURE THAT EMPOWERS EMPLOYEES TO FLOURISH, BUILDS LASTING RELATIONSHIPS, DRIVES SUCCESS FOR OUR STAKEHOLDERS, AND MAKES US STRONGER.





HILLTOP HOLDINGS

SUSTAINABILITY REPORT

2021

BASED ON THE SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB) STANDARDS

The Sustainability Accounting Standards Board (SASB) is currently governed by The Value Reporting Foundation that operates as a governance structure in a manner akin to the structure adopted by other internationally recognized bodies that set standards for disclosure to investors, such as the Financial Accounting Standards Board (FASB) and the International Accounting Standards Board (IASB). The SASB is an independent, nonprofit standards setting organization, that generates and maintains industry specific standards that assist companies with disclosures of material financial decision-making, sustainability information useful to investors. Standards developed by the SASB are designed to identify minimum sustainability issues likely to impact the operating performance or financial condition of a typical company within a given industry. SASB standards, as designed, communicate the operating environment and corporate performance related to industry-specific sustainability issues using management disclosures and accounting metrics. The Hilltop Sustainability Report discloses the relevant SASB Standards in the financial sector industries applicable to the operations and activities of Hilltop and its subsidiaries.

BANKING STANDARDS

COMMERCIAL BANK (CB) PRACTICES		
PROVISIONAL METRIC CODE	ACCOUNTING METRIC	DATA RESPONSE / REFERENCE
DATA SECURITY		
FN-CB-230a.2	Description of approach to identifying and addressing data security risks	See data on Page 27 of the ESG Report.
FINANCIAL INCLUSION AND CAPACITY BUILDING		
FN-CB-240a.1	1) Number and (2) Amount of loans outstanding qualified to programs designed to promote small business and community development	See data on Pages 29-30 of the ESG Report.
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	See data on Page 31 of the ESG Report.
INCORPORATION of ENVIRONMENTAL, SOCIAL, AND GOVERNANCE FACTORS IN CREDIT ANALYSIS		
FN-CB-410a.1	Commercial and industrial credit exposure, by industry	See data on Page 30 of the ESG Report; also see the Bank's commercial loan details in the 2021 Hilltop Holdings 10K.
BUSINESS ETHICS		
FN-CB-510a.2	Description of whistleblower policies and procedures	See data on Page 25 of the ESG Report.
SYSTEMATIC RISK MANAGEMENT		
FN-CB-550a.1	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	See the Basel III Bank data in the 2021 Hilltop Holdings 10K.
BANK ACTIVITY METRICS		
FN-CB-000.A	1) Number and (2) Amount checking and savings accounts by segment (a) personal and (b) small business and (c) corporate	See data on Page 32 of the ESG Report and deposit accounts details in the 2021 Hilltop Holdings 10K.
FN-CB-000.B	1) Number and (2) Value of loans by segment (a) personal and (b) small business	See data on Pages 29-30 of the ESG Report.

MORTGAGE LENDING STANDARDS

MORTGAGE FINANCE (MF) PRACTICES		
TOPIC	ACCOUNTING METRIC	DATA RESPONSE / REFERENCE
LENDING PRACTICES		
FN_MF-270a.1	(1) Number and (2) Value of residential mortgages of the following types: (a) Hybrid or Option Adjustable-Rate Mortgages (ARM), (b) Prepayment Penalty, (c) Higher Rate, (d) Total, by FICO scores above or below 660	See available data on Pages 34-35 of the ESG Report.
FN_MF-270a.2	(1) Number and (2) Value of (a) residential mortgages modifications, (b) foreclosures, and (c) short sales or deeds in lieu of foreclosures, by FICO scores above and below 660	See data on Pages 36-37 of the ESG Report.
DISCRIMINATORY LENDING		
FN-MF-270b.1	(1) Number, (2) Value of, and 3) weighted average Loan-to-Value (LTV) ratio of mortgages issued to (a) minorities, and (b) all other borrowers by FICO scores above and below 660	See data on Pages 34-35 of the ESG Report.
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	See data on Page 33 of the ESG Report.
ENVIRONMENTAL RISK TO MORTGAGED PROPERTIES		
FN-MF-450a.1	(1) Number and (2) Value of mortgage loans in 100-year flood zones	See data on Page 35 of the ESG Report.
FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	See data on Page 33 of the ESG Report.
MORTGAGE FINANCE ACTIVITY METRICS		
FN-CB-000.A	1) Number and (2) Amount mortgage loans originated by category (a) residential and (b) commercial	All mortgage loans are residential loans. See data on Pages 34-37 of the ESG Report.
FN-CB-000.B	1) Number and (2) Amount mortgage loans purchased by category (a) residential and (b) commercial	All mortgage loans are residential loans. See data on Pages 34-37 of the ESG Report.

SECURITIES BROKERAGE & INVESTMENT BANKING STANDARDS

INVESTMENT BANKING AND BROKERAGE (IB) PRACTICES		
PROVISIONAL METRIC CODE	ACCOUNTING METRIC	DATA RESPONSE / REFERENCE
EMPLOYEE DIVERSITY & INCLUSION		
FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	See Companywide employee data on Pages 21-22 of the ESG Report.
INCORPORATION OF ENVIRONMENTAL, SOCIAL & GOVERNANCE FACTORS IN INVESTMENT BANKING & BROKERAGE ACTIVITIES		
FN-IB-410a.1	Revenue from (1) underwriting, (2) advisory, and (3) securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	See data on Page 43 of the ESG Report.
FN-IB-410a.2	(1) Number and (2) total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	See data on Page 43 of the ESG Report.
FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	See data on Pages 39-43 of the ESG Report.
BUSINESS ETHICS		
FN-IB-510a.2	Description of whistleblower policies and procedures	See data on Page 25 of the ESG Report.
PROFESSIONAL INTEGRITY		
FN-IB-510b.1	(1) Number and (2) Percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Only three (3) covered employees representing <1% of the security brokers.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	There were six (6) active arbitration/litigation matters during 2021.
FN-IB-510b.3	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	The total of 2021 losses in this area was \$230,000.
INVESTMENT BANKING AND BROKERAGE ACCOUNTING METRICS		
SYSTEMATIC RISK MANAGEMENT		
FN-IB-510b.4	Description of approach to ensuring professional integrity, including duty of care	See data on Page 21 of the ESG Report
FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Currently, this data is not available.
FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	See the stress testing data per the 2021 Hilltop Holdings 10K.
EMPLOYEE INCENTIVES & RISK TAKING		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	The 2021 HilltopSecurities total variable remuneration for MRTs was 41%.
FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	HilltopSecurities' total variable remuneration MRTs was 100% subject to clawback provisions, but 0% was applicable during 2021.
FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	See data on Page 39 of the ESG Report.
INVESTMENT BANKING & BROKERAGE ACTIVITY METRICS		
FN-IB-000.A	(1) Number and (2) Value of (a) underwriting, (b) advisory, and (c) securitization transactions	See data on Page 43 of the ESG Report.
FN-IB-000.B	(1) Number and (2) Value of proprietary investments and loans by sector	Currently, this data is not available.

ASSET MANAGEMENT & CUSTODY ACTIVITIES STANDARDS

ASSET MANAGEMENT & CUSTODY (AC) PRACTICES		
TOPIC	ACCOUNTING METRIC	DATA RESPONSE / REFERENCE
TRANSPARENT INFORMATION & FAIR ADVICE FOR CUSTOMERS		
FN-AC-270a.1	(1) Number and (2) Percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations , or other regulatory proceedings	There were no reportable incidents in this practice area.
FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	There were no monetary losses in 2021 in this area.
FN-AC-270a.3	Description of approach to informing customers about products and services.	See data on Pages 39-40 of the ESG Report.
EMPLOYEE DIVERSITY & INCLUSION		
FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees	See data on Pages 41-42 of the ESG Report.
INCORPORATION OF ENVIRONMENTAL, SOCIAL & GOVERNANCE FACTORS IN INVESTMENT MANAGEMENT & ADVISORY		
FN-AC-410a.1	Amount of assets under management, by asset class, that employ (1) integration of environmental, social, and governance (ESG) issues, (2) sustainability themed investing, and (3) screening	See data on Page 43 of the ESG Report.
FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	See data on Pages 39-40 of the ESG Report.
BUSINESS ETHICS		
FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior market manipulation, malpractice or other related financial industry laws or regulations.	The 2021 total monetary losses were \$230,000.
FN-AC-510a.2	Description of whistleblower policies and procedures	See data on Page 25 of the ESG Report.
SYSTEMATIC RISK MANAGEMENT		
FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification	Our Bank AUM: Open-end fund assets under management are 100% fully liquid.
FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	See liquidity risk data per the 2021 Hilltop Holdings 10K.
ASSET MANAGEMENT ACTIVITY METRICS		
FN-AC-000.A	(1) Total registered and (2) Total unregistered assets under management (AUM)	Our Bank AUM: Registered: \$1,663.120MM Non Registered: \$270.484MM
FN-AC-000.B	Total assets under custody and supervision	Our Bank Total Assets Under Custody & Supervision: \$3,379.316 MM Our Securities Broker Assets Under Custody: See data on Page 43 of the ESG Report.

SECURITY AND COMMODITY EXCHANGES STANDARDS

SECURITY & COMMODITY EXCHANGES (EX) PRACTICES		
TOPIC	ACCOUNTING METRIC	DATA RESPONSE / REFERENCE
PROMOTING TRANSPARENT AND EFFICIENT CAPITAL MARKETS		
FN-EX-410a.2	Percentage of trades generated from automated trading systems	Zero percent of trades are processed with automated algorithms. Electronic trades during 2021 were broker assisted trades.
FN-EX-410a.3	Description of alert policy regarding timing and nature of public release of information	Currently, this data is not available.
MANAGING CONFLICTS OF INTEREST		
FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior market manipulation, malpractice or other related financial industry laws or regulations.	Total 2021 enterprise monetary losses of \$230,000 were incurred.
FN-EX-510a.2	Description of processes for identifying and assessing conflicts of interests	See data on Pages 23 & 25 of the ESG Report.
SECURITY AND COMMODITY EXCHANGES ACTIVITY METRICS		
FN-EX-000.A	Average daily number of trades executed, by product or asset class	Annual average trades data not available due to the system conversion during the year.



HILLTOP'S ESG STORY

The 2021 year is the year following Hilltop Holding's inaugural ESG and Sustainability Report providing disclosures to our stakeholders. Hilltop companies continue to dedicate resources to identify, develop, and enhance our methodologies to provide transparency into our cultures, principles, policies, practices, control environment, management, and assessment of operational risks.

We are evaluating ways to integrate the ESG factors into our business operations, practices and values. This alignment will serve to guide the principles and shape the evolving views of Hilltop's ESG efforts.

Our three subsidiary companies—PlainsCapital Bank, one of the largest Texas-based banks serving communities across the state since 1988; PrimeLending, a top national mortgage loan originator; and HilltopSecurities, a leading national municipal investment bank and wealth advisory firm—all provide professional services to meet the needs of our customers and the surrounding communities.

The Hilltop family stands by our core principles of Integrity, Collaboration, Adaptability, Respect and Excellence (ICARE) each day. These standards have largely contributed to our ongoing successful operations.

The future offers much promise, and Hilltop will strive to be a participant in addressing the financial needs of the capital markets, consistent with its commitment to maintaining a safe and inclusive workplace, and helping its businesses thrive.

Our ESG journey is perpetual, and we embrace the road before us by improving practices and procedures necessary for the sustainability of our businesses. Hilltop will continue to assess operational risks, address the conservation of energy and water usage, and support the needs and priorities of our most valuable resources—our workforce, customers, and communities.

LEED CERTIFICATION FOR HILLTOP PLAZA

Silver LEED (Leadership in Energy and Environmental Design) Certification for the Hilltop Plaza headquarters building has been requested and is currently pending.

WATER CONSERVATION

Use of efficient water fountains at Hilltop's corporate office locations has eliminated potential plastic waste from disposable water bottles in landfills as per the chart at right.

HILLTOP PLAZA
4
EFFICIENT FOUNTAINS
18,168
BOTTLES SAVED

REPUBLIC CENTER
1
EFFICIENT FOUNTAINS
1,643
BOTTLES SAVED



235K
GALLONS OF
WATER CONSUMED





CARBON NEUTRAL FLOORS

89,100 SQUARE FEET
OF CARBON NEUTRAL FLOORING

THIS WILL RESULT IN THE RETIREMENT OF



83 METRIC TONS OF
CARBON DIOXIDE

ENVIRONMENTAL IMPACT

EQUIVALENT OF



205,955

MILES OF EMISSIONS
FROM A TRAVELING CAR

18

PASSENGER CARS NOT
DRIVEN FOR ONE YEAR

9,339

GALLONS OF GASOLINE
NOT CONSUMED

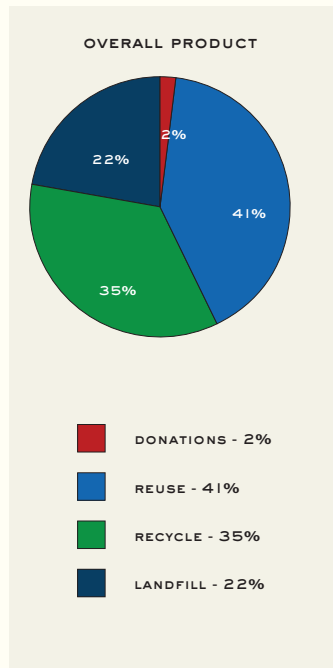
14

HOUSEHOLD ELECTRICITY
USE AVOIDED FOR
ONE YEAR

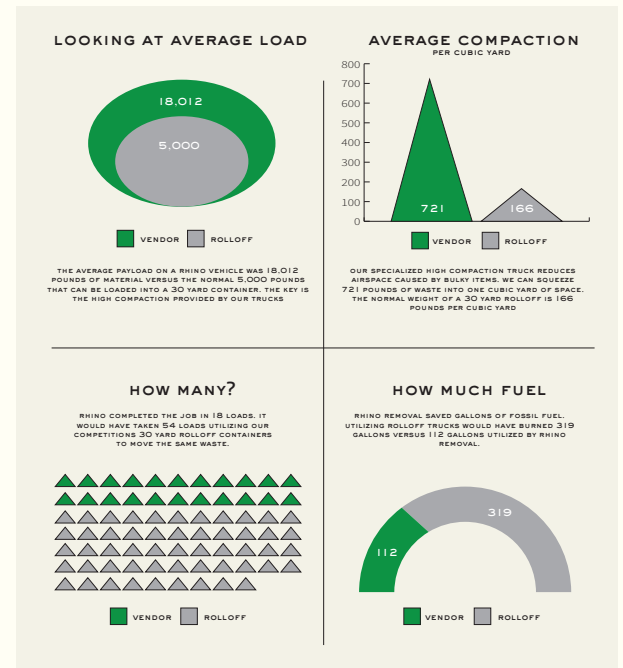
2021 HILLTOPSECURITIES FACILITY RELOCATION GREEN REPORT

In 2021, HilltopSecurities relocated its corporate headquarters from Dallas Renaissance Tower to HilltopSecurities Tower at 717 Harwood in Dallas. The move yielded several environmental benefits related to the relocation and disposition of office furniture.

OFFICE FURNITURE PRODUCT DISPOSITION



OFFICE FURNITURE GREEN DECOMMISSION



PLAINSCAPITAL BANK CONSERVATION EFFORTS

During 2021, PlainsCapital Bank recycled approximately 129,780 lbs. of paper through vendor recycling processes at approximately 51 bank branch locations across Texas.

PlainsCapital Bank Energy - Scope 2 GHG Totals		
	2021	2020
ELECTRIC (MKWh)	6,441.6	3,529.1
CO2 EMISSIONS AVOIDED (Lbs.)	9,080,774	5,054,744

Additionally, our vendors' shredding recycling processes yielded the following conserved resources for PlainsCapital locations in Dallas and Austin, Texas.

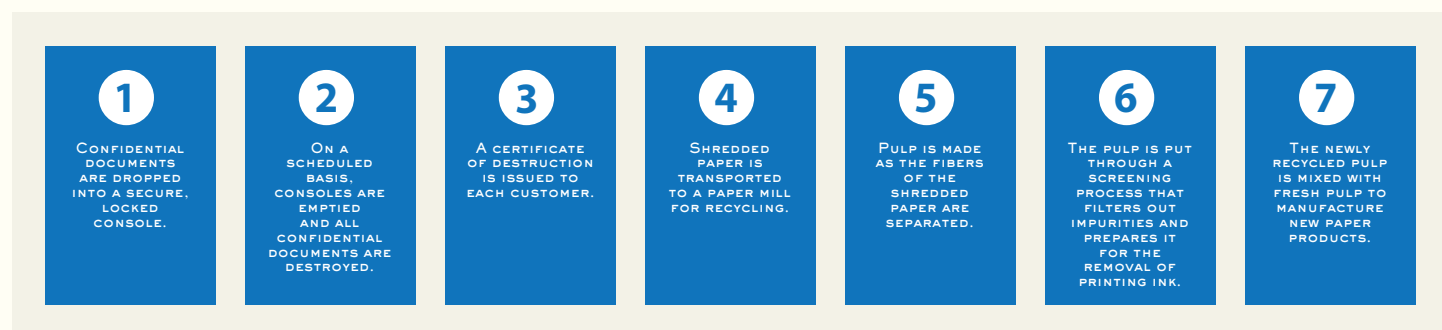
2021 PlainsCapital Bank Local Conservation Totals		
	Dallas	Austin
Trees Saved (number)	1,103	356
Water Conserved (gallons)	454,230	146,790
Energy Conserved (kWhs)	311,472	85,977
Landfill Preserved (cubic yards)	6,489	105
Oil Conserved (gallons)	24,658	-
Atmosphere Pollutants Avoided (lbs.)	-	1,258

PRIMELENDING CONSERVATION EFFORTS

PrimeLending Conservation Totals		
	2021	2020
Trees Saved (number)	5,387	6,042
Water Conserved (gallons)	2,206,419	2,474,675
Energy Conserved (kilowatts)	1,260,811	1,414,100
Landfill Preserved (cubic yards)	946	1,061
Oil Conserved (gallons)	119,777	134,340
Paper Volume (lbs.)	630,405	707,050
<i>Environmental impact of PrimeLending's 2021 paper shreddings for over 280 locations within 45 states.</i>		



VENDOR'S SHREDDING PROCESS



HilltopSecurities Conservation Totals		
	2021	2020
Carbon Footprint - Avoided Emissions (lbs.)	127,322	85,920
Energy Conserved (kWhs)	198,721	134,107
Paper Volume (lbs. = 87.931 short tons)	175,861	217,679
Trees Saved (number)	1,473	990
Landfill Preserved (cubic yards)	436	292
Water Conserved (gallons)	2,410,274	1,566,607



2021 State Totals	AZ	CA	CO	CT	FL	IL	MI	MN	MO	OH	NJ	OK	TX	GA	MA	STATE TOTALS
Number of Serviced Office Locations	1	7	1	1	2	1	1	1	1	2	1	2	8	1	1	31
Carbon Footprint (lbs.)	455	7,211	278	649	901	437	549	320	555	355	2,100	1,881	111,188	204	240	127,322
Est Volume (lbs.)	628	9,961	385	897	1,245	604	759	442	766	491	2,899	2,597	153,575	282	332	175,861
Trees Saved	5	84	3	8	10	5	6	4	6	4	24	22	1,288	2	3	1,473
Kilowatts Energy Saved	710	11,255	434	1,012	1,406	683	857	499	866	554	3,277	2,936	173,539	319	375	198,721
Cubic Yards Landfill Space Saved	2	41	1	2	3	2	2	1	2	1	7	6	364	1	1	436
Gallons Water Saved	8,607	136,557	5,263	12,280	17,050	8,278	10,389	6,058	10,498	6,716	39,746	35,607	2,104,808	3,865	4,550	2,410,274

(As rounded.)

HILLTOPSECURITIES SECURELY SHREDDED AND RECYCLED 87.931 SHORT TONS (175,862,110 POUNDS) OF PAPER WITH IRON MOUNTAIN, WHICH RESULTED IN THE FOLLOWING ENVIROMENTAL BENEFITS IN 2021.



CARBON FOOTPRINT

127,322 LBS OF CO2 EMISSIONS AVOIDED
12.310 CARS ON THE ROAD PER YEAR



ENERGY

198,721 KWH OF ELECTRICITY SAVED
527.586 YEARS OF ENERGY DEMAND FOR A LAPTOP



TREES

1,473 TREES PRESERVED



WATER

2,410,274 GALLONS OF WATER SAVED
263.793 POOLS FULL OF WATER SAVED

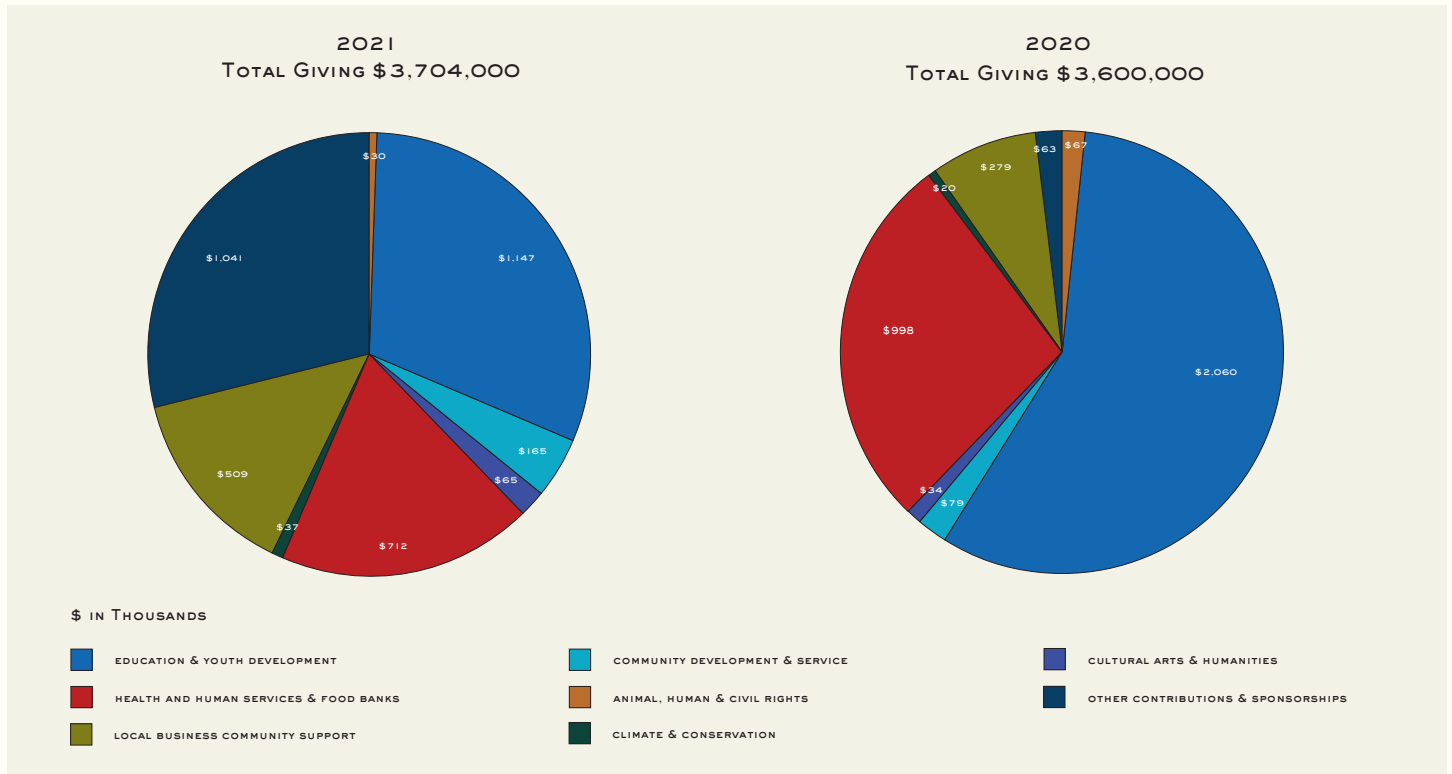


LANDFILL SPACE

436 CUBIC YARDS OF
LANDFILL SPACE CONSERVED

COMMUNITY GIVING

The Hilltop family of companies gives back throughout the year through philanthropy and volunteering, including company-sponsored service projects and numerous corporate and employee-donated charitable gifts to our communities. In 2021, the company contributed approximately \$3.7 million to charitable causes as compared to \$3.6 million in 2020.



Hilltop started the year by continuing its companywide commitment to supporting equity and inclusion in education by investing in our public schools. Throughout the year, Hilltop worked closely with Dallas ISD, Fort Worth ISD, and Houston ISD to administer a \$1 million donation granted in 2020 to support underserved student populations, such as at-risk youth, individuals below the poverty line, and minority student populations.

GETTING INVOLVED

In October 2021, Hilltop employees continued the company's ongoing effort to fight hunger in its communities by raising nearly \$19,000 for the North Texas Food Bank (NTFB), which provided over 56,000 meals to families in need throughout the region. In addition, 50 Hilltop employees volunteered a total of 125 hours packing food boxes with both perishable and shelf-stable foods at the NTFB facility that were delivered to those in need in the North Texas area.



During the holidays, Hilltop also supported Community Partners of Dallas' (CPD) 2021 Toy Drive that grants wishes for many of Dallas County's abused and neglected children. Employees were able to contribute by fulfilling a wish for a specific child, purchasing gifts through a virtual toy drive, and/or volunteering at CPD's distribution center to distribute toys to social workers for the kids in need.

In total, the company and its employees contributed \$7,500 and over 120 toys to CPD in addition to volunteering a combined 81 hours and fulfilling 21 wish cards.

BUFFALO SCHOLARS

In 2021, Hilltop expanded its annual awards to eight \$5,000 scholarships to students of employees pursuing, or planning to pursue, an undergraduate degree at a four-year public college or university in the United States. Hilltop's partnership with Scholarship America enables student applicants to access local and national scholarships beyond the Buffalo Scholars program. Once a user-account is created, the applying student will be matched with all Scholarship America funding opportunities that they qualify for based on their profile.

These are just some of the many ways Hilltop and its employees gave back in 2021, demonstrating the company's deeply engrained culture of giving and service to its communities.



EMPLOYEE DEVELOPMENT PROGRAMS AND COUNCILS

Hilltop has developed several employee programs and councils to drive engagement and development, corporate culture, diversity and inclusion, and our ICARE principles through the planning and execution of employee events and programs throughout the year.

While most activities were conducted virtually due to the pandemic, Hilltop's employees were able to come together on several occasions in 2021.

Culture Councils

Each of the Hilltop companies has its own Corporate Culture Council, and in 2021, the Culture Councils partnered together for several enterprise-wide employee events while also planning events locally for their employees. Culture events were planned each month and included a wide array of activities, from celebrating holidays to volunteerism to Executive Leadership roundtable opportunities.



Hilltop employees enjoy celebrating the season at the annual company holiday party.



The Halloween 2021 Theme—Classic Shows from the 50s, 60s, and 70s—allowed employees to showcase their creativity. The Internal Audit department won the costume contest with their version of “Happy Days.”

Employees were also invited to participate in fun social events that included:

- Mo the Buffalo Day
- Summertime Ice Cream Social
- Companywide Halloween Costume Event
- Thanksgiving Lunches
- Holiday Treats

DIVERSITY MOMENTUM COUNCIL

Hilltop's Diversity Momentum Council developed and communicated our Hilltop Diversity Commitment Statement in 2021. The Statement serves as a guide for Hilltop's diversity, equity and inclusion (DEI) efforts. In its inaugural year, the Council celebrated several cultural heritage and awareness months, including honoring employees who served our country on Veterans' Day. The Council also recognized Diversity Month by educating employees with multicultural information and providing desserts that originated from Africa (West), China, France, Spain, Turkey and the USA in corporate office locations.



Hosted by the Diversity Momentum Council, Employees celebrated Diversity Month by learning about foods and traditions from all over the world.



During the holidays, women in leadership roles across Hilltop companies gathered at the Dallas Arboretum to network and celebrate the season.

WOMEN'S MOMENTUM

In 2021, Hilltop's Women's Momentum program extended professional development and networking opportunities to employees nationwide with the help of virtual meeting tools. Focused on supporting the empowerment, growth, and development of the women of Hilltop, the Women's Momentum Executive Committee hosted quarterly virtual events in the form of leader panels, roundtables, and virtual networking opportunities. The Company also hosted its inaugural Women in Leadership luncheon to encourage women across the organization to network amongst their leadership peers.

SHARED SERVICES

Hilltop launched an internal communication educational campaign called “The Real World: Shared Services” to help educate employees on the shared service department operations at Hilltop.

The Compliance, Procurement, Corporate Security, Human Resources, Information Technology, Legal, Marketing & Communications, Payables, Payroll, Project Management, and the Tax functional areas make up our shared services that support all Hilltop operating companies.

COMMENTS FROM OUR SHARED SERVICES EMPLOYEES

PAYROLL

“EVERY DEPARTMENT AT HILLTOP PLAYS AN IMPORTANT PART IN THE EMPLOYEE EXPERIENCE. BUT THE ROLE OF HR PAYROLL IS PERSONAL.”
“FROM EMPLOYEES TO MANAGERS AND SUBSIDIARY HR TEAMS, WE ALL WORK IN CONCERT TO MAINTAIN EMPLOYEE DATA AND PROCESS CHANGES RELATED TO ALL ASPECTS OF THE EMPLOYEE LIFE CYCLE.”

HUMAN RESOURCES

“WE’RE BUILDING SOMETHING TOGETHER. NOT ONLY ARE WE TRAVELING THE SAME ROAD, BUT WE ALL AGREE ON THE DESTINATION AS HTH EMPLOYEES. WE WANT PEOPLE WHO ARE GOING TO COME IN, MAINTAIN, AND CREATE LASTING RELATIONSHIPS.”

INTERNAL AUDIT

“INTERNAL AUDIT IS THE LAST LINE OF DEFENSE TO HELP THE ORGANIZATION MANAGE ITS RISK.”

PAYABLES

“WE ARE HELPING AND ASSISTING ALL USERS IN ANY WAY WE CAN. FOR US, WE JUST WANT SAFETY, SECURITY AND COST EFFECTIVENESS.”

LEGAL

“OUR TEAM HELPS THE BUSINESSES EXECUTE ON THEIR STRATEGIC PLANS TO MITIGATE RISK AND TO DO IT IN FULL COMPLIANCE.”

MARKETING

“THE MARKETING AND COMMUNICATIONS DEPARTMENT STRIVES TO BUILD A TRUSTED, RECOGNIZABLE BRAND FOR EACH OF OUR HILLTOP HOLDINGS COMPANIES.”

IT SECURITY

“WHAT WE DO IS BASIC AND FUNDAMENTAL TO THE SUCCESS OF OUR ORGANIZATION. WE WANT TO PROTECT THAT VALUABLE ASSET, AND THAT TAKES A DAILY COMMITMENT ON OUR PART. INFOSEC ENABLES US TO BE A PART OF THE SOLUTION.”

CORPORATE FINANCE

“I THINK WE HAVE AN INCREDIBLY TALENTED TEAM WHO ENJOYS WORKING HARD AND HAVING FUN TOGETHER.”
“WE HAVE GREAT LEADERSHIP AT HILLTOP, WHO HAVE BEEN CLEAR ON THE VISION AND DIRECTION OF THE COMPANY. THERE IS A LOT OF TRUST IN THE ORGANIZATION, AND WE ALL BELIEVE IN WHAT IS BEING BUILT HERE AT HILLTOP.”



OUR PEOPLE

The Hilltop company-wide workforce is composed of employees with diverse backgrounds, skills and talents who are dedicated to providing quality service to the Company, our customers, and the communities we serve. We are proud of the professionalism and character of our employees. During 2021, our employees were resilient in addressing the needs of our customers and honoring commitments to our communities.

EMPLOYEE CODE OF CONDUCT AND CONFLICT OF INTEREST POLICIES AND PRACTICES

The Hilltop Code of Conduct Policy governs its employees' behavioral and business practices. All enterprise employees are required to review and acknowledge the Hilltop Code of Conduct and Conflict of Interest policies annually.

18.1%
**2021 ENTERPRISE EMPLOYEE
TURNOVER RATIO**

DECREASED FROM THE 2020 BASE YEAR RATIO OF 19.82%

69 TO 1
CEO PAY RATIO

1.6 TO 1
**GENDER PAY RATIO
MALE TO FEMALE**

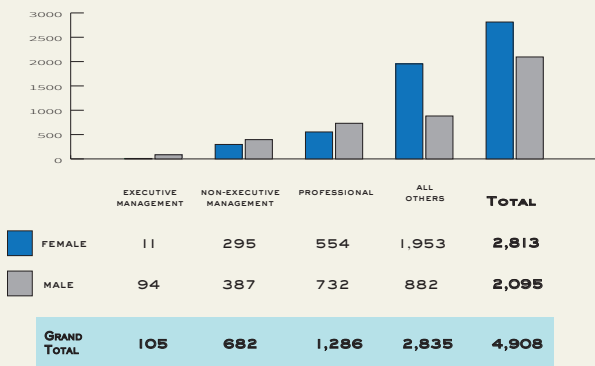
EMPLOYEE COUNT BY CATEGORY



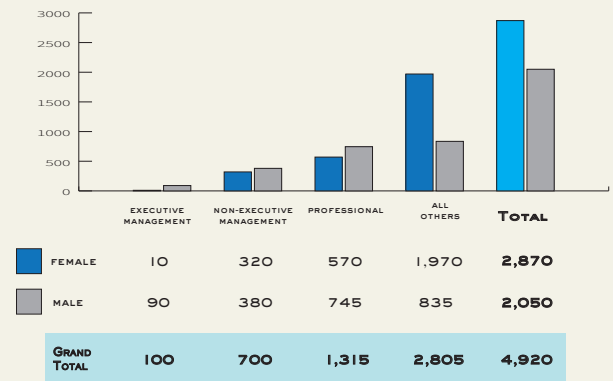
ENTITY	2021 Employee Turnover Ratio
Hilltop Holdings	23.8%
PlainsCapital Bank	18.9%
HilltopSecurities	17.2%
PrimeLending	17.1%

Category Type	Employee Count	Percentage
Executive Mgmt	105	2.0%
Non-Executive Mgmt	682	14.0%
Professional	1,285	26.2%
All Others	2,835	57.8%
Grand Total	4,908	100.00%

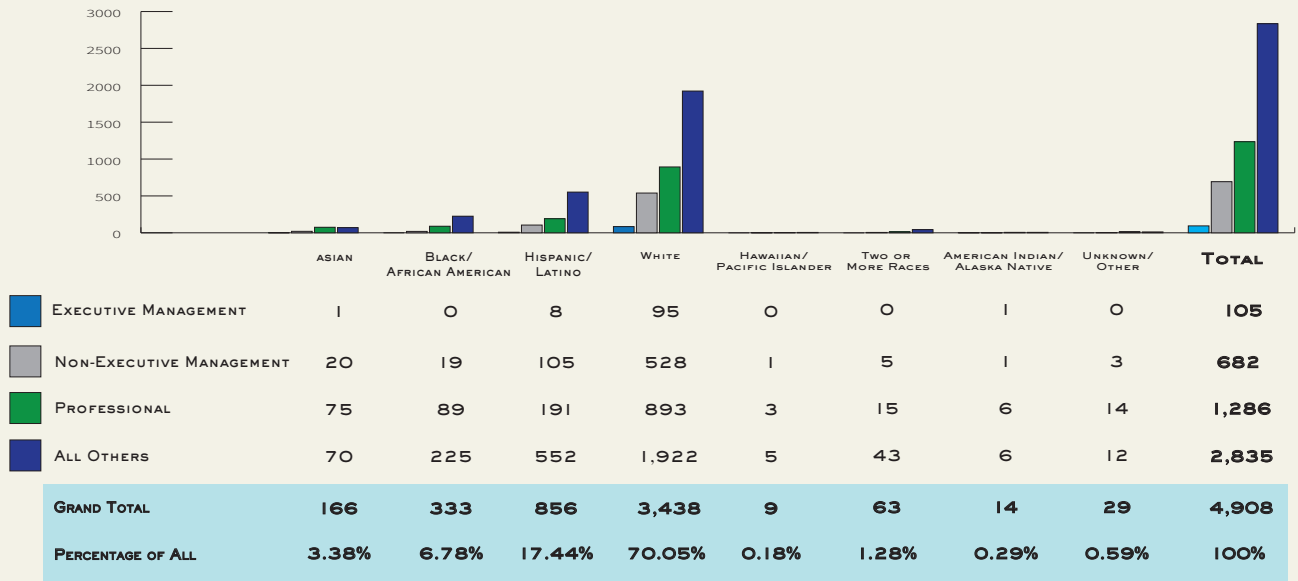
2021 EMPLOYEE COUNT BY GENDER BY CATEGORY



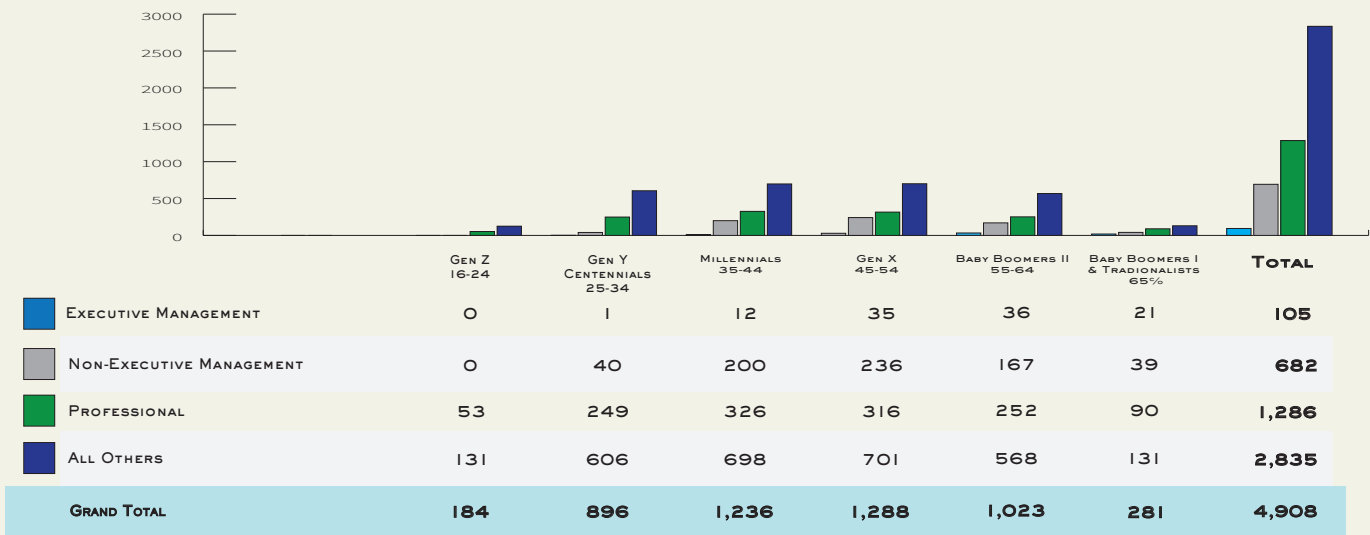
2020 EMPLOYEE COUNT BY GENDER BY CATEGORY



EMPLOYEE COUNTS BY ETHNICITY BY CATEGORY

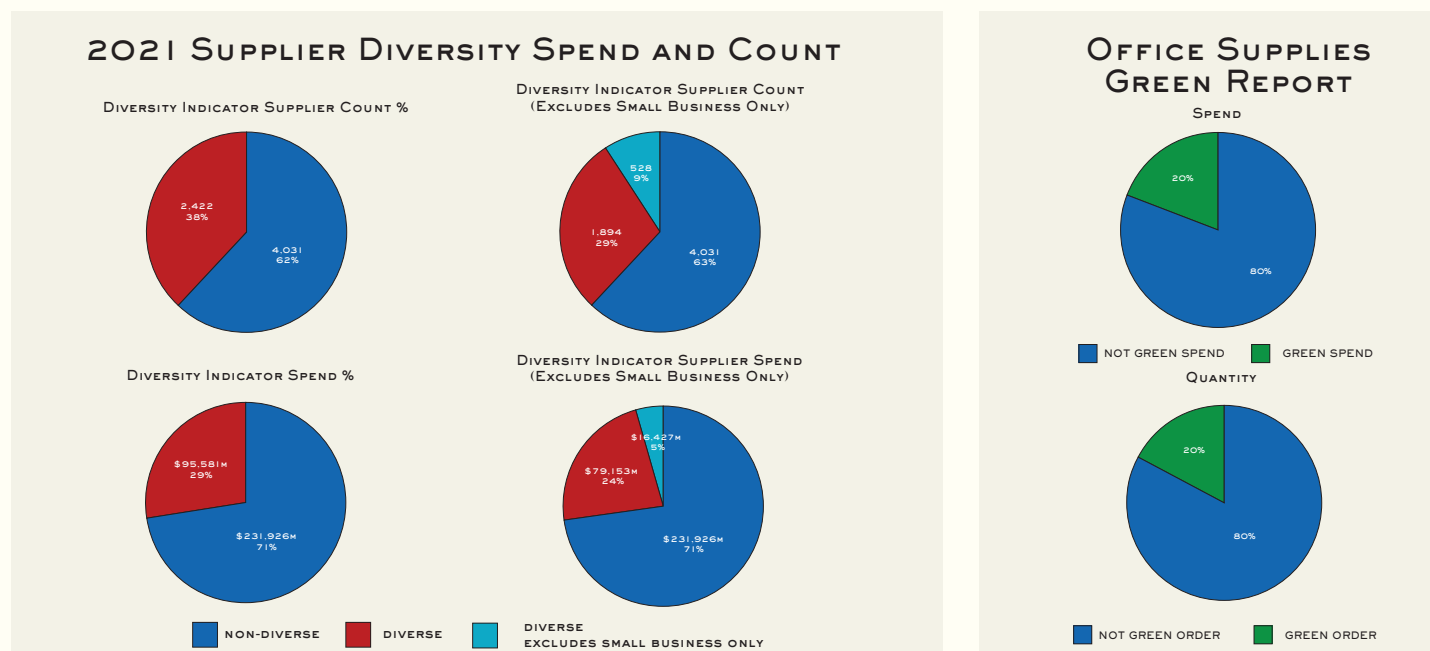


EMPLOYEE COUNTS BY GENERATION BY CATEGORY



SUPPLIER SPEND

Hilltop Holdings' procurement practices meet the business needs for goods and services in a way that achieves value on a total cost of ownership basis, generating benefits not only for our organization, but also to society, the economy, and the environment. Hilltop Holdings' procurement ethical principles, standards and practices follow the procurement standard 7 step sourcing process. Hilltop's Procurement team uses automation and tools to generate efficiencies and identify and moderate risk throughout the procurement process. Our overall diverse spend reflected a 10% decline in 2021, down from the 39% in the inaugural year primarily due to the impact of the pandemic on spend, small business spend, a divestiture during the year, and the relative demand for and availability of products and services. However, the percentages of diversity spend and diverse suppliers were 38% and 29% respectively, which were constant with the base year. Our 2021 office supplies green spend was consistent with the 2020 inaugural year, which reflected a spend of 19% and 17% of dollars and quantity, respectively.



DIVERSITY SPEND 2021 VERSUS INAUGURAL YEAR

Spend	Small Business		Minority Owned		Women Owned		Veteran Owned		Disabled Owned		Diverse-Additional	
Year	Count	Spend	Count	Spend	Count	Spend	Count	Spend	Count	Spend	Count	Spend
2021	2,259	93,354,876	73	3,639,087	233	11,022,631	33	782,636	11	70,253	310	6,629,726
2020	2,473	96,605,237	68	3,658,537	249	8,903,842	29	1,025,314	6	58,667	308	7,737,607

2021 HILLTOP DIVERSITY SPEND

2021 Supplier Group	Suppliers Count	Spend
Non-Diverse	4,031	231,926,968
Diverse - Small Business Only	1,894	79,153,778
Diverse - Excludes Small Business Only	528	16,427,919
Total*	6,453	327,508,666

*The sum of each diverse category may overlap and not equal the diverse total.

Approximately 63% of the 2021 top capitalized expense suppliers have businesses located in the state of Texas. Seventy-five percent of the top 16 suppliers embrace diversity principles within their business practices, three of which expressly support ESG initiatives. Amongst our top supplier group, 18.8% were small businesses, women and/or minority owned.

2021 ENTERPRISE TOP CAPITAL EXPENDITURE SUPPLIERS

TYPE OF INDUSTRY	2021 CAPITALIZED EXPENDITURES	TOP SUPPLIERS PERCENTAGE
	\$(Rounded)	BY INDUSTRY
CONSTRUCTION	8,435,100	12.5%
CONSULTING	46,600	6.3%
IT	2,445,700	25.0%
IT FIN	663,400	18.8%
IT SECURITY	1,724,000	25.0%
MAINTENANCE	95,200	6.3%
OFFICE FURNITURE	5,884,900	6.3%
	19,294,900	100.0%



ENTERPRISE CAPITAL INITIATIVES

During 2021, Hilltop's capital initiatives were as follows.

- Repurchased 3,632,482 shares of its common stock in the open market for \$123.6 million.
- Declared dividends of \$39 million on its common stock during the year.
- Launched an Employee Stock Purchase Program (ESPP) to give employees an opportunity to invest in the Company at a discount share price each quarter.

WORKPLACE SAFETY

In 2021, Hilltop maintained an Employee Injury Rate of less than 0.01%. (OSHA Safety Results based on frequency of injury events to total worked hours.) During 2021, there were 8,862,508 total hours worked by all employees, with only seven full workdays missed due to injury, 120 days of job transfer or restriction, and 1,016 hours (127 total days x 8 hours) resulting in an injury rate of 0.00114% (1,016 hours/8,862,508 total employee hours worked).

COMPANYWIDE POLICIES

Hilltop employee policies govern and address appropriate conduct in the following areas, Affirmative Action, Code of Conduct & Business Ethics, Conflict of Interest, Diversity, Equal Opportunity Employment / Non-Discriminatory Practices, Employee Fringe Benefits, Non-Retaliation / Sexual Harassment, Workplace Conduct and Workplace Safety and Security. All employees are required to adhere to these policies.

EMPLOYEE DIVERSITY EQUITY AND INCLUSION INITIATIVES

The Company is committed to promoting diversity, equity, and inclusion throughout our organization and in the communities we serve. Our work on this important aspect of our culture has centered on three key initiatives – communication, training, and community support. In 2019, we launched an internal women's council (called Women's Momentum) and in 2020 launched an internal Diversity Momentum Council made up of employees to build diversity, equity, and inclusion programming and communications for all employees across the organization.



In 2021, we launched two training programs specifically geared towards fostering an inclusive workplace. Additionally, we published our enterprise Diversity, Equity, and Inclusion commitment statement, brought to life with a video including our CEO, as well as a number of employees across our enterprise. Our employees across the enterprise receive about an hour of training annually related to Diversity, Equity, and Inclusion.

WHISTLEBLOWING POLICIES AND PRACTICES

Hilltop has a Code of Conduct Policy which governs its employees' behavioral and business practices. Employees across the enterprise are to act with honesty, integrity, and in a respectful manner. Our employees are expected to act in accordance with applicable laws and observe the highest ethical standards in their business dealings. Each employee is responsible for maintaining an honest, professional, and safe workplace. No form of harassment or discriminatory actions are allowed in the workplace. Hilltop recognizes that honesty and integrity are essential standards that we must live by and they impact our corporate reputation. Our Fraud and Integrity Hotline is available 24/7 and employees are encouraged to report any behaviors that violate Company policies or laws or behaviors that are not representative of our standards of honesty and integrity. Employees may report to the Hotline anonymously and Hilltop maintains a non-retaliation policy for all whistleblowers.

EMPLOYEE DEVELOPMENT PROGRAMS

Momentous Leadership

Momentous Leadership is an enterprise program focused on developing leaders across Hilltop's family of companies. The seven-month program is designed to support early career professionals in building knowledge, skills, and abilities in foundational areas that developing leaders need to succeed. About 20 employees representing the Company and each of its subsidiaries make up each Momentous Leadership class.

Banker Development Program

PlainsCapital's Banker Development Program is a comprehensive training program for qualified candidates interested in pursuing a career as a commercial lender. While in the program, individuals participate in formal classroom-style training, attend meetings with a variety of PlainsCapital lines of business and departments, and get to know key executives. The program allows aspiring leaders to learn about important commercial banking and credit analysis concepts, as well as PlainsCapital's unique business, as they advance their careers.

HilltopSecurities University

In 2019, HilltopSecurities launched a multi-faceted professional development and training platform called HilltopSecurities University (HTSU). HTSU is available to all HilltopSecurities employees and is designed to help them cultivate a deeper understanding of the company and industry. The Public Finance Analyst Program provides new public finance employees with learning and hands-on experience to become investment bankers. The Wealth Management Advisor Program provides new financial associates a pathway to become financial advisors by partnering with an established financial advisor or team of advisors to receive on-the-job training and mentoring.

LEAP

PrimeLending launched a new leadership development program in 2021 called Leading, Energizing, and Accelerating Performance (LEAP). The 7-month program allows participants to engage in individualized learning plans and work with senior leadership coaches to learn actionable skills. Throughout LEAP's duration, participants explore three overarching themes: Team Leadership, Culture & Partnerships, and Peak Performance.

Intern Program

Hilltop has maintained a structured Summer Internship program since 2018. In 2021, our family of businesses hosted 65 interns in a 10-week long Summer Internship Program, with a defined development curriculum. The Intern Program serves as a strong talent pipeline for our organization, as we've hired over 25 interns into full time employment positions. In addition, this program creates an opportunity for employees to develop and enhance their people leader skills, when acting as managers of Summer Interns.

Employee Training

On average, employees across the enterprise receive about 30 hours of training annually, consisting of a combination of compliance, DEI, and talent development training. Enterprise-wide 2021 mandatory training courses were, Health and Safety Procedures – Operating during COVID-19, HIPAA Privacy and Security Overview, Hurricane Preparedness, Information Security (quarterly), Maintaining a Respectful Workplace, Workers' Compensation, Security Awareness, and Safety Training and HR Diversity and Inclusion.

INFORMATION SECURITY AND SAFEGUARDS

Hilltop maintains a comprehensive information security program focused on the security, availability and confidentiality of Hilltop's data, networks, and information systems. The program involves planning, designing and implementation of technical, administrative, and physical safeguards. Hilltop utilizes anti-malware protection solutions on its servers and workstations to assist in preventing and detecting malicious software and anomalous behavior. Network security controls include intrusion detection/prevention, web application firewalls, content filtering and network malware protection.

Hilltop maintains a vulnerability management program which involves proactive identification, analysis, remediation, and monitoring of security vulnerabilities on its information systems and web applications. The majority of vulnerabilities are remediated within pre-established timeframes, with the remaining vulnerabilities being documented and tracked through to remediation.

Hilltop maintains a security awareness and training program to assist its employees in securely using data and information systems. Employees receive security education through quarterly web-based training courses, monthly simulated phishing campaigns, and monthly newsletters. Hilltop maintains a security governance, risk management and compliance program to identify, assess, and manage security risk in accordance with the company's risk management framework.

Hilltop maintains a cybersecurity incident response plan and incident response team, with steps to determine when notification is required to its customers. The Company also engages outside legal counsel, as needed, to determine the nature, timing and extent of customer breach notification. The Company's Fraud department also has formal guidelines on disclosure of suspicious events and financial activities, which may include notification to law enforcement agencies.

Phishing and social engineering are the most common technique to compromise or gain entry to an organization's network. Over the past year phishing emails have remained the most frequent

type attack across Hilltop. Phishing emails are crafted to be relevant to our financial services processes or current social situations. The phishing email themes range from security notifications, fake invoices, HR-related communications, banking transaction notices, and Microsoft Office 365 shared documents.

Ransomware attacks remained a top risk in 2021 for financial services institutions and their service providers. Security researchers logged nearly 500 million attempted ransomware attacks through September of 2021; and several attacks were successful at major companies. Across the world, hackers are exploiting security weaknesses and holding the data of companies, governments and healthcare organizations hostage, sometimes demanding tens of millions of dollars in payment.

Our Information Security Mission is designed to IDENTIFY resources supporting critical functions and related cybersecurity risks; PROTECT assets; DETECT and RESPOND to cyber risks; and RECOVER from cyber events and continually adapt to the cyber threat environment.

Information Security provided security services to over 4,900 employees across 400+ offices and branch locations. Through successful training efforts, fewer than 2% of employees clicked on simulated phishing emails, and nearly 650 phishing emails are reported to Security Operations on a weekly basis.

INFORMATION SECURITY PROTECTION

3,000

SERVICES MANAGED IN OUR TWO TEXAS-BASED DATA CENTERS

6,000

SECURED COMPUTERS INCLUDING LAPTOP, DESKTOPS AND TABLETS

4,000

PROTECTED SMARTPHONES USING MOBILE DEVICE MANAGEMENT SOFTWARE

99%

EMPLOYEES COMPLETED SECURITY TRAINING

92%

AVERAGE SCORE BY EMPLOYEES ON TRAINING ASSIGNMENTS

COMPLIANCE & CONTROL GROUPS

Internal Audit

During 2021 Hilltop Holdings' Internal Audit Department executed a risk-based audit program scoped to provide reasonable assurance of the adequacy and effectiveness of the internal controls framework at the Company. This program included risk assessments and testing the design and operating effectiveness of controls over operations, compliance, and financial reporting, including SOX controls. Results of these audits were communicated to senior management and the Audit Committee of the board of directors, and issues identified were tracked to completion. Remediation of these issues was subsequently validated by Internal Audit.

Sarbanes Oxley Compliance

The Sarbanes-Oxley Act requires that our financial reports contain accurate information produced from well controlled accounting and financial processes. For all business processes deemed significant to our financial reporting, management has identified and documented key inputs, transactional processing, and outputs relevant to establishing and maintaining effective internal controls over financial reporting. Our controls are designed to provide reasonable assurance that the Company's financial statements fairly present, in all material aspects, its financial position in accordance with U.S. generally accepted accounting principles. Annually, management assesses the effectiveness of our controls and reports the results within the Management's Report on Internal Control over Financial Reporting section of our annual report filed with the U.S. Securities and Exchange Commission. Management's supervision, designed or caused to be designed, effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of such reporting and the financial statements in accordance with generally accepted accounting principles.

Financial Reporting

In furtherance of our goal to build a premier, diversified financial services company, Hilltop's finance and accounting organization has worked diligently on a finance simplification initiative to support consistency and integration across the enterprise. This initiative resulted in a more scalable finance platform that supports organic and strategic growth and data driven analysis with multi-dimensional reporting, enhances the development and professional growth of our people, improve efficiencies, and promotes an improved and automated control environment. In

April 2021, our investment in a single enterprise-wide general ledger solution was completed and replaced the only remaining legacy ledger within our broker-dealer segment. In 2020, banking and mortgage origination and corporate segments were transitioned into the single general ledger. Our finance simplification initiative has resulted in benefits to Hilltop that include a more integrated and efficient accounting close process, improved transparency into enterprise spending and vendors, and analysis and reporting capabilities, an enhanced governance and control environment, and the elimination of redundant costs across the organization.

HILLTOP PAYS ITS "FAIR SHARE" OF TAXES

Hilltop has a dedicated team of tax professional to oversee its tax compliance. Our tax compliance efforts are paramount in ensuring our tax liabilities are properly determined, tax positions are consistent with the tax laws and tax payments are made in timely manner on the federal, and state and local taxes.

Enterprise Income and Franchise Tax Liability		
Year	2020	2019
Federal Income Tax	\$98,538,500	\$63,094,000
State and Local Tax	\$19,253,200	\$10,977,000
Total	\$117,791,700	\$74,071,000

Enterprise Income and Franchise Tax Estimated Payments		
Year	2021	2020
Federal Income Tax	\$111,318,100	\$103,933,700
State and Local Tax	\$24,735,100	\$21,206,900
Total	\$136,053,200	\$125,140,600

Enterprise Property Tax Payments		
Year	Personal Property	Real Estate
2021	\$1,083,000	\$2,115,000
2020	\$1,344,000	\$2,434,000
Total	\$2,427,000	\$4,549,000

Enterprise Payroll Tax Payments		
Year	2021	2020
FICA	\$39,720,400	\$41,949,100
FUTA	\$239,100	\$242,000
SUTA	\$1,511,800	\$1,666,500
Other Payroll Taxes	\$251,200	\$275,900
Total	\$41,722,500	\$44,133,500

Enterprise Sales, Use & General Excise Tax Payments		
Year	2021	2020
Tax Payments	\$492,200	\$575,100



PLAINSCAPITAL BANK

As of December 31, 2021, PlainsCapital Bank (the Bank) operates 58 full-service branches within 14 metropolitan subdivisions or geographic assessment areas that service the needs of constituents with varying income levels. Twenty-one percent of PlainsCapital's full-service branches are in low to moderate income level census tracts (LMI), and 40% are in majority minority neighborhoods.

For the reporting period, the Bank operates a fleet of 85 ATMs/ITMs located throughout Texas, 22 of which are located at offsite locations, and 50 are configured for 7x24x365 deposit taking. The Bank has 32% of its offsite machines located in LMI areas and 50% within majority minority neighborhoods.

There were 80 individual service locations represented by the combined branches and offsite ATMs/ITMs, of which 24% of the combined locations are in LMI areas and 43% accessible in majority minority neighborhoods.

The Bank maintains a relationship with a surcharge-free ATM Network, expanding free ATM access to its accountholders at over 2,300 ATMs in Texas, approximately 40,000 ATMs across the U.S., and approximately 55,000 ATMs globally. In 2021, the Bank agreed to expand ATM network use to include cash deposit taking at a growing number of deposit-capable network ATMs. The deposit capability is expected to be in service by mid-2022. There were over 65,600 ATM deposits, 291,000 mobile deposits and over 64,000 total online users in 2021. By the year-end 60% of our depositors elected electronic delivery of their bank statements.

HILLTOP RANKS NO. 4 AMONG NATION'S BEST EMERGING REGIONAL BANKS

Bank Director recently ranked Hilltop No. 4 on its list of the nation's Best Emerging Regional Banks, which includes banks with \$5 billion to \$50 billion in assets. The top 10 banks were selected based on several metrics provided by S&P Global Market Intelligence as of December 31, 2020.

SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS

Loan Activity	2021 Loans		2020 Loans	
	# Loans	Loan Value (\$000s)	# Loans	Loan Value (\$000s)
Small Business & Small Farm Loans*	2,765	\$517,556	4,244	\$743,410
Community Development Loans*	50	\$140,603	28	\$69,153
Home Mortgage Loan Originations	188	\$186,054	175	\$113,533
Home Mortgage Loan Purchases	2,271	\$779,634	650	\$192,571
TOTAL	5,274	\$1,623,847	5,097	\$1,118,667

*Estimated; includes PPP loans, consistent with the base year.

2021 Capital Resources Provided in Select Industries	
Industry	2021
Arts	\$111,000
Construction	\$269,718,000
Education	\$8,886,600
Farming	\$8,127,800
Healthcare/ Humanity	\$24,975,500
Petroleum/Natural Gas Distribution	\$22,100,000
Oil & Gas Production	\$9,416,300
Consumer/ Commercial Finance	\$214,440,300

2020 Capital Resources Provided in Select Industries	
Industry	2020
Childcare & Youth Services	\$17,343,000
Education	\$10,362,000
Energy	\$5,245,000
Environmental	\$1,745,000
Farming	\$80,925,000
Petroleum/ Natural Gas Distribution	\$10,958,000
Recycling/ Conservation	\$5,984,000

\$ 39 MILLION

**IN SBA 504 LOANS
FUNDED IN 2021**

REPRESENTING AN INCREASE OF 18.5%
OVER 2020 BASE YEAR FUNDING OF
\$32.9 MILLION

2021 CRA Lending	Number of Loans	Dollar Amounts of Loans
HMDA Loans		
PCB HMDA Originations	188	\$186,053,000
PCB HMDA Purchased Loans	2,271	\$779,634,000
Total HDMA Loans	2,459	\$965,687,000
Small Business Small Farm Loans		
Small Business Loans	1,360	\$350,142,000
Small Farm Loans	114	\$11,338,000
Small Business PPP Loans (PPP Loans under \$1 million)	1292	\$156,142,000
Total Small Business/Small Farm Loans	2,766	\$517,622,000
PPP Loans		
Small Business PPP Loans (under \$1 million see above)	1,292	\$156,142,000
Community Development PPP Loans (over \$1 million included in total below)	21	\$33,111,000
CRA Non qualifying PPP Loans	19	\$29,499,000
Total PPP Loans	1,332	\$218,752,000
Community Development Loans	50	\$140,603,000

2021 Highlights of Community Development Loans

- \$33 million loan to purchase and rehabilitate affordable apartment complexes in Garland, Texas
- \$11 million construction loan for an apartment complex in Austin, TX who partners with The City of Austin's Density Bonus Program to provide affordable housing to the area
- \$33 million of the SBA 504 loans provided financing to 14 businesses, helping to promote economic development and create and maintain jobs
- \$54 million in SBA Paycheck Protection Program loans to 21 businesses located in low to moderate income level census tracts

COMMUNITY DEVELOPMENT INITIATIVES

Philanthropy

In 2021, the Bank made community development donations totaling \$1,254,000 which included (but are not limited to):

- \$60,000 to Advance Community Fund (ACF) to work with the City of Dallas to provide affordable single-family residences in South Dallas. ACF's mission is to alleviate poverty and transform distressed neighborhoods.
- \$30,000 to local area food banks
- \$26,000 to support financial literacy classes provided by Junior Achievement and Hope Farm

\$1,254,000

**IN 2021 COMMUNITY
DEVELOPMENT DONATIONS**

Bank Accounts for Underserved Populations

The Bank received national certification of its new BasicAccess checking account from The Cities for Financial Empowerment. The features ensure low cost, high functionality and consumer safety designed to expand financial access for low-and moderate-income people. Other benefits to the Bank include the ability to reach new customers in our markets who are unbanked or underbanked.

Volunteerism

In 2021, 56 Bank employees volunteered 660 hours, impacting 27 community development organizations across the state of Texas. Among those were 26 employees who volunteered 167 hours teaching financial literacy classes through Junior Achievement of Dallas, and employees who volunteered 144 hours to the McAllen Boys and Girls Club. Other organizations supported included The Salesmanship Club of Dallas, The Women's Shelter of South Texas, Dallas 24 Hour Club, Hope Farm, Edinburg Housing Authority, McAllen Economic Development Corporation, Rise School of Corpus Christi, The Real Estate Council, and Vickery Meadow Alliance.



The Bank supports numerous community organizations in its markets across Texas, including the Salvation Army of McAllen.

Homebuyer Assistance

The Bank is a participating member of the Federal Home Loan Bank of Dallas Homebuyer Equity Leverage Partnership (HELP). HELP assists low-income, qualified first-time homebuyers with down payment and closing cost assistance. In 2021, the Bank partnered with Trinity Habitat for Humanity to provide \$88,000 in HELP funds to 16 separate homebuyers.

\$500,000

**INVESTED IN 2021 IN PUBLIC
IMPROVEMENT BONDS
TO FINANCE VARIOUS CAPITAL
IMPROVEMENTS FOR THE
CITY OF AUSTIN, TX**

**24 COMMUNITY DEVELOPMENT
INVESTMENTS IN 2021 TOTALING
\$100,732,000**

**EXCEEDING THE \$60,269,000 OF
INVESTMENTS DURING THE 2020 BASE YEAR**

PlainsCapital Bank 2021 Individual Depositors by Generation				
Depositors by Type of Generations	Account Number of Deposit Accounts	Percentage of Total Individual Depositors	Year-End Deposits (\$ as rounded)	Percentage of Total Individual Depositors
BOOMERS I	14,210	16%	\$716,919,500	24%
BOOMERS II	16,430	19%	\$701,650,900	24%
GEN X	21,360	24%	\$670,235,700	23%
GEN Z	10,140	11%	\$33,184,000	1%
MILLENNIALS	13,160	15%	\$163,685,400	6%
POST WAR	12,520	14%	\$609,504,200	21%
WW II	680	1%	\$34,349,200	1%
Total:	88,500	100%	\$2,929,528,900	100%

Bank Secrecy Act (BSA) Practices

The Bank's BSA Department consists of 25 individuals, including a BSA Officer, that monitor compliance efforts with the Bank Secrecy Act, USA PATRIOT Act, and related anti-money laundering regulations. Customer Due Diligence (CDD), Currency Transaction Reporting (CTR), and ongoing transaction monitoring practices are used to detect potentially suspicious or illicit activity, such as money laundering and terrorist financing. Our CDD efforts include verification of the customer identity, assessment of customer risk level in accordance with Office of Foreign Assets Control (OFAC) requirements. The Bank's ongoing transaction monitoring analyzes patterns of potentially suspicious activity conducted through the customers banking relationship. During the 2021, our BSA Department filed over 22,250 CTR large currency transaction reports, (i.e., aggregate currency transactions in excess of \$10,000) and reviewed over 21,500 potential OFAC violations and 15,500 transaction monitoring alerts.

Bank Assets Under Management (AUM)

Our Bank's approach to AUM is that any investment offering for use in discretionary accounts is presented to Investment Policy Committee before implemented into accounts. The presentation for approval includes a description of the liquidity constraints of the investment (if any). In the case of exchange traded or closed-end funds, the daily trading volume is noted and, when appropriate, presented in context of the total amount that would be invested at any given time. Generally, our AUM considered for ESG investments are open-end mutual funds, ETFs and those recommended by third-party equity strategy investment advisors. During 2021, the Bank managed \$37 million of open-end funds and \$2.4 million of EFTs.

Bank Deposits

Bank customers consist of a variety of individuals and businesses. The Bank's business depositors represent about 73% of total Bank deposits while individual deposits constitute the remainder. We recognize that within 10 years our Millennials will be the heirs of the Boomers and others of wealth transfers, and become our primary depositors. We are focusing on identifying financial products that meet the needs of the upcoming diverse interests, financial savvy, and technological generations.

PlainsCapital Bank Business Deposits	2021	
Depositors by Type of Industry	Year End Deposits (\$ as rounded)	% of Total
Administrative and Regulatory Services	\$389,784,200	4.0%
Amusement, Entertainment & Sports	\$135,848,300	1.4%
Automotive & Vehicle Dealers	\$245,696,600	2.5%
Civic & Religious Organizations	\$261,119,200	2.7%
Construction	\$628,335,600	6.5%
Crude, Oil & Gas	\$91,141,300	0.9%
Educational Schools & Training	\$377,009,500	3.9%
Fiduciary Funds Accounts	\$542,514,600	5.6%
Financial & Investment Services	\$2,702,688,900	27.8%
Holding Companies & Managing Services	\$79,600,600	0.8%
Hotels & Restaurants	\$252,573,600	2.6%
Insurance Carriers & Agencies	\$193,425,300	2.0%
Lessors	\$750,190,700	7.7%
Medical & Health Care	\$304,345,700	3.1%
Metal & Wood Manufacturing	\$449,134,000	4.6%
Misc Wholesalers	\$303,407,400	3.1%
Office Services	\$52,814,500	0.5%
Professional Services & Agencies	\$728,507,500	7.5%
Solar, Wind Other Electric Power Generation	\$9,777,800	0.1%
Stores	\$171,127,200	1.8%
Transportation & Shipping	\$82,415,800	0.8%
Water and Sewerage Systems/Suppliers	\$7,094,000	0.1%
All Other Business Depositors	\$968,573,300	10.0%
Total Deposits	\$9,727,125,600	100.0%



PRIMELENDING

PrimeLending continues to require its employees to conduct business in a fair and ethical manner and refrain from any type of discriminatory lending practices for all aspects of our lending process (including inquiries, consultative selling, application, pricing, processing, underwriting, closing, funding, and servicing). PrimeLending's policies and procedures and training practices ensure awareness of laws and regulations and provide critical guidance to ensure employees do not discriminate against loan applicants on the basis of race or color, national origin, religion, sex, marital status, familial status, sexual orientation, gender identity, military status, disability, age, or the fact that all or part of the applicant's income is derived from a public assistance program, or has in good faith exercised any right under the Consumer Credit Protection Act. PrimeLending's board chartered Fair Lending Committee composed of senior and executive management continues to provide oversight of fair lending related practices and compliance matters, including monitoring complaints, pricing, underwriting, marketing, and redlining through

internal and external resources. PrimeLending also provides a fair lending training course to incorporate all requirements of the Fair Housing Act and the Equal Credit Opportunity Act. Fair Lending training is mandatory for all staff within 15 days of employment and is conducted for existing personnel on an annual basis. Additionally, applicable staff receives training on Reg. C (Home Mortgage Disclosure Act – HMDA), Reg. B (Equal Credit Opportunity Act – ECOA), Fair Housing Act – FHA, and Reg. AA (Unfair Deceptive or Abusive Acts and Practices – UDAAP). PrimeLending also has an internal Fair Lending Program that is overseen by Compliance and the Fair Lending Committee.

ELECTRONIC & ONLINE LOAN PROCESSING

PrimeLending continues to promote electronic and online mortgage origination practices. During 2021, there were 40,648 eClosings and 42 Remote Notary Loans processed in comparison to 39,400 eClosings during the 2020 base year.

2021 Mortgage Loans Applications by Gender and FICO Score		
	Total Loans Applications	Loan Amounts \$(000)s
Male	84,200	\$25,049,425
FICO <= 660	15,410	\$2,981,618
FICO > 660	65,980	\$21,830,811
No FICO	2,810	\$236,996
Female	26,925	\$6,543,506
FICO <= 660	5,880	\$1,306,641
FICO > 660	19,805	\$5,189,223
No FICO	1,240	\$47,642
Grand Total	111,125	\$31,592,931

2021 DIVERSITY IN LENDING PROGRAMS

PrimeLending's 2021 CRA-responsive products designed to stimulate loan production in designated LMI markets to support minority and underserved borrowers included the following Multicultural Lending Programs: Neighborhood Edge 2.0 (NE) leveraged a \$1 million corporate commitment to provide \$2,000 in closing cost assistance to 500 qualified borrowers (Total NE funds usage approximated \$1,105,000 for 556 units); Freddie Mac's Borrowers Smart generated 22 loans, while its Freddie Mac's Refi Possible and Fannie Mae RefiNow Programs generated 11 and 31 loans, respectively.

MULTICULTURAL INTERNSHIP PROGRAM

In 2021, PrimeLending completed its inaugural summer multicultural lending internship program, specifically serving college students attending historically black colleges and universities (HBCUs). The inaugural class worked at various

Funded Mortgage Loans by Gender				
Loans By Gender	Number of Loans	Number of Loans	Loan Amounts (\$000s)	Loan Amounts (\$000s)
Year	2021	2020 Base Year	2021	2020 Base Year
Male	59,159	65,634	\$18,260,000	\$18,679,400
Female	18,264	18,575	\$4,415,000	\$4,290,800
Grand Total	77,423	84,209	\$22,675,000	\$22,970,200
The total number of female funded loans increased by 2% over the base year while the loan amounts and applications were constant. Loan applications by parties with FICO scores <= 660 increased about 6% with a funding increase of 11% and total loan amounts increase of 3.8% over the base year.				

PrimeLending locations in Texas.

The program embodies several strategic initiatives that are at the core of PrimeLending's mission. The diverse internship program not only ensures that the modern loan originators' profile mirrors the evolution of the modern home buyer, but also allows PrimeLending a front-row seat to the equitable opportunity conversation.

COMMUNITY SUPPORT

During the holiday season, PrimeLending branches across the country made a positive impact in their communities. In North Scottsdale, Arizona and Dayton, Ohio, branches hosted annual toy drives. In Cincinnati, Ohio, PrimeLending adopts a family for Christmas each year, working with several different organizations including the USO, Salvation Army, and St. Vincent De Paul, to match with families. PrimeLending locations receive information about the family members. Employees participate by bringing wrapped toys, clothing, decorations, food items, gift cards, and surprises for the parents.

Funded Mortgage Loans by Type of Borrower						
Type of Borrower	Number of Loans		Loan Amounts (\$000s)		Weighted LTV	
Year	2021	2020	2021	2020	2021	2020
All Other Borrowers	57,142	65,224	\$16,689,000	\$17,707,900	76.0	79.5
Minority Borrowers	20,281	18,985	\$5,986,000	\$5,262,300	77.3	83.7
Grand Total	77,423	84,209	\$22,675,000	\$22,970,200	76.3	80.5

Funded Mortgage Loans by Type of Borrower & FICO Score						
Loans by Borrower Type & FICO Score	Number of Loans	Number of Loans	Loan Amounts (\$000s)*	Loan Amounts (\$000s)*	Average Weighted LTV	Average Weighted LTV
Year	2021	2020	2021	2020	2021	2020
All Other Borrowers	57,142	65,224	\$16,689,000	\$17,707,900	76.0	79.5
FICO <= 600	4,286	4,542	\$979,000	\$924,800	87.0	90.6
FICO > 660	51,623	60,682	\$15,675,000	\$16,783,100	76.6	78.9
No FICO	1,233	-	\$35,000	\$0	10.3	-
Minority	20,281	18,985	\$5,986,000	\$5,262,300	77.3	83.7
FICO <= 600	2,369	2,333	\$606,000	\$497,800	89.3	91.4
FICO > 660	16,758	16,652	\$5,365,000	\$4,764,500	80.6	82.9
No FICO	1,154	-	\$15,000	\$0	5.4	-
Grand Total	77,423	84,209	\$22,675,000	\$22,970,200	76.3	80.5

Environmental Risk to Mortgaged Properties				
Mortgage Loans by Type of Flood Zone (100 Year Flood Zones)				
Flood Zone*	Number of Loans	Number of Loans	Loan Amounts*	Loan Amounts*
Flood Zone Types	2021	2020	2021	2020
A	182	211	\$49,439,000	\$53,502,000
A1-A99	160	288	\$52,268,000	\$93,898,000
AE	1,509	1,552	\$466,526,000	\$431,561,000
AH	54	45	\$20,658,000	\$15,002,000
AO	52	82	\$20,671,000	\$27,654,000
V1-V99	1	1	\$373,000	\$304,000
VE	70	69	\$26,969,000	\$32,656,000
Grand Total	2,028	2,248	\$636,904,000	\$654,577,000

*See FEMA standard base elevation and flooding depths for flood zone codes.

MORTGAGE LOAN PORTFOLIO

Loans held in portfolio and loans where PrimeLending owns the Mortgage Loan Servicing Rights (MSR).

- MSRs = Loans for which PrimeLending owns the MSR but not the loan
- PrimeLending Assets = Loans held in the PrimeLending portfolio for which PrimeLending owns the MSR and loan
- PlainsCapital Asset = Loan held in the PlainsCapital Bank portfolio serviced by PrimeLending

2020 Loan Modifications with a change in loan terms, typically initiated to cure a default, defined by type of borrower and credit score

	2021 LOAN MODIFICATIONS				2020 LOAN MODIFICATIONS			
Diversity by FICO Score	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV
MSRs	503	\$91,638,000	0.79	0.82	411	\$69,850,100	0.7649	0.8045
All Other	337	\$60,142,900	0.77	0.80	252	\$40,083,500	0.7296	0.7716
Above 660	197	\$37,103,100	0.68	0.73	161	\$25,725,400	0.6539	0.7121
Below 660	140	\$23,039,800	0.90	0.91	91	\$14,358,000	0.8635	0.8783
Minority	88	\$16,952,600	0.85	0.89	83	\$16,426,600	0.8551	0.8930
Above 660	42	\$7,360,000	0.80	0.85	38	\$6,654,900	0.8326	0.8641
Below 660	46	\$9,592,600	0.89	0.92	45	\$9,771,700	0.8741	0.9127
Not Provided	78	\$14,542,500	0.80	0.82	76	\$13,340,000	0.7856	0.7999
Above 660	43	\$8,156,200	0.72	0.75	44	\$8,379,200	0.7356	0.7591
Below 660	35	\$6,386,300	0.90	0.92	32	\$4,960,800	0.8519	0.8618
PRIMELENDING ASSETS	92	\$15,637,600	0.94	0.98	84	\$13,914,100	0.9596	0.9839
All Other	53	\$8,143,900	0.94	0.98	41	\$5,972,100	0.9731	0.9831
Above 660	25	\$3,644,100	0.94	0.97	13	\$1,954,600	1.0010	1.0123
Below 660	28	\$4,499,800	0.94	0.99	28	\$4,017,500	0.9602	0.9689
Minority	25	\$5,208,700	0.97	0.97	23	\$3,842,400	0.9404	0.9399
Above 660	11	\$2,741,000	0.98	0.98	9	\$1,295,500	0.9252	0.9297
Below 660	14	\$2,467,700	0.96	0.96	14	\$2,546,900	0.9501	0.9450
Not Provided	14	\$2,284,900	0.91	1.01	20	\$4,099,700	0.9564	1.0225
Above 660	4	\$716,000	0.82	0.85	4	\$1,194,600	0.7981	0.7939
Below 660	10	\$1,568,900	0.95	1.08	16	\$2,905,000	0.9785	1.0848
PLAINSCAPITAL ASSET	1	\$429,100	0.34	0.34	1	\$644,600	0.5157	0.5157
All Other	-	-	-	-	1	\$644,600	0.5157	0.5157
Above 660	-	-	-	-	1	\$644,600	0.5157	0.5157
Minority	1	\$429,100	0.34	0.34	-	-	-	-
Above 660	1	\$429,100	0.34	0.34	-	-	-	-
Not Provided	-	-	-	-	-	-	-	-
Above 660	-	-	-	-	-	-	-	-

The increase in MSR loan modification activity is attributable to loans previously on COVID-19 forbearance maintained the modified loan classification.

*All year-end principal balances are rounded.

	2021 FORECLOSURES				2021 SHORT SALES/DIL			
Diversity by FICO Score	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV
MSRs	1	\$0	-	-	-	-	-	-
Not Provided	1	\$0	-	-	-	-	-	-
Above 660	1	\$0	-	-	-	-	-	-
PRIMELENDING ASSETS	17	\$863,400	0.35	0.84	6	\$0	-	-
All Other	15	\$698,100	0.34	0.91	6	\$0	-	-
Above 660	6	\$30,300	0.09	0.53	1	\$0	-	-
Below 660	9	\$667,900	0.51	0.93	5	\$0	-	-
Minority	2	\$165,300	0.44	0.53	-	-	-	-
Above 660	2	\$165,300	0.44	0.53	-	-	-	-

	2020 FORECLOSURES				2020 SHORT SALES/DIL			
Diversity by FICO Score	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV
MSRs	5	\$326,300	0.7486	0.8733	8	\$1,287,000	0.9357	0.9416
All Other	5	\$326,300	0.7486	0.8733	7	\$908,600	0.9289	0.9244
Above 660	3	\$137,900	0.5345	0.5318	4	\$538,900	0.8905	0.9010
Below 660	2	\$188,300	1.0698	1.1234	3	\$369,600	0.9802	0.9585
Minority	-	-	-	-	1	\$378,500	0.9831	0.9831
Above 660	-	-	-	-	1	\$378,500	0.9831	0.9831
PRIMELENDING ASSETS	36	\$4,541,500	1.0678	1.0994	11	\$1,372,600	0.6542	0.9031
All Other	31	\$3,569,200	1.0824	1.1049	9	\$1,070,500	0.6829	0.9648
Above 660	17	\$1,988,300	1.1163	1.1318	2	\$298,300	0.5334	0.9927
Below 660	14	\$1,580,900	1.0413	1.0710	7	\$772,100	0.7256	0.9541
Minority	1	\$226,300	0.8228	0.8228	-	-	-	-
Above 660	1	\$226,300	0.8228	0.8228	-	-	-	-
Not Provided	4	\$746,100	0.9541	1.0112	2	\$302,200	0.5250	0.6845
Above 660	4	\$746,100	0.9541	1.0112	1	\$82,800	0.1724	0.1724
Below 660	-	-	-	-	1	\$219,400	0.8776	0.8776

2021 AWARDS AND RECOGNITIONS

- 
- #4** TOP 100 PLACES TO WORK 2021, DALLAS MORNING NEWS TOP WORKPLACES
 - #8** BEST WORKPLACE FOR WOMEN 2021™, BY FORTUNE AND GREAT PLACE TO WORK®
 - #10** IN TOP RETAIL VOLUME, SCOTSMAN GUIDE 2021
 - #16** IN TOP OVERALL VOLUME, SCOTSMAN GUIDE 2021
 - #23** IN BEST WORKPLACES IN FINANCIAL SERVICES & INSURANCE™ 2021, FORTUNE AND GREAT PLACE TO WORK
 - #24** IN BEST WORKPLACES IN TEXAS™ 2021, FORTUNE AND GREAT PLACE TO WORK
 - #29** IN FORTUNE BEST WORKPLACES FOR MILLENNIALS™ 2021, FORTUNE AND GREAT PLACE TO WORK
 - #60** IN GREAT PLACE TO WORK'S BEST WORKPLACES FOR PARENTS™ 2021, GREAT PLACE TO WORK
 - 2021** BEST-IN-CLASS LENDER AWARD - ONLINE TOOLS, MORTGAGESAT™
 - 2021** BEST-IN-CLASS LENDER AWARD - APPLICATION PROCESS, MORTGAGESAT™

2021 EMPLOYEE RECOGNITIONS

- 250+** LOAN OFFICERS - SCOTSMAN GUIDE'S TOP LOAN ORIGINATORS IN AMERICA 2021
- 50+** LOAN OFFICERS - SCOTSMAN GUIDE'S TOP WOMEN LOAN ORIGINATORS IN AMERICA 2021

CUSTOMER SATISFACTION

95% OVERALL CUSTOMER
SATISFACTION RATING

UP FROM THE BASE YEAR RATING OF
94%

EMPLOYEE SATISFACTION

97% OF PRIMELENDING EMPLOYEES
SAY "IT'S A GREAT PLACE TO WORK"

COMPARED TO **59%** AT TYPICAL
U.S.-BASED COMPANIES, PER THE 2020 GREAT
PLACE TO WORK SURVEY



HILLTOPSECURITIES

HilltopSecurities is a full-service investment bank with over 70 years of history providing public entity advice and services. It has approximately 750 employees that serve clients across the nation through four diverse, but integrated business divisions, namely, public finance, wealth management, fixed income capital markets, and structured finance/debt capital markets (DCM). Our structured Finance/DCM division provides specialty financing solutions to public & private entities, as well as housing finance agencies (HFAs). HilltopSecurities continues to serve as a leading municipal investment bank with the strength, stability, and financial knowledge to assist public entities, communities, businesses, and individuals. HilltopSecurities' Public Finance Division consistently ranks among the top municipal advisors nationwide based on its volume of transactions. Hilltop Securities provides financial advisory services across the US in most states. Our Wealth Management Division maintains employee and independent broker channels who serve individual investors.

All relevant risk factors, including ESG factors, are reviewed and discussed in our investment and brokerage risk assessment analysis. Brokers are required to avoid conflicts of interest in

trading and investment activities. Disclosures are required to ensure adherence to Company policies and acceptable practices.

2021 Headquarters Relocation

In June 2021, HilltopSecurities moved into its new national headquarters in downtown Dallas. HilltopSecurities Tower is a 34-floor skyscraper located at 717 N. Harwood. The move from its previous headquarters in Dallas' Renaissance Tower signified more than just a change of address or an addition to the Dallas skyline. It represents the next chapter in Hilltop's legacy. The new headquarters features environmentally-friendly materials including carbon neutral flooring that resulted in positive environmental impacts.

Anti-Money Laundering Program

HilltopSecurities' Anti-Money Laundering Program protects our investors, our Momentum Independent Network (MIN), Private Client Group (PCG), and our correspondent firms from the risks of money laundering and terrorist financing. The program covers every HilltopSecurities business, function, and geographic area. Our specialists partner with various business functions to provide effective AML risk management and to

meet our AML-related requirements, both at the global and local levels. HilltopSecurities complies with applicable U.S. sanctions requirements, among other requirements. HilltopSecurities' OFAC/Derogatory Sanctions Program includes policies and procedures, daily Company-wide screening, and daily/monthly risk assessments of account holders, as well as employee training to better serve HilltopSecurities, MIN, PCG, and its correspondent firms.

HTS Commodities

In August 2021, HilltopSecurities announced the expansion of its commodities brokerage and trading business with the launch of a new division, HTS Commodities.

HTS Commodities offers a broad range of commodities and futures trading. In addition, they offer commodities consulting services and customized hedging strategies for producers, consumers, and investors.

The launch of HTS Commodities marked a significant milestone for the firm as it increased the scope of our trading and hedging solutions for individual and institutional clients.

COMMUNITY OUTREACH

As an extension of the Company's ongoing commitment to supporting equity and inclusion in education, and in celebration of HilltopSecurities' 75th anniversary in 2021, the firm launched



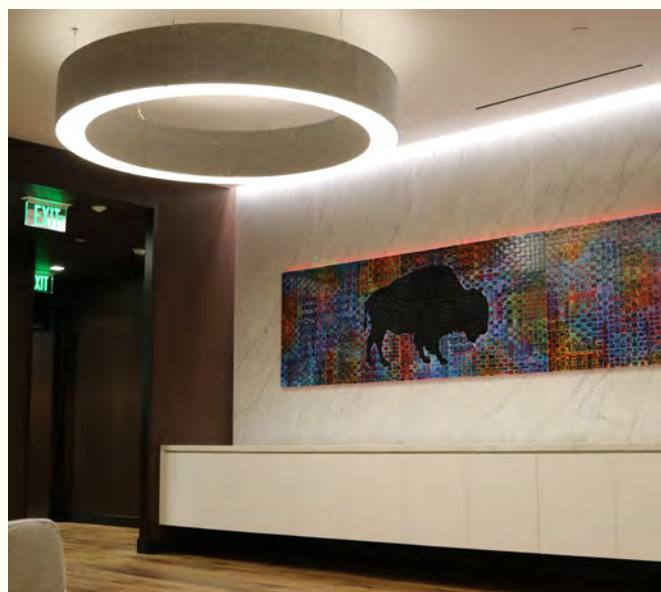
an inaugural online treasure hunt called "The Hilltop Hunt." Texas public school educators were given the chance to win one of 10 Gold Prize \$7,500 donations for their districts' education foundations, as well as prizes for their classrooms. In total, more than \$75,000 in donations and prizes were awarded. Gold prize winning ISDs included Highland Park ISD, Denton ISD (2), Corpus Christi ISD (2), Celeste ISD, Kerrville ISD, Boerne ISD, Frenship ISD, and Pflugerville, ISD.

HilltopSecurities continued its giving during holidays supporting Toys for Tots and One Warm Coat with both employee donations and a total of \$20,000 in corporate gifts.

RECOGNITION AND HONORS

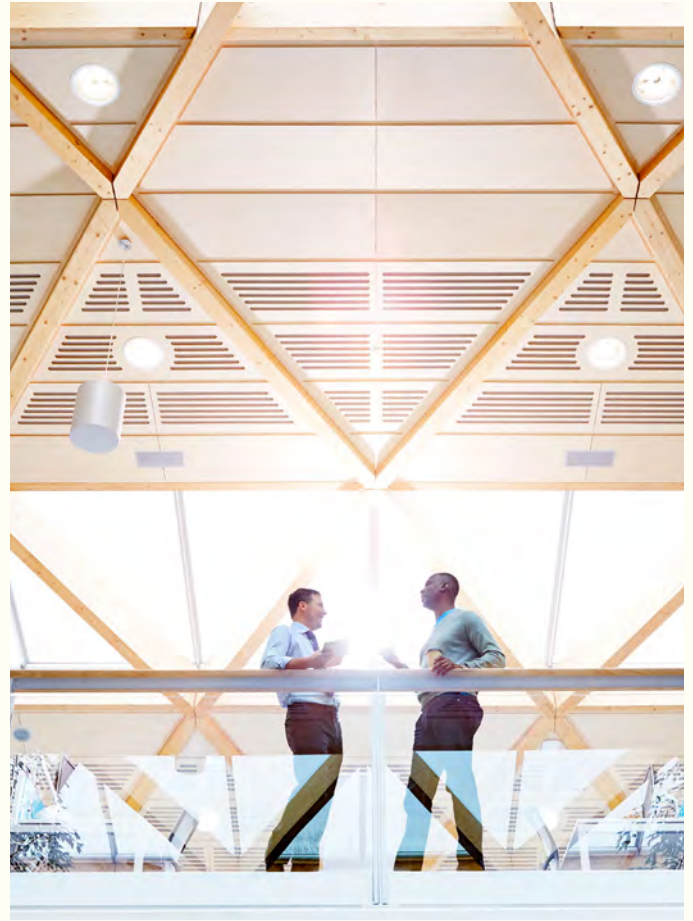
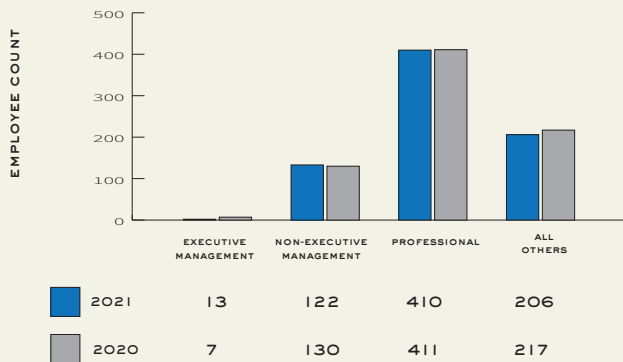
In 2021, HilltopSecurities' public finance client, Miami-Dade County (Seaport Department) was recognized with the Bond Buyer 2021 Deal of the Year Award. The County's offering for PortMiami won the national Deal of the Year and Southeast Region Deal of the Year.

HilltopSecurities served as financial advisor for the \$1.24 billion issuance by the County's Seaport Revenue Refunding Bonds Series 2021A and Seaport Subordinate Revenue Refunding Bonds Series 2021B, which provided financing designed to accomplish restructuring objectives and to contend with lost cruise revenues related to COVID-19.



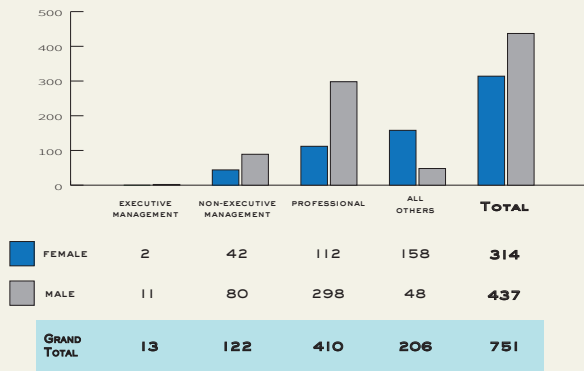
2021 DEMOGRAPHICS

EMPLOYEE COUNT BY CATEGORY

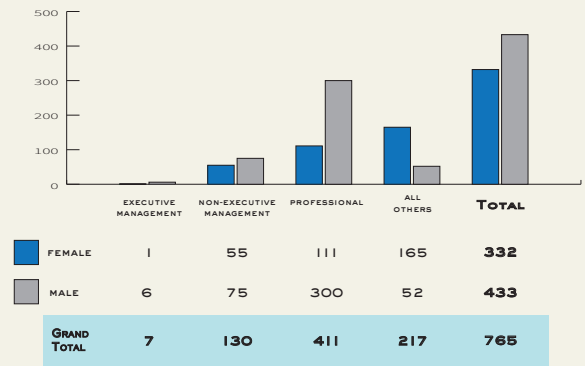


Category	Employee Count	Percentage
Executive Mgmt	13	0.27%
Non-Executive Mgmt	122	17.71%
Professional	410	54.59%
All Others	206	27.43%
Grand Total	751	100.00%

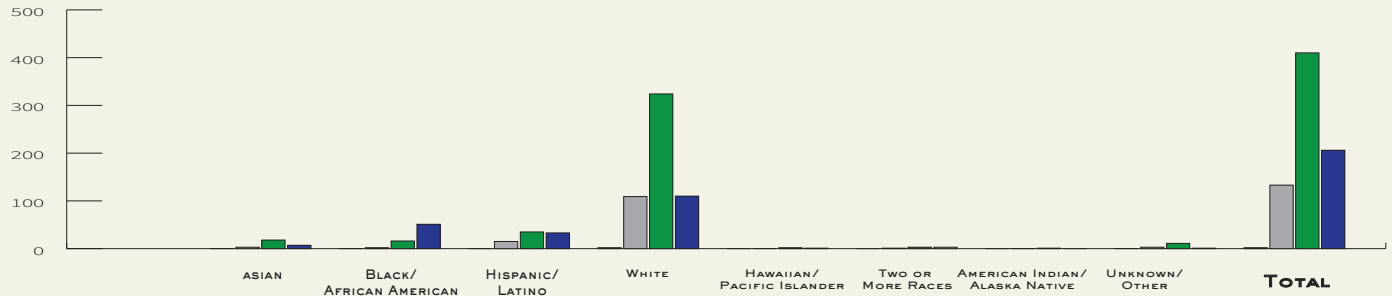
2021 EMPLOYEE COUNT BY GENDER BY CATEGORY



2020 EMPLOYEE COUNT BY GENDER BY CATEGORY

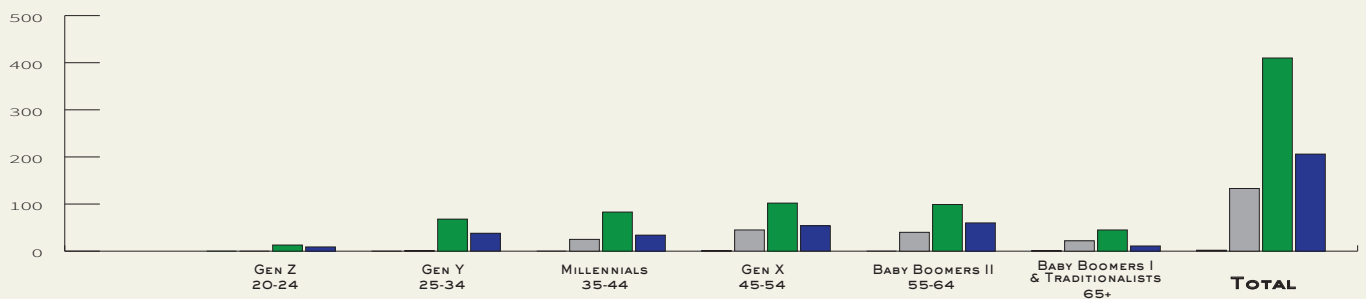


2021 EMPLOYEE COUNTS BY ETHNICITY BY CATEGORY



EXECUTIVE MANAGEMENT	0	0	0	13	0	0	0	0	13
NON-EXECUTIVE MANAGEMENT	3	2	15	98	0	1	0	3	122
PROFESSIONAL	18	16	35	324	2	3	1	11	410
ALL OTHERS	7	51	33	110	1	3	0	1	206
GRAND TOTAL	28	69	83	545	3	7	1	15	751

2021 EMPLOYEE COUNTS BY GENERATION BY CATEGORY



EXECUTIVE MANAGEMENT	0	0	0	7	3	3	13
NON-EXECUTIVE MANAGEMENT	0	1	25	39	37	20	122
PROFESSIONAL	13	68	83	102	99	45	410
ALL OTHERS	9	38	34	54	60	11	206
GRAND TOTAL	22	107	142	202	199	79	751

MUNICIPAL BOND UNDERWRITINGS

(U.S. Authorities and Agencies)

Role	2021 \$ (Millions)	2020 \$ (Millions)
Sole/Senior Underwriter	\$5,380,837	\$3,166,478
Co-Manager Underwriter	\$8,920,980	\$8,660,519
Placement Agent Underwriter	\$967,855	\$273,414

Securitized Bonds		
	2021 \$ (Millions)	2020 \$ (Millions)
Total	\$8,149	\$7,965

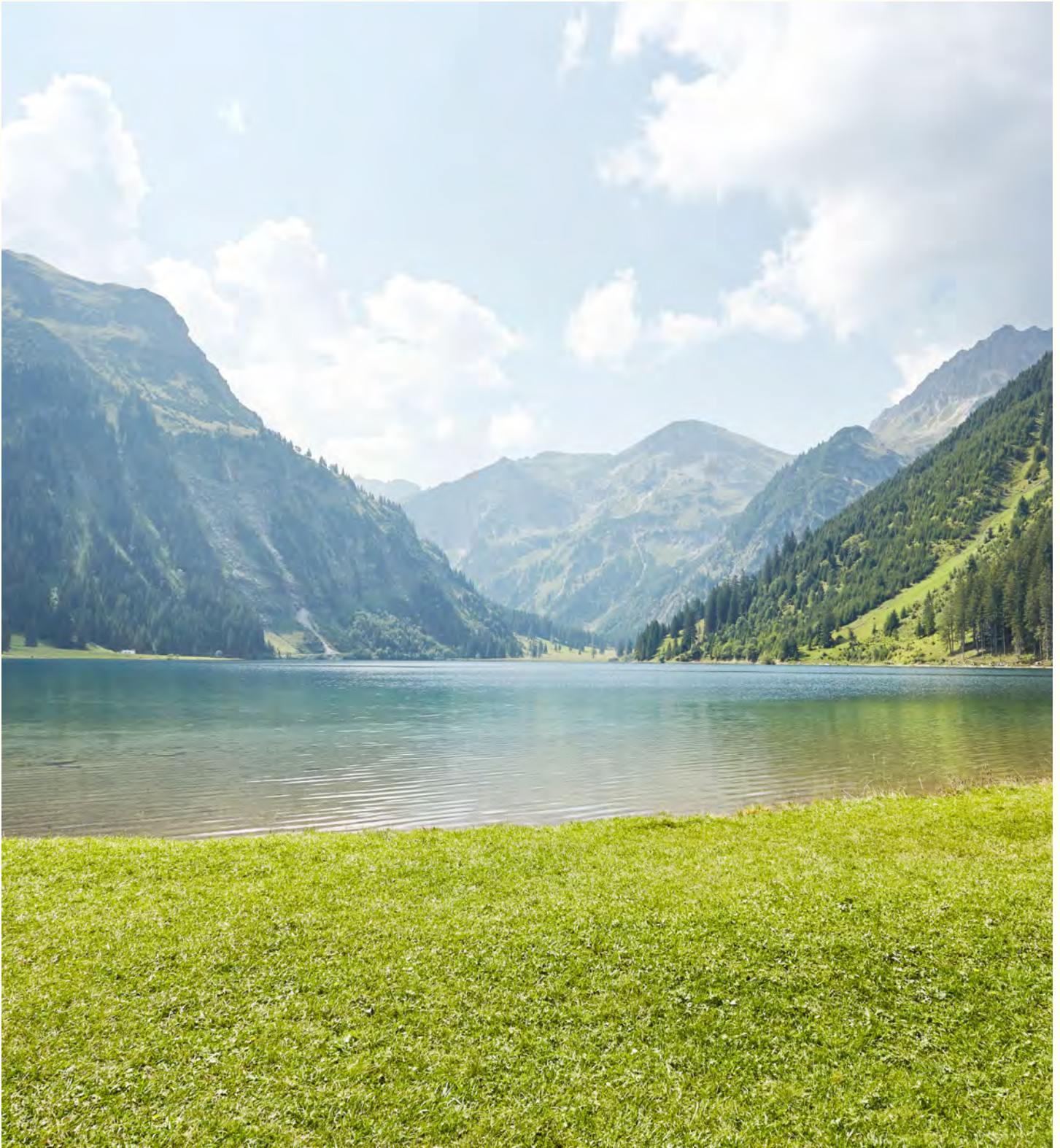
During 2021, 82.6% of the downpayment assistance financing was allocated to Ginnie Mae, which was relatively consistent with the 84.9% in 2020.

Hilltop Securities Financial Services	2021			2020			Change
Type of Financial Service	# States	# Deals	\$ (Millions)	# States	# Deals	\$ (Millions)	%
Financial Advisory Services to US Municipalities	26	736	\$28,715.27	24	849	\$28,082.30	2.25%
Co-Financial Advisor	7	41	\$6,249.81	10	54	\$9,097.12	-31.30%
Financial Advisory on Private Placements	3	9	\$525.62	5	25	\$361.21	45.52%
	TX	46%	48%	TX	44%	53%	

Hilltop Securities municipal financial advisory services remained constant in the US during 2021 relative to the inaugural year.

HILLTOP SECURITIES HAS
APPROXIMATELY
\$42.6 BILLION
IN ASSETS UNDER CUSTODY
AS OF YEAR-END 2021

Public Finance Revenue	2021 \$ (Millions)	2020 \$ (Millions)
Financial Advisory Revenue	\$63.5	\$59.2
Underwriting Revenue	\$29.9	\$18.9
Total Public Banking Revenue	\$93.4	\$78.1
Government Investment Pools	\$6.1	\$6.3
Treasury Management	\$2.6	\$2.4
Swap Advisory	\$1.7	\$2.7
Continuing Disclosure	\$2.4	\$2.3
Arbitrage Rebate	\$3.7	\$3.5
Total Spoke Revenue	\$16.6	\$17.2
Total Other/Misc. Revenue Adjustments	-	(\$10)
Total Public Finance Revenue	\$110.0	\$95.2



SHORT-TERM GOALS

- Establishment of a Companywide ESG Policy Effective in Year 2022
- Utilization of ESG Platforms/Resources to Enhance the Reliability of ESG Data and Related Disclosures
- Support Equity in Education
- Establish an Employer Matching Program for Employee Donations to Philanthropic Organizations in Alignment with the Company's Giving Priorities
- Support Food Insecurity by Partnering with Local and National Organizations
- Promote Employee Volunteerism with a Quarterly/Annual Volunteer Awards Program
- Establish and Incorporate A Supplier ESG/Sustainability Questionnaire within Requests for Information and Requests for Proposals
- Generate a Survey on ESG/Sustainability Practices for Distribution to Top Spend Suppliers
- Identify, Review and Report of Key Metrics Associated with Employee Demographics Baseline Data and Trends to the HTH Board Compensation Committee
- Identify, Review and Report Key Metrics Data, Trends and Action Items Associated with Hiring, Terminations, and Compensation Practices and to the HTH Board Compensation Committee
- Provide Learning and Developmental Opportunities, including DEI Training to Employees Across the Enterprise
- Review/Audit Key ESG/Sustainability Disclosure Metrics Annually (Data Controls Reviews)
- Generate a Companywide Environmental Policy



LONG-TERM GOALS

- Develop an Online Financial Literacy Education Platform by Partnering with Community Organizations
- Establish a Supplier Code of Conduct Standard or Policy
- Facilitate PrimeLending Development of Loan/Financial Education Online Programs for Customers
- Establish a Risk Appetite Statement for ESG Initiatives in the Lending Environment
- Create Risk Sensitivity Analysis for ESG Variables



