

2023 SUSTAINABILITY,  
ENVIRONMENTAL,  
SOCIAL & GOVERNANCE  
REPORT



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## LETTER FROM OUR PRESIDENT & CEO

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To Our Stockholders, Customers, and Employees:

Hilltop and its family of companies continued to strengthen their focus on environmental, social, and governance (ESG) principles in 2023. We are committed to identifying new opportunities to improve our performance across a range of metrics involving sustainability, social responsibility, community involvement, and risk management. Since publishing our inaugural ESG and Sustainability Report four years ago, we have made consistent progress in achieving our ESG goals. This continued progress enables us to better serve our customers, employees, and communities.

I am proud of the progress we made toward achieving both our short-term and long-term ESG goals in 2023. Some key areas of focus included working with suppliers to gain insight into their ESG practices, increasing learning, development, and diversity training opportunities for our employees, promoting financial literacy programs for our customers and communities, and continuing to develop and enhance sustainability disclosures consistent with industry best practices. Through these and other meaningful initiatives, we are able to support Hilltop's long-term growth and provide important transparency to our stakeholders.

We will continue to work toward our goals and seek new opportunities to enhance our efforts to expand our ESG principles in the year ahead. We believe these efforts and the transparency provided through our annual ESG and Sustainability Report strengthens Hilltop and our family of companies, and we look forward to building upon the foundation we've established.

A handwritten signature in black ink, appearing to read 'JBF', written over a light grey rectangular background.

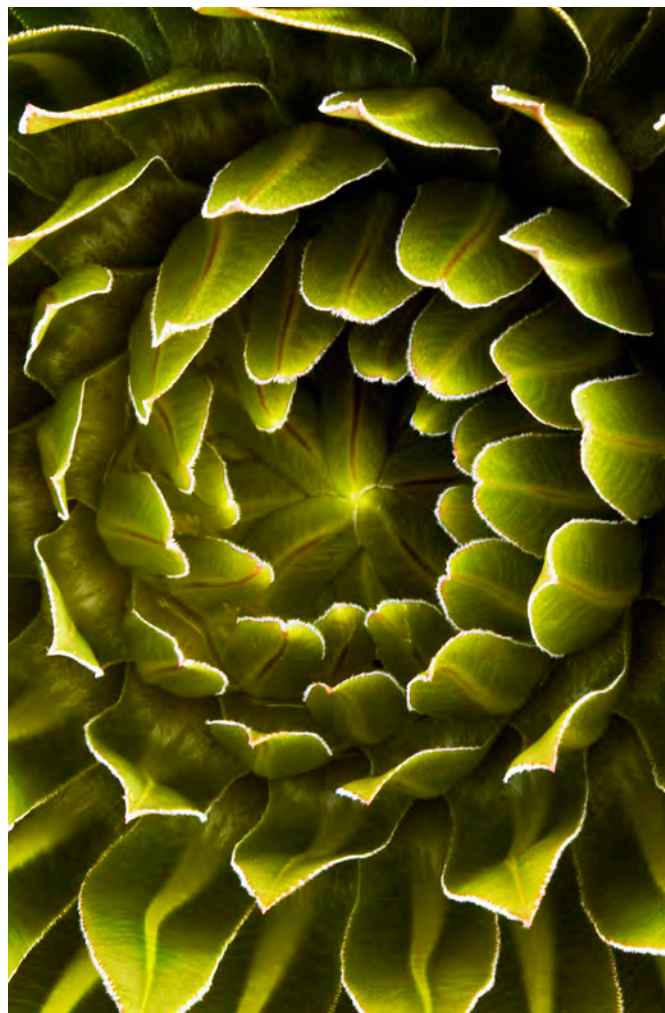
Jeremy B. Ford  
President and CEO  
Hilltop Holdings Inc.

In 2023, Hilltop continued to embrace its commitment to sustainable business practices under uncertain economic market conditions and increasingly diverse views on ESG concepts. Sustainability and ESG regulations were revamped across the globe with the reconsideration of perspectives and impact assessments focusing on climate change, cyber security, executive compensation, and human capital matters.

Hilltop's Nominating and Corporate Governance Committee established the ESG Committee to assist the Company with its ESG and Sustainability initiatives. The Hilltop ESG Committee is a cross-functional executive level team that meets quarterly to review and keep abreast of sustainability and ESG regulatory updates, and to assess and monitor operational metrics and trends relative to the achievement of its short-term and long-term goals. Our ESG Committee is devoted to monitoring the evolution of sustainability reporting and identifying the impactful operational components and metrics that align with our ESG strategy. The ESG Committee recognizes the need for ongoing assessment and evaluation of its public data to ensure the adequacy and completeness of disclosures and adherence to regulations and reporting requirements. Also, efforts to expand coverage of our carbon footprint were made during 2023. The ESG Committee regularly reviews sustainability ratings relative to peer banks, industry benchmarking, and best practices disclosure recommendations for public entities, as we reassess the adequacy of our own enterprise disclosures.

Hilltop recognizes its role in addressing the concerns of negative environmental impact and continues to evaluate ways to minimize energy consumption, enhance recycling initiatives, and reduce water usage and waste where possible in its business practices. Hilltop also embraces social pillar considerations within the UN sustainability disclosure guidelines (SDGs) by supporting efforts to reduce hunger in our communities, committing to financial literacy, supporting quality education programs and scholarships, and providing loan opportunities within underserved communities.

During 2023, efforts were made by the ESG Committee to broaden the scope of environmental disclosures and supplier data collection. The ESG Committee reviews and evaluates its ESG/sustainability ratings relative to sustainability best practices, surveys, and disclosures when assessing the impact of enterprise ESG efforts and business practices. As a result of these concerted efforts, the Company's ISS ratings reflected improvements in the governance and social areas during the 2023 year. Hilltop



remains committed to providing comprehensive, transparent, and reliable sustainability data to its stakeholders.

The ESG Committee efforts to facilitate the alignment and integration of sustainability and ESG initiatives into the overall objectives of enterprise practices, contributes to the Company's overall business continuity and organizational resilience. In accordance with the enterprise governance practices, the Hilltop ESG Committee Charter was generated and adopted by the Board of Directors of the Company during the year. As part of its governance efforts, Hilltop's Nominating and Corporate Governance Committee (NCGC) provides oversight to the ESG Committee, monitors sustainability and ESG legislation and regulation impacting our practices, and governs the risks and opportunities available to the organization in the ESG area. With this structure, Hilltop remains dedicated to promoting economic growth through sustainable business practices and activities.

### **ENVIRONMENTAL, SOCIAL, GOVERNANCE & SUSTAINABILITY DISCLOSURES**

Hilltop's key focus for disclosures is to ensure we addressed the needs and interests of all stakeholders. Our ESG and sustainability disclosure strategies and goals are designed to reflect our commitment to transparency within the bounds of regulatory compliance. Hilltop's ESG and sustainability data collection efforts are designed to offer data and metrics that are informative, relevant, reliable, and desirable by our stakeholders.

Currently, Hilltop's ESG and sustainability data and metrics are a mix of industry standards and those with a high degree of relevance to our businesses. Hilltop's sustainability disclosures align with the governing guidelines within the financial services industry for standardization, uniformity, and verifiability. The ESG Committee is determined to provide information that reflects Hilltop's commitment of accountability to its stakeholders and is specifically applicable to business practices and strategies.

Hilltop continually looks for ways to expand the scope of comprehensive disclosures that help bring a thorough understanding and insight into our business operations. From those disclosures, Hilltop continues to identify ways to integrate our ESG and sustainability goals into our business strategies and operations.

Hilltop's voluntary disclosures are indicative of its commitment to being transparent and resilient. Hilltop's 2023 selected data and metrics provided within its Sustainability and ESG Report are mainly intended to be informative and are not currently based on materiality determinations.

The ESG Committee and NCGC recognize that our ESG and sustainability data must reflect the interoperability of our disclosures and practices. Our sustainability goals also are designed to enhance the unification of enterprise operating strategies and practices with ESG and sustainability initiatives.

## **2023 ACHIEVEMENTS**

**ESTABLISHED THE  
HILLTOP ESG COMMITTEE CHARTER**

**DISTRIBUTED A VENDOR SURVEY  
TO TOP SPEND SUPPLIERS TO  
OBTAIN VISIBILITY OF SUPPLIER  
ESG AND SUSTAINABILITY  
PRACTICES & DISCLOSURES**

**CONTINUED IDENTIFICATION AND  
ENHANCEMENT OF KEY  
ESG & SUSTAINABILITY DATA  
CONTROLS AND DISCLOSURES**

**EXPANDED THE SCOPE  
AND COVERAGE OF COMPANY'S  
ENVIRONMENTAL DISCLOSURES**



### SHORT-TERM GOALS

- Survey Top Spend Suppliers on ESG and Sustainability Practices
- Identify, Review and Report Key Metrics Data, Trends and Action Items Associated with Employee Demographics, Hiring, Termination, and Compensation Practices to the Compensation Committee of the Hilltop Holdings Board of Directors
- Provide Learning and Developmental Opportunities, including DEI Training to Employees Across the Enterprise
- Annual Data Controls Review of Key ESG/Sustainability Disclosure Metrics
- Ongoing Determination of Compliance Practices Relative to the Climate Regulations

### LONG-TERM GOALS

- Generate an Online Financial Literacy Education Platform with Community Partners
- Establish a Supplier Code of Conduct
- Develop 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
- Continuous Development and Enhancements of Carbon Footprint Disclosures Consistent with Industry Best Practices for Required Disclosures
- Periodic Engagement with Business Unit Leaders to Facilitate the Integration and Alignment of ESG Efforts with the Organizational Strategies



ENHANCING OUR UNDERSTANDING

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*Of Applicable Sustainability Reporting Standards*

**SDG** **GRI** **CPD**  
**TCFD**  
**IFRS**  
**ISSB-SASB**



## 2023 HILLTOP HOLDINGS SUSTAINABILITY REPORT

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The Sustainability Accounting Standards Board (SASB) Standards currently are governed by the International Sustainability Standards Board (ISSB). The ISSB was established to develop global baseline sustainability standards to provide investors with reliable and comparable environmental, social and governance (ESG) data for public companies. During 2023, the ISSB established two inaugural sustainability reporting standards for voluntary use, namely, IFRS S1 and IFRS S2. The S1 standard was designed to communicate sustainable financial statement information and the S2 standard to provide the requirements for climate-related risk and opportunity disclosures. The S1 and S2 reporting standards become effective for periods on or after January 1, 2024. The industry specific reporting SASB Standards remain in effect to reflect and identify minimum sustainability issues likely to impact the operating performance or financial condition of a typical company. The SASB Standards were designed to communicate the operating environment and corporate performance related to industry-specific sustainability issues using management disclosures and accounting metrics. The Hilltop Sustainability Report reflects the relevant SASB Standards in the financial sector industries, namely, commercial banking, mortgage lending, securities brokerage and investment banking, asset management and custody, and securities and commodity exchanges, most applicable to Hilltop Holdings Inc. and its Subsidiaries operations, practices, and activities. Hilltop's voluntary disclosures of its sustainable data and metrics provided within this Sustainability Report are not intended to denote materiality determinations.

## SUSTAINABILITY REPORT

### 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 33-35 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 Page 38 of the ESG Report.
FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked, or underserved customers	During 2023, 173 employees provided over 1,290 volunteer hours to financial literacy teaching to children and adults, including employee teachings hours to adults on home ownership.
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 38 of the ESG Report; also see the Bank's commercial loan details per the 2022 Hilltop Holdings Annual Report on Form 10-K.
BUSINESS ETHICS		
FN-CB-510a.2	Description of whistleblower policies and procedures	See data on Page 13 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	Hilltop's Stress Testing Policy and Program provides the basis for capital planning, budgeting, and risk level testing.
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 39 of the ESG Report and deposit accounts details per the 2023 Hilltop Holdings Annual Report on Form 10-K.
FN-CB-000.B	(1) Number and (2) Value of loans by segment (a) personal and (b) small business	See data on Page 38 of the ESG Report.

## SUSTAINABILITY REPORT

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### MORTGAGE LENDING STANDARDS

MORTGAGE FINANCE (MF) PRACTICES		
PROVISIONAL METRIC CODE	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 Page 41 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 41-46 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 41-46 of the ESG Report.
FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	See data on Page 13 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 43 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 43 of the ESG Report.
MORTGAGE FINANCE ACTIVITY METRICS		
FN-MF-000.A	(1) Number and (2) Amount mortgage loans originated by category (a) residential and (b) commercial	All PrimeLending mortgage loans are residential loans. See Bank and PrimeLending data on Pages 41-46 of the ESG Report.
FN-MF-000.B	(1) Number and (2) Amount mortgage loans purchased by category (a) residential and (b) commercial	All PrimeLending mortgage loans are originated by PrimeLending. See Bank and PrimeLending data on Pages 41-46 of the ESG Report.

# SUSTAINABILITY 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 securities brokerage & advisory Companywide employee data on Page 49-50 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 48 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	Currently, this data is not available.
FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	Currently, this data is not available.
BUSINESS ETHICS		
FN-IB-510a.2	Description of whistleblower policies and procedures	See data on Page 13 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 7 covered employees representing 0.2% of the security brokers and advisors had complaints/issues.
FN-IB-510b.2	Number of mediation and arbitration cases associated with professional integrity, including duty of care, by party	There were 3 active arbitration/ litigation matters during 2023.
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 2023 losses in this area was \$1.3Mil.
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 Pages 13 and 47 of the ESG Report
FN-IB-550a.1	Global Systemically Important Bank (G-SIB) score, by category	Hilltop is not a G-SIB.
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	Hilltop's Stress Testing Policy and Program provides the basis for capital planning, budgeting, and risk level testing.
EMPLOYEE INCENTIVES & RISK TAKING		
FN-IB-550b.1	Percentage of total remuneration that is variable for Material Risk Takers (MRTs)	The 2023 HilltopSecurities total variable remuneration for MRTs was 37%.
FN-IB-550b.2	Percentage of variable remuneration of Material Risk Takers (MRTs) to which malus or clawback provisions were applied	100% of HilltopSecurities' total variable remuneration MRTs were subject to clawback provisions, but 0% were applied during 2023.
FN-IB-550b.3	Discussion of policies around supervision, control, and validation of traders' pricing of Level 3 assets and liabilities	See data on Pages 49-50 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 48 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.

## SUSTAINABILITY REPORT

### 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 7 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 \$1.3Mil. monetary losses in 2023 in this area.
FN-AC-270a.3	Description of approach to informing customers about products and services.	See the 2023 Hilltop Holdings Annual Report on Form 10-K. Also, see data on Pages 48-49 and 52 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 Hilltop's all inclusive enterprise human capital data on Pages 49-50 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	Currently, this information is not available.
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	Currently, this information is not available.
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 2023 total monetary losses were \$1.3Mil.
FN-AC-510a.2	Description of whistleblower policies and procedures	See data on Page 13 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% 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 2023 Hilltop Holdings Annual Report on Form 10-K.
ASSET MANAGEMENT ACTIVITY METRICS		
FN-AC-000.A	(1) Total registered and (2) Total unregistered assets under management (AUM)	Our Bank AUM: Registered: \$2,517.3Mil Unregistered: \$2,371.5Mil
FN-AC-000.B	Total assets under custody and supervision	Our Bank Total Assets Under Custody/ Supervision: \$4,888.9Mil Broker Dealer Assets: AUM: \$335,334.1Mil AUC: \$22,226.6Mil

## 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 2023 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 2023 enterprise monetary losses of \$1.3 Mil. were incurred.
FN-EX-510a.2	Description of processes for identifying and assessing conflicts of interests	See data on Page 49 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 trades during the year were about 84.5K. See Page 51 of the ESG Report.



Hilltop and its Subsidiaries, PlainsCapital Bank, PrimeLending and HilltopSecurities, work in concert to provide quality services to our customers, capital to our communities, opportunities to our employees, and return on investments to our stockholders. In spite of the turbulent markets in 2023, the Company remained above well capitalized requirements and focused on ensuring it had ample capital and liquidity to meet any challenges. Hilltop also recognizes that our people are the backbone our sustainability. Several of our key human capital policies and practices have been provided within this ESG Report.

## HUMAN CAPITAL POLICIES & CODE OF CONDUCT PRACTICES

### Anti-Discrimination, Harassment & Retaliation Policy and Practices

Hilltop has a Code of Ethics and Business Conduct and a Code of Ethics for Officers, each of which describe the standards of conduct and business expected of directors, officers and employees of Hilltop and its Subsidiaries. All covered persons are required to attest annually to their awareness and acceptance and affirm compliance with the provisions within these Codes. The enterprise has an established Discrimination, Harassment and Retaliation Prevention Policy. Employees of Hilltop and its subsidiaries are expected to uphold the Company's policy throughout the workplace, operations, and practices. Annually employees are encouraged to be familiar with the Policy and to abide by it in the workplace.

### Whistleblowing Policy and Practices

Hilltop's policies and practices related to whistleblowing are widely available for its employees. The Company does not tolerate retaliation of any kind when, in good faith, an employee raises a question or concern about a violation or suspected violation of our Codes of Conduct, our policies, or the laws and regulations under which we do business. An allegation about an employee or vendor misconduct within the workplace will be subject to investigation by the appropriate authority. Employees also may use the Fraud & Integrity Hotline to report a complaint concerning fraud, questionable practices, discrimination, harassment, or retaliation. This reporting system is available 24 hours a day, seven days a week through the Internet.

### Anti-Human Trafficking Practices

The Hilltop enterprise is committed to preventing human trafficking. Our Company Human Trafficking policy specifically prohibits human trafficking practices and provides direction to employees regarding how such conduct may be reported. Hilltop takes its responsibility seriously to prevent and prohibit the practice of human trafficking.

Provided hereinafter are highlights of the enterprise environmental, and social impacts and governance oversight during 2023.





## ENVIRONMENTAL IMPACT



### HILLTOP'S ENVIRONMENTAL IMPACT

Hilltop's carbon footprint associated with company-owned assets is moderate, in accordance with the nature of its business practices and activities.

### SCOPE 1 – AIRCRAFT ENERGY CONSUMPTION

Year	Distance: Statute Miles	Distance: Air Miles	Total Jet Fuel Usage (lbs.)	CO <sub>2</sub> Emission (kg/unit miles)	CH <sub>4</sub> Emission (g/unit miles)	N <sub>2</sub> O Emission (g/unit miles)
2023	103,240	89,710	506,430	13,318	62	432.2840
2022	104,461	90,770	497,610	13,475	63	428.2901
2021	104,734	91,010	474,740	13,511	63	429.4094
2020	71,649	62,260	314,450	9,243	43	293.7609

GHG Source: EPA Emission Factors for Greenhouse Gas Inventories

## ENVIRONMENTAL IMPACT

### SCOPE 2 – ENERGY USAGE CONSUMPTION

#### Hilltop and its Subsidiaries

The 2023-year energy consumption table reflects our enterprise carbon footprint for 165 reporting offices, primarily owned locations within Texas and several leased offices within 35 states. Energy consumption data is gathered from surveying vendors invoiced reports. Emissions calculations are then determined by our utility payments using the applicable EPA eGRids and

the location-based approach. Our 2023 coverage of emissions disclosures were consistent with the 2022 year. The decline in energy consumption was partially attributable to branch closures during the 2023 year and the reduction in overall coverage in the prior year from 195 offices reported to 165. Our employees continued to utilize their work-from-home privileges contributing to the overall consumption results for the year.

#### 2023

Energy Usage Type	Quantity of Energy Usage for Offices	Units Measured	Cost	CO <sub>2</sub> -e (lbs.)	NO <sub>x</sub> -Annual (lbs.)	SO <sub>2</sub> (lbs.)	CH <sub>4</sub> (lbs.)	N <sub>2</sub> O (lbs.)	CO <sub>2</sub> (lbs.)	NO <sub>x</sub> -Ozone Season (lbs.)
Electric	9,004,824	kWh	\$1,143,400	7,820,592.15	4,944.00	5,830.00	562.00	82.88	7,782,794.95	4,944.00
Gas	111,297	Therm	\$145,400	1,300,940.15	-	-	24.54	2.45	1,300,940.15	-
Outdoor Light	4,770	kWh	\$700	3,984.35	2.20	2.80	0.28	0.04	3,965.47	2.20
	9,120,891		\$1,289,500	9,125,516.65	4,946.20	5,832.80	586.82	85.37	9,087,700.57	4,946.20

#### 2022

Energy Usage Type	Quantity of Energy Usage for Offices	Units Measured	Cost	CO <sub>2</sub> -e (lbs.)	NO <sub>x</sub> -Annual (lbs.)	SO <sub>2</sub> (lbs.)	CH <sub>4</sub> (lbs.)	N <sub>2</sub> O (lbs.)	CO <sub>2</sub> (lbs.)	NO <sub>x</sub> -Ozone Season (lbs.)
Electric	9,711,040	kWh	\$1,233,700	8,175,873.83	4,886.79	5,038.92	546.40	76.36	8,129,052.82	5,152.11
Gas	135,307	Therm	\$185,200	1,581,594.91	-	-	29.83	2.98	1,581,594.91	-
Propane	2,434	Propane/Gallon	\$6,300	30,132.46	-	-	1.45	0.27	30,132.46	-
Outdoor Light	5,510	kWh	\$900	4,561.35	2.32	2.78	0.33	0.05	4,539.41	2.33
	9,854,293		\$1,426,000	9,792,162.55	4,889.11	5,041.70	578.01	79.66	9,745,319.60	5,154.44

PlainsCapital Bank Energy - Electric Usage (Texas Locations)				
	2023	2022	2021	2020
Electricity Consumption (MWh)	6,913.1	7,700*	6,441.6	3,529.1

\*As rounded.

## ENVIRONMENTAL IMPACT

### SCOPE 3 – EMPLOYEE COMMUTING

#### 2023 EMPLOYEE COMMUTING

Annual enterprise employee commuting data represents approximately 75% of our full-time employee travel to offices. Commuting data is determined by average travel miles based on employee home addresses. Enterprise employee commuting data

was obtained from our Human Resources database, and related emissions were calculated using EPA Protocol GhG emissions factors. In comparison to 2022, the emissions increase was attributable to the workforce return to office. Currently, work from home options range from 0-2 days per week.

Type of Commuting	Total Annual Mileage	CO <sub>2</sub> Emission (kg/unit)	CH <sub>4</sub> (g/unit)	N <sub>2</sub> O (g/unit)
Car	13,948,300	4,354,584.572	111,769.326	97,366.737
DART (Dallas Metro - Bus/Train)	428,800	57,884.255	4,673.618	1,157.685
Other Transit	169,500	16,272.065	1,356.005	186.451
Commuting Total	14,546,600	4,428,740.89	117,798.95	98,710.87

#### 2022 EMPLOYEE COMMUTING

Type of Commuting	Total Annual Mileage	CO <sub>2</sub> Emission (kg/unit)	CH <sub>4</sub> (g/unit)	N <sub>2</sub> O (g/unit)
Car	10,757,150	3,571,350	75,300	75,300
DART (Dallas Metro - Bus/Train)	512,900	28,700	10,850	500
Other Transit	121,000	13,650	1,150	300
Commuting Total	11,391,050	3,613,700	87,300	76,100



## ENVIRONMENTAL IMPACT

### SCOPE 3 – EMPLOYEE BUSINESS TRAVEL - AIR MILES AND EMISSIONS

Departure Year	Distance (miles)	Type	CO2 Emission (kg/unit)	CH4 Emission (g/unit)	N2o Emission (g/unit)
2023	266,800	Air Travel -Long Haul (>=2300 miles)	43,491	160	1,387
	7,150,500	Air Travel -Medium Haul (>=300 miles but < 2,300 miles)	922,414	4,290	29,317
	454,300	Air Travel -Short Haul (<300 miles)	94,040	2,908	2,998
2023 Total	7,871,600		1,059,946	7,358	33,703

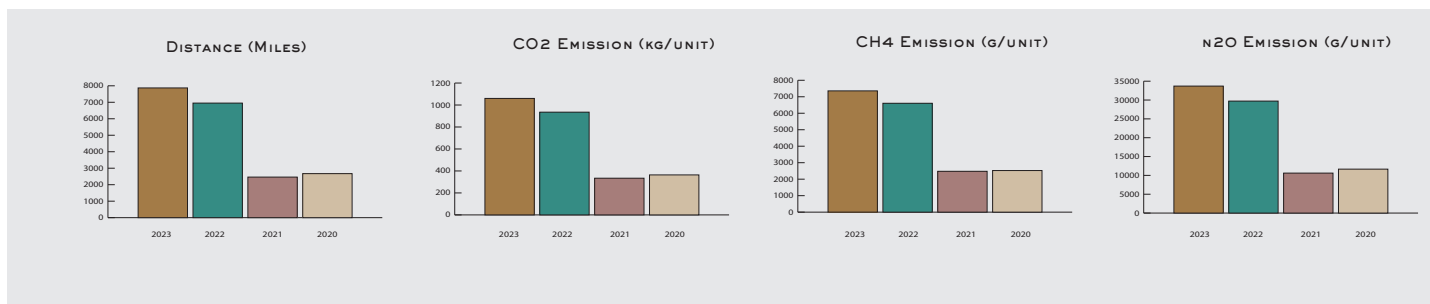
The conversion factors/rates used to calculate the emissions are based on the EPA, "GHG Emission Factors Hub" for the applicable period. Mileage shown is rounded.

Departure Year	Distance (miles)	Type	CO2 Emission (kg/unit)	CH4 Emission (g/unit)	N2o Emission (g/unit)
2022	156,500	Air Travel -Long Haul (>=2300 miles)	25,505	94	814
	6,375,000	Air Travel -Medium Haul (>=300 miles but < 2,300 miles)	822,387	3,825	26,138
	419,600	Air Travel -Short Haul (<300 miles)	86,867	2,686	2,770
2022 Total	6,951,200		934,759	6,605	29,721

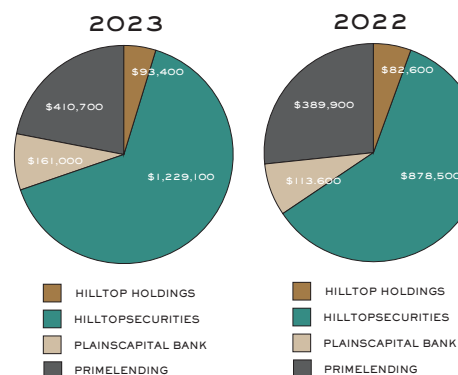
The conversion factors/rates used to calculate the emissions are based on the EPA, "GHG Emission Factors Hub" for the applicable period. Mileage shown is rounded.

Departure Year	Distance (miles)	CO2 Emission (kg/unit)	CH4 Emission (g/unit)	N2o Emission (g/unit)
2023	7,871,600	1,059,946	7,358	33,703
2022	6,951,200	934,759	6,605	29,721
2021	2,461,500	333,619	2,478	10,608
2020	2,671,400	364,326	2,524	11,658

The conversion factors/rates used to calculate the emissions are based on the EPA, "GHG Emission Factors Hub" for the applicable period. Mileage shown is rounded.



2023 and 2022 Air Travel Spend* by Business Unit					
	Hilltop Holdings	HilltopSecurities	PlainsCapital Bank	PrimeLending	TOTAL
2023	\$93,400	\$1,229,100	\$161,000	\$410,700	\$1,894,200
2022	\$82,600	\$878,500	\$113,600	\$389,900	\$1,464,600



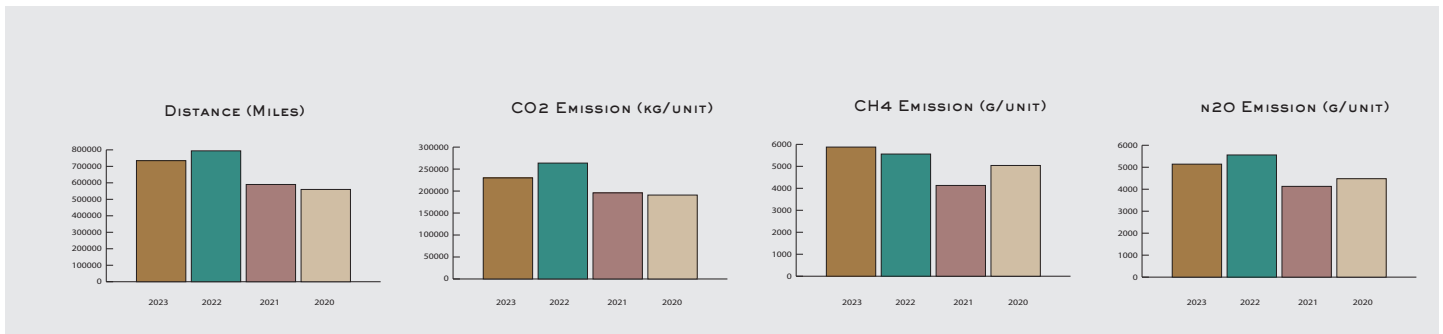
\*As rounded.

## ENVIRONMENTAL IMPACT

### SCOPE 3 - 2023 EMPLOYEE BUSINESS TRAVEL CAR MILES & EMISSIONS

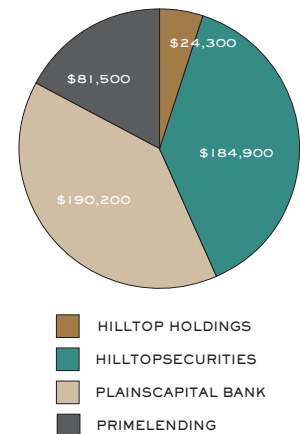
Departure Year	Distance (Miles)	Type	CO2 Emmison (kg/unit)	CH4 Emission (g/unit)	N2o Emission (g/unit)
2023	3,200	Intercity Rail / Amtrak	364.086	29.642	8.377
2023	734,600	Passenger Car	229,928	5,876.488	5,141.927
2022	794,200	Passenger Car	263,661	5,559	5,559
2021	590,000	Passenger Car	195,879	4,130	4,130
2020	559,900	Passenger Car	190,912	5,039	4,479

Car mileage and related emissions in 2023 were constant with 2022 due to the return to normal business travel activity following the COVID-19 pandemic years. Mileage shown is rounded.



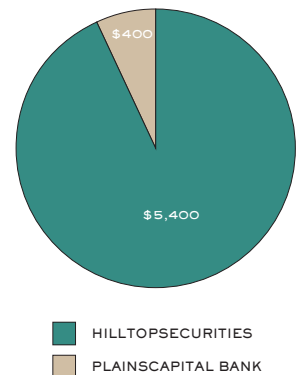
2023 Car Travel Spend by Business Unit					
	Hilltop Holdings	HilltopSecurities	PlainsCapital Bank	PrimeLending	TOTAL
2023	\$24,300	\$184,900	\$190,200	\$81,500	\$480,800

As rounded.



2023 Intercity Rail/Amtrak Travel Spend by Business Unit			
	HilltopSecurities	PlainsCapital Bank	TOTAL
2023	\$5,400	\$400	\$5,800

As rounded.



SCOPE 3 – OTHER OPERATIONAL CONSUMPTION

Hilltop is committed to responsibly reporting the environmental impact of its operations, by providing available data relative to its operations. Efforts were made to expand the scope of reporting to capture additional information reflecting our consumption and recycling efforts and defining areas of efficiencies we employ to minimize waste.

With these additional efforts to enhance climate rated impact disclosures during 2023, we captured additional energy data and metrics associated with water usage and waste disposal. The enterprise will continue to identify conservation practices and efforts in these areas.

Usage Type	Quantity of Energy Usage (Gallons)	Cost
Waste	8,842,900	\$130,900
Water	20,290,600	\$185,100

As rounded.



## ENVIRONMENTAL IMPACT

### 2023 IT EQUIPMENT TEXAS EWASTE DISPOSAL WEIGHT BY BUSINESS

Our IT department collects aged technology equipment (i.e., laptops, monitors and telephone equipment) no longer deemed usable during the year for recycling and waste disposable purposes. Equipment disposals are provided to an eWaste partner that processes, and determines the residual waste and recycling of the equipment.

Company	eWaste Disposal (lbs.)
Hilltop and HilltopSecurities	31,911
Hilltop, PlainsCapital, and PrimeLending	22,758
<b>Total</b>	<b>54,669</b>



#### TREES SAVED

BY NOT PRINTING THESE JOBS, THE NUMBER OF TREES SAVED.



#### CO2 SAVED

BY NOT PRINTING THESE JOBS, THE AMOUNT OF GREENHOUSE GASES NOT EMITTED DUE TO REDUCTION PAPER PRODUCTION



#### EQUIVALENT BULB HOURS

THE MANUFACTURING ENERGY SAVED FROM NOT PRODUCING PAPER, REPRESENTED AS THE ENERGY CONSUMED BY A STANDARD LIGHT BULB IN HOURS

The Unreleased Print Jobs Initiative was continued in 2023. This initiative was designed to reduce paper and related printing jobs by generating double-side copies and minimizing color and grayscale printed pages. The summary of the conservation/savings realized is reflected below.

### 2023 IT UNRELEASED PRINT JOBS ENVIRONMENTAL IMPACT ENTERPRISE\*

Sheets	197,429
Total Printed Pages	212,924
Color Pages	85,246
Grayscale Pages	147,678
Value Saved	\$9,478
Jobs	47,326
Trees Saved	24
CO2 Saved (kg)	2,507.3
Equivalent Bulb Hours	156,989

### 2022 IT UNRELEASED PRINT JOBS ENVIRONMENTAL IMPACT ENTERPRISE

Sheets	259,920
Total Printed Pages	287,670
Color Pages	Unknown
Grayscale Pages	Unknown
Value Saved	\$11,850
Jobs	49,070
Trees Saved	31
CO2 Saved (kg)	3,300.9
Equivalent Bulb Hours	206,677

\*Source: PaperCut MF, supplier

## SOCIAL IMPACT

Hilltop's diverse spend, including small businesses, represented 36.86% of the total of invoiced spend of \$284,878,000 for 2023 reflecting a 6.72% increase from our base year 2020. Diverse

spend, excluding small business, represented approximately 17.3% of spend for the year. The overall spend declined for 2023 primarily due to expense initiatives.

### 2023 HILLTOP VENDOR DIVERSITY SPEND\*

Year	Small Business	Minority Owned	Women Owned	Veteran Owned	Disabled Owned	Diverse-Other
2023	\$60,990,000	\$3,459,000	\$4,271,000	\$229,000	\$42,000	\$49,181,000
2022	\$63,017,000	\$6,124,000	\$7,000,000	\$562,000	\$45,000	\$45,366,000
2021	\$93,355,000	\$3,639,000	\$11,023,000	\$783,000	\$70,000	\$6,630,000
2020	\$96,605,000	\$3,659,000	\$8,904,000	\$1,025,000	\$59,000	\$7,738,000

\* Spend totals may vary due to vendors with multiple classification applicability.

Hilltop's capitalized expenditures for 2023 were primarily attributable to services provided by financial services, information technology, construction and other business

consulting suppliers, which represents approximately 80% of our total supplier spend. The 2023 spend with these vendors was approximately \$26,774,000.

Supplier Group	2023 Suppliers Count	2023 Spend*	2022 Suppliers Count	2022 Spend*	2021 Suppliers Count	2021 Spend*	2020 Suppliers Count	2020 Spend*
Diverse - Small Business Only	1,129	\$55,605,000	1,591	\$44,669,000	1,894	\$79,154,000	2,089	\$84,956,000
Diverse - Excludes Small Business	745	\$49,399,000	1,141	\$48,719,000	528	\$16,428,000	553	\$14,633,000
Non-Diverse	3,488	\$179,873,000	3,642	\$205,215,000	4,031	\$231,927,000	4,217	\$230,821,000
Total	5,362	\$284,878,000	6,374	\$298,603,000	6,453	\$327,509,000	6,859	\$330,410,000

While overall Hilltop enterprise 2023 supplies purchases declined during the year due to conservation efforts, our green spend reflected a 1.5% increase over the 2022 green spend, presenting

approximately one fifth of our total spend. In addition, Hilltop shredding initiatives continued during 2023 with a total spend exceeding \$600K.

Type of Spend	2023			2022			2021			2020		
	Spend*	Quantity	% of Quantity	Spend*	Quantity	% of Quantity	Spend*	Quantity	% of Quantity	Spend*	Quantity	% of Quantity
Non-Green	\$437,700	19,507	78%	\$508,500	25,146	82%	\$563,800	33,114	80%	\$748,200	45,711	83%
Green	\$107,600	5,600	22%	\$106,000	5,380	18%	\$137,200	8,053	20%	\$175,800	9,671	17%
Total	\$545,300	25,107	100%	\$614,500	30,526	100%	\$701,000	41,167	100%	\$924,000	55,382	100%

\* As rounded.

## CONTRIBUTIONS, SPONSORSHIPS, AND COMMUNITY CAPITAL INFUSION

The Hilltop companies were passionate about raising awareness and contributing financially to educational, philanthropic, businesses community and other socially important organizational sponsorships in 2023.

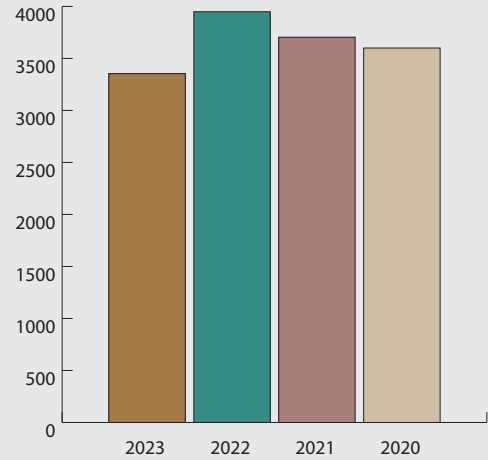
Our overall total educational and youth development 2023 contributions were relatively consistent to prior years. During 2023, enterprise contributions of \$100,000 were made to Texas school systems, namely the Dallas Education Foundation (\$65,000) and Houston Education Foundation (\$35,000).

Total company and employee contributions of approximately \$16,215 were made to the American Cancer Society, in support of ongoing efforts to subsidize the costs of patients' treatment and resources.

Our total corporate and employee donations to the North Texas Food Bank exceeded \$58,400 in 2023.

## TOTAL CONTRIBUTIONS BY YEAR

in thousands



Contributions (\$000s)				
	2023	2022	2021	2020
Education and Youth Development	\$1,242	\$1,078	\$1,147	\$2,060
Health and Human Services & Food Banks	\$537	\$635	\$712	\$998
Local Business Community Support	\$387	\$487	\$509	\$279
Community Development & Service	\$128	\$62	\$165	\$79
Animal, Human & Civil Rights	\$11	\$31	\$30	\$67
Climate & Conservation	\$51	\$46	\$37	\$20
Cultural Arts & Humanities	\$168	\$153	\$65	\$34
<b>Subtotal</b>	<b>\$2,524</b>	<b>\$2,492</b>	<b>\$2,665</b>	<b>\$3,537</b>
Other Non-Charitable Sponsorships	\$830	\$1,454	\$1,041	\$63
<b>Total</b>	<b>\$3,354</b>	<b>\$3,946</b>	<b>\$3,706</b>	<b>\$3,600</b>

2023 VOLUNTEER EVENTS



Hilltop employees volunteer at the North Texas Food Bank annually.

### COMMUNITY VOLUNTEERING ACTIVITIES

Community involvement is a cornerstone of Hilltop's culture, and our employees drive those efforts. In 2023, Hilltop continued its commitment to supporting equity in education and health and human services initiatives to make a positive difference in the lives of those in underserved communities.

PlainsCapital Bank Senior Vice President, Ana Hernandez was recognized as the recipient of The President's Lifetime Achievement Award awarded by President Joe Biden for her dedicated volunteer service of over 4,025 hours. The President's Volunteer Service Award impacts communities in every corner of the nation and inspires those around them to take action. We are proud of the dedicated community service provided by our employees like Ana.

Some of our 2023 enterprise volunteer efforts included partnerships with Dallas Independent School District (DISD), Junior Achievement (JA), the American Cancer Society (ACS), Community Partners of Dallas (CPD), and the North Texas Food Bank (NTFB). We continued our partnership with the DISD Career and Technical Institute, providing mentorship and volunteer involvement that totaled over 249 hours. Through the Junior Achievement "JA in a Day" program, Hilltop and PlainsCapital Bank employees volunteered over 275 hours in the classroom teaching students about financial literacy. Over 120 employees participated in the annual ACS Making Strides Against Breast Cancer 5K Walk, raising over \$16,215 that was matched by Hilltop. Hilltop and PlainsCapital employees volunteered over 152 hours to support CPD's Back to School Drive, counting and boxing over 27,000 items for children with urgent needs. Hilltop's longstanding partnership with the NTFB continued in 2023, with employees volunteering 379 hours and raising \$3,400 in addition to Hilltop's corporate donation of \$55,000 to help end food insecurity in our communities.

# 1,290+

VOLUNTEER HOURS DEDICATED  
TO FINANCIAL LITERACY &  
HOME OWNERSHIP TEACHINGS  
IN 2023

# 249

HOURS VOLUNTEERED  
BY 173 EMPLOYEES WITH THE  
DALLAS ISD CAREER INSTITUTE



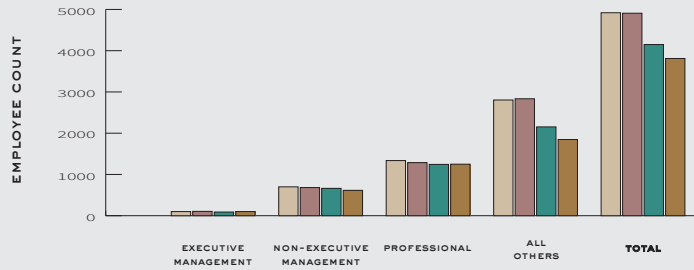
2023

# 2,886

EMPLOYEE VOLUNTEER  
CRA HOURS

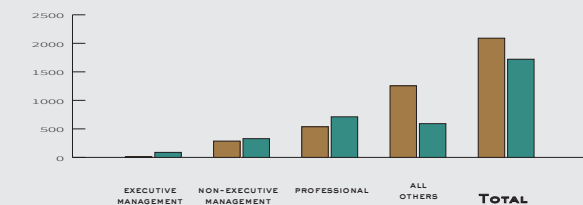
## EMPLOYEE DEMOGRAPHICS – ENTERPRISE HUMAN CAPITAL

### EMPLOYEE COUNT BY CATEGORY



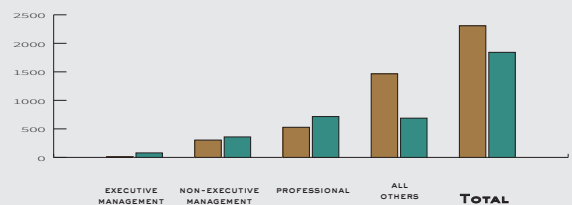
The Hilltop enterprise workforce declined during year-over-year by 8% to approximately 3,800 employees.

### 2023 EMPLOYEE COUNT BY GENDER BY CATEGORY



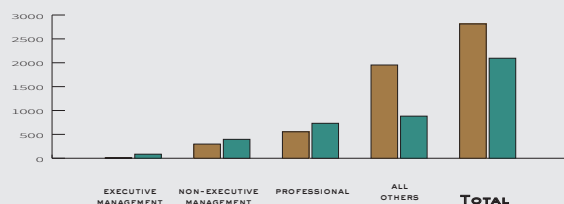
GRAND TOTAL	100	615	1,249	1,847	3,811
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### 2022 EMPLOYEE COUNT BY GENDER BY CATEGORY



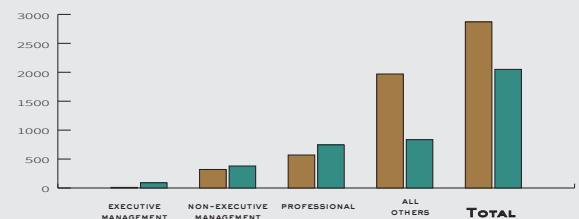
GRAND TOTAL	89	663	1,244	2,153	4,149
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### 2021 EMPLOYEE COUNT BY GENDER BY CATEGORY



GRAND TOTAL	105	682	1,286	2,835	4,908
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### 2020 EMPLOYEE COUNT BY GENDER BY CATEGORY

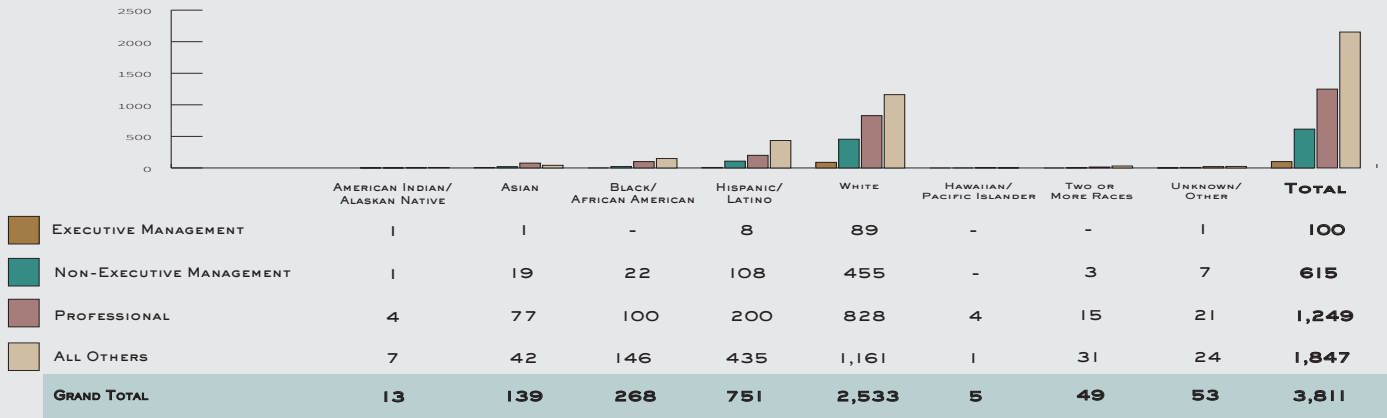


GRAND TOTAL	100	700	1,315	2,805	4,920
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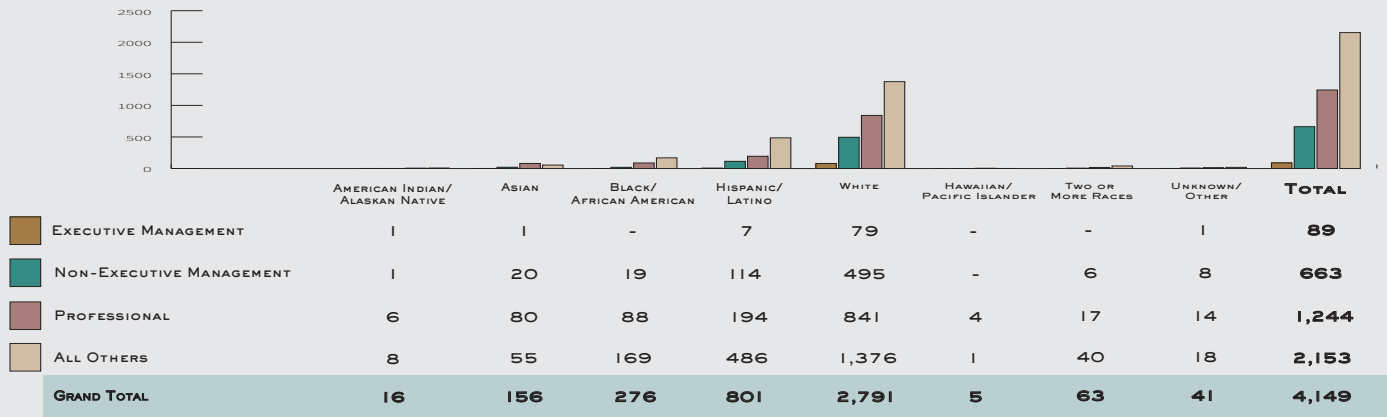
## SOCIAL IMPACT

### EMPLOYEE DEMOGRAPHICS - ENTERPRISE

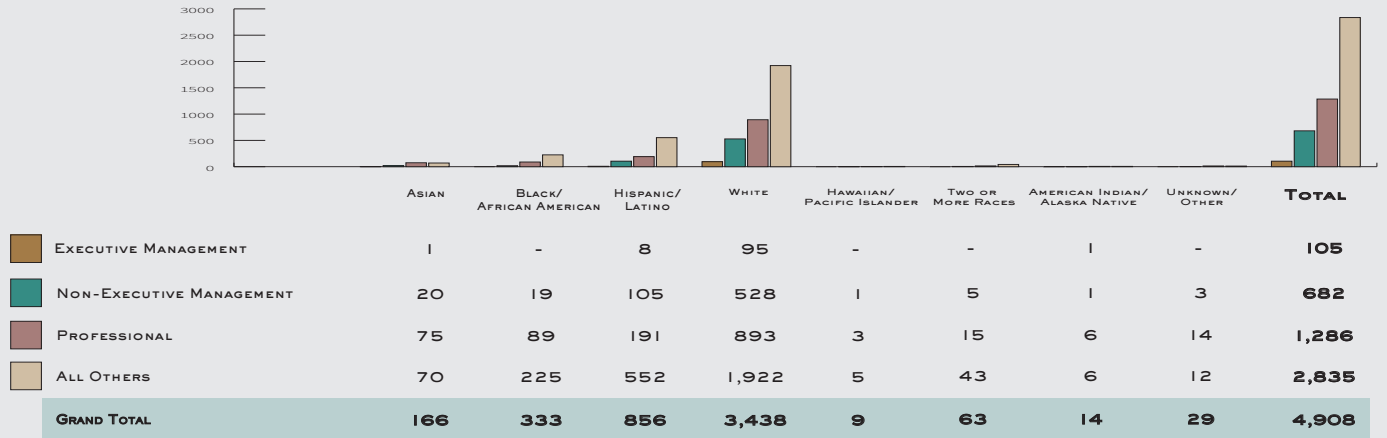
#### 2023 Employee Counts by Ethnicity by Category



#### 2022 Employee Counts by Ethnicity by Category



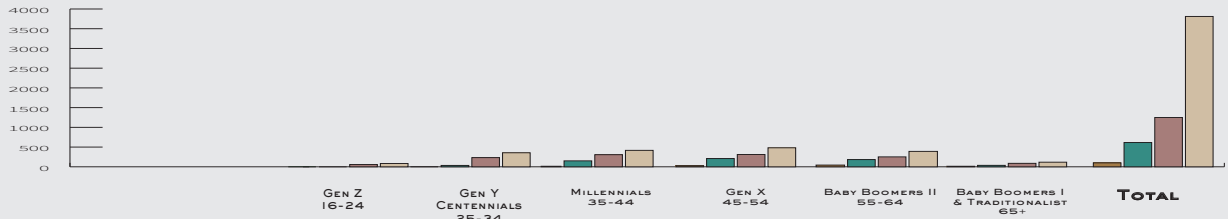
#### 2021 Employee Counts by Ethnicity by Category



## SOCIAL IMPACT

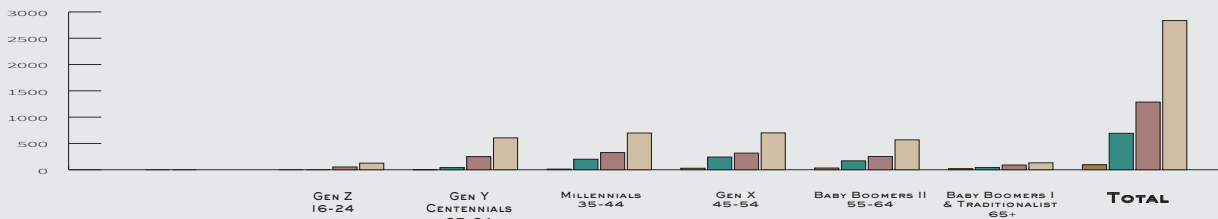
### EMPLOYEE DEMOGRAPHICS – ENTERPRISE

#### 2023 Employee Counts by Generation by Category



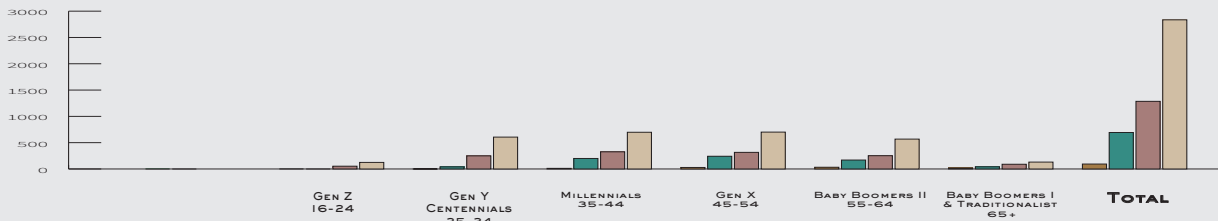
EXECUTIVE MANAGEMENT	-	-	14	28	44	14	100
NON-EXECUTIVE MANAGEMENT	-	35	151	209	183	37	615
PROFESSIONAL	57	233	307	312	252	88	1,249
ALL OTHERS	84	356	417	482	391	117	1,847
<b>GRAND TOTAL</b>	<b>141</b>	<b>624</b>	<b>889</b>	<b>1,031</b>	<b>870</b>	<b>256</b>	<b>3,811</b>

#### 2022 Employee Counts by Generation by Category



EXECUTIVE MANAGEMENT	-	-	11	25	37	16	89
NON-EXECUTIVE MANAGEMENT	-	43	174	228	180	38	663
PROFESSIONAL	56	241	324	289	256	78	1,244
ALL OTHERS	92	448	488	542	464	119	2,153
<b>GRAND TOTAL</b>	<b>148</b>	<b>732</b>	<b>997</b>	<b>1,084</b>	<b>937</b>	<b>251</b>	<b>4,149</b>

#### 2021 Employee Counts by Generation by Category



EXECUTIVE MANAGEMENT	-	1	12	35	36	21	105
NON-EXECUTIVE MANAGEMENT	-	40	200	236	167	39	682
PROFESSIONAL	53	249	326	316	252	90	1,286
ALL OTHERS	131	606	698	701	568	131	2,835
<b>GRAND TOTAL</b>	<b>184</b>	<b>896</b>	<b>1,236</b>	<b>1,288</b>	<b>1,023</b>	<b>281</b>	<b>4,908</b>

## EMPLOYEE- ENTERPRISE POLICIES AND PRACTICES

**23.1%**  
**2023 ENTERPRISE EMPLOYEE  
TURNOVER RATIO**

The 2023 enterprise turnover ratio was 23.1% including full-time and part-time employees. This was up 7.9% compared to 2022. By subsidiary, for full-time employees only, Hilltop +7.4%, PlainsCapital Bank -1.6%, HilltopSecurities +6.9% and PrimeLending -20.4%. Higher mortgage lending employee turnover continued in 2023 due to the challenging interest rate and housing markets.

## EMPLOYEE HEALTH AND SAFETY

Hilltop's 2023 employee OSHA safety results reflect an exceptionally low injury rate. The annual average of the enterprise total workforce during 2023 was 4,965 employees that worked a total of 7,518,336 hours. Frequency of injury events relative to total workforce time was minimal. Only 5 full days were missed during 2023 due to injury, with 70 days of job transfer or restriction and 600 total hours (75 total days x 8 hours) representing only 600 hours / 7,518,336 total hours = 0.000798% of total hours worked.

## COMPANY STOCK ACTIVITIES

### EMPLOYEE STOCK PURCHASE PLAN

The Hilltop Employee Stock Purchase Plan (ESPP), which offers employees discounted share purchase options, continued during the 2023 year. Our employee participation percentage during 2023 ranged between 30% to 34%. There were 174,209 shares purchased under the ESPP by employees during the year.

### STOCK REPURCHASES

Hilltop's commitment and efforts to bring value to its stockholders are ongoing as evidenced by its annual assessment of outstanding shares in the market. During 2023, Hilltop repurchased 164,604 of its shares at an average price of \$30.95 per share for a total cost of approximately \$5,098,500, including commission charges. From 2015 to 2023, Hilltop has repurchased \$566 million of its outstanding shares of common stock.

## 2023 EDUCATIONAL INCENTIVES & SUPPORT

Hilltop continued its support of higher education with its 2023 Buffalo Scholars Program that is offered to employees' children. During the year, Hilltop committed \$40,000 to its Scholar Program by awarding eight \$5,000 scholarships to college bound applicants/students pursuing, or planning to pursue, an undergraduate degree at a four-year public college or university in the United States.

**2023 BUFFALO SCHOLARS  
PROGRAM AWARDED**  
**\$40,000**  
**IN SCHOLARSHIPS**

In addition, 173 Hilltop employees volunteered 249 hours with the Dallas ISD Career and Technical Institute's Entrepreneurship Program, which included virtual presentations, virtual mentorships and performing in-person judging of the Hilltop Entrepreneurship Challenge competition.



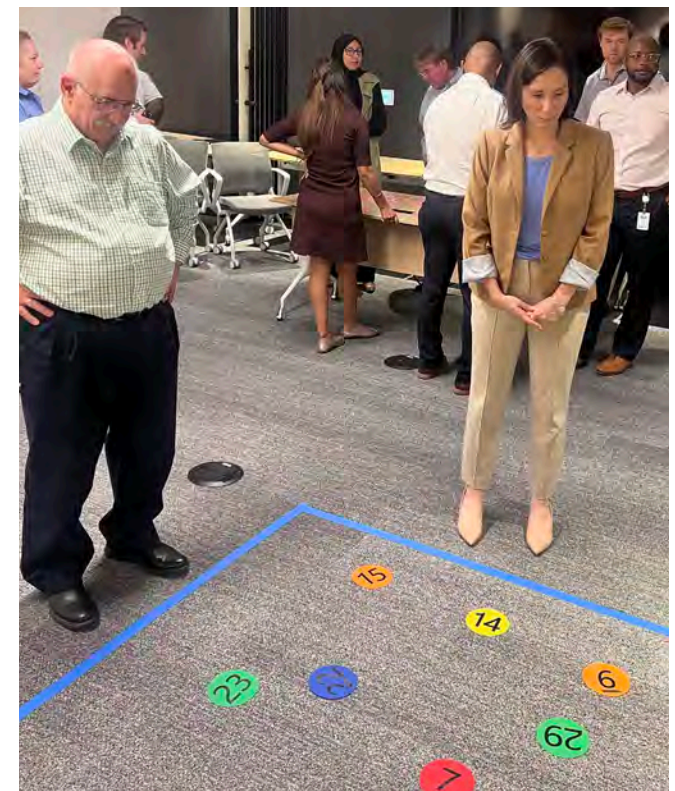
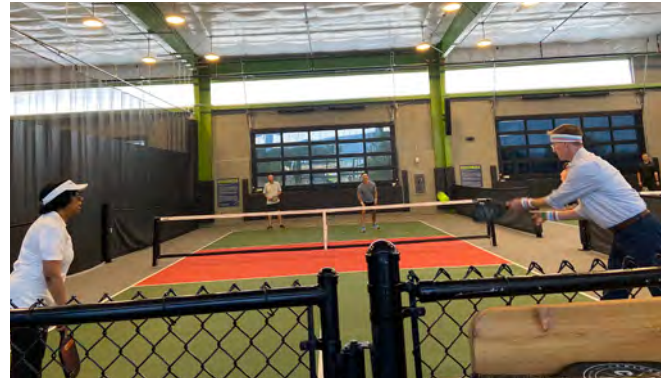
In addition to enterprise-wide activities, each of our business units engages in efforts and dedicates resources to promote its commitment to community development. During 2023, our business units engaged in several initiatives supporting education and development within the communities we serve.

### EMPLOYEE ACTIVITIES

Providing opportunities for employees to engage in fun activities in the workplace is an important part of Hilltop's corporate culture. The following are a few of the employee activities and events the company celebrated in 2023.

In the first quarter of 2023, employees participated in National Have Fun at Work Day with games and activities throughout the offices. Later in the quarter, Employee Appreciation Day was celebrated with Starbucks gift cards and breakfast. In March, employees participated in Major League Baseball Opening Day. The second quarter kicked off with National Pet Day, Mo the Buffalo Day, and wrapped with another outing to a Texas Rangers game. Activities continued in the third quarter with a tailgate party to kickoff football season and an in-office Games Tournament. In the fourth quarter, Halloween was celebrated with decorations, lunch, and a costume contest and the year ended with a Thanksgiving potluck, Holiday parties, and a Holiday Tamale Lunch.

In addition, many corporate departments engaged in fun events throughout the year, including team-building challenges, pickleball events, and group outings to the State Fair of Texas, of which Hilltop is a sponsor.



### HILLTOP CULTURE COUNCILS YEAR IN REVIEW

Having a strong culture is very important to Hilltop and its family of companies. Employee driven Culture Councils are well established within each subsidiary, though they have common goals and often collaborate for enterprise initiatives. The Company's Culture Council plans and executes initiatives that drive engagement as well as provide a platform for employees to share feedback and ideas on culture topics. Generally, our Culture events occur monthly, and target celebrating holidays, volunteerism, and other social offsite activities.

The Hilltop Diversity Momentum Council continues to progress the firm's Diversity, Equity, Inclusion, and Belonging goals. During 2023, the Diversity Momentum Council planned and executed eleven enterprise initiatives, including: launching Diversity Made Simple training and recognizing Black History Month with a panel of CEOs and Executives. Other initiatives hosted by the Diversity Momentum Council, included the annual enterprise inclusion training focused on Overcoming Unconscious Bias,

recognizing Asian American, Native Hawaiian, and Pacific Islander Heritage Month, and Hispanic Heritage Month. The company also produced a series of employee spotlight videos, and celebrated Global Diversity Awareness Month with quotes from employees across the enterprise on what diversity means to them.

In 2023, the Women's Momentum Council hosted impactful and engaging events throughout the year including a Resolutions and Setting Yourself Up for Success Panel. Women's Momentum Council also hosted a Women's History Month virtual speaker event with 235 total employees participating. In the second quarter of 2023, the Women's Momentum Council coordinated a volunteer event with Genesis, and in the third quarter, 192 women came together for its 4th annual guest speaker luncheon, with a focus on women success within and outside the workplace. To finish the year in Q4, The Women's Momentum Council also hosted a Genesis Toy Drive and Angel Tree during the holiday season. Each of these events received substantial attendance and high satisfaction ratings, based on post event surveys.



### 2023 ACCOLADES AND ACTIVITIES

For 2023, based on employee engagement surveys conducted by Energage, Hilltop and two of its subsidiaries, PlainsCapital Bank and PrimeLending, were named among the nation's Top Workplaces in the financial services industry. These entities also were recognized by The Dallas Morning News as Top Workplaces in Dallas-Fort Worth.

Hilltop was among the DFW-area companies named to the Top

Workplaces National Standards List for “prioritizing a people-centered culture and giving employees a voice.” Hilltop’s employee survey indicated an uptick in employees position on workplace and job satisfaction.

In addition, Forbes included Hilltop on its 2023 List of Best Banks based on metrics related to growth, profitability, capital adequacy, and asset quality.



### INFORMATION SECURITY SAFEGUARDS

During 2023, Hilltop continued to maintain a comprehensive information security program focused on the security and confidentiality of Hilltop's data, networks, and information systems. Our security efforts include comprehensive programs that involve planning, designing and implementation of technical, administrative, and physical safeguards. Hilltop's servers and workstations utilize anti-malware protection solutions to assist in preventing and detecting malicious software and anomalous behavior. Network security controls employed include intrusion detection/prevention, web application firewalls, content filtering and network malware protection.

Hilltop maintains a vulnerability management program that involves proactive identification, analysis, remediation, monitoring and reporting 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 the secure utilization of data and information systems. Our employees receive security education through quarterly web-based training courses and monthly simulated phishing campaigns. IT monthly newsletters and special employee alerts are distributed across the enterprise thorough the year. Hilltop maintains security governance, risk management and compliance programs designed to identify, access, and manage security risk in accordance with the company's risk management framework.

Hilltop also maintains a cybersecurity incident response plan and dedicated incident response team, with steps to determine when incident/breach notification is required to its customers. The Company also engages outside legal counsel, and other dedicated cybersecurity professionals, as needed, to determine the nature, timing and extent of any potential customer breach. The Fraud Department also has formal guidelines on disclosure of suspicious events and financial activities, which may include notification to law enforcement agencies. In accordance with SEC regulations, required disclosure of a cyber security incident



and resolution of the incident in years 2023 onward will be properly disclosed in a Form 8-K filing.

Phishing and social engineering are the most common techniques to compromise or gain entry to an organization's network. Over the past year, phishing emails have remained the most frequent type of attack across Hilltop. Phishing emails are crafted to be relevant to our financial services processes, familiar looking communications, or may be tailored to specific persons.

While 2023 continued to present challenges for the public and private sectors, corporate cybersecurity teams worked tirelessly to defend against zero-day software vulnerabilities, ransomware attacks, and business email compromise. As security breaches increase in frequency and sophistication, we continue to strengthen our organization's detection capabilities; enhance education and awareness of cybersecurity threats; and secure operational business processes.

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.

2023	2022	Information Security Protection Statistics
1,600	2,000	Servers managed in our two Texas-based data centers
6,000	5,000	Secured computers including laptops, desktops, and tablets
3,000	3,200	Protected smartphones using mobile device management software
99%	98%	Employees completed security training
90%	90%	Average score by employees on training assignments

During 2023, our Information Security team provided security services to over 3,900 employees across over 300 offices and branch locations. As a result of continuous training efforts, fewer than 3% of employees clicked on simulated phishing emails. In addition, on average, more than 580 phishing emails were reported to Security Operations on a weekly basis.

### INFRASTRUCTURE FOOTPRINT REDUCTION INITIATIVES

During 2023, the Information Technology organization embarked on an aggressive goal to reduce the Server footprint within our datacenters. Due to the Microsoft Server 2012 Operating System end-of-life initiative and tuning how we deliver server-class resources to our business units; we were able to reduce the server count by 17%.

### DATA CENTER POWER CONSUMPTION

The Information Technology organization decommissioned an aged storage array within our datacenters, reducing our total datacenter power consumption in 2023.



### **BANK SECRECY ACT (BSA) PRACTICES**

It is the policy of Hilltop and its subsidiaries to actively prevent money laundering and the funding of terrorist or criminal activities. We define money laundering as engaging in acts designed to conceal or disguise the true origins of criminally derived proceeds so that unlawful proceeds appear to have derived from legitimate origins or constitute legitimate assets.

Our policy has been developed in conformance with the requirements of rules promulgated by the U.S. Department of Treasury, Financial Crimes Enforcement Network, 31 CFR Part 103, Section 120.140c, under the Bank Secrecy Act. Our policy is based on four principles that are embodied in our Anti-Money Laundering (AML) Program (the program):

Established policies, procedures and internal controls are based on our assessment of the risks associated with our business activities.

The BSA/AML Officer is responsible for ensuring that the program is effectively implemented; the program is updated as necessary to reflect changes in risk to the business units, stay abreast of the current requirements of applicable regulations and further guidance provided by the U.S. Department of Treasury; and ensure appropriate staff are trained in the program and related procedures.

Hilltop performs independent testing to ensure the program is functioning as intended. In addition, all employees are encouraged to report suspicious activity to the BSA/AML Compliance Officer.

The Hilltop BSA Department monitors compliance with the Bank Secrecy Act, USA PATRIOT Act, and all 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. The CDD efforts include verification of the customer identity, assessment of customer risk level in accordance with Office of Foreign Assets Control (OFAC) requirements. Stress testing and risk analyses are performed as needed to validate the Company's operational resilience to potential vulnerabilities.



### **COMPLIANCE AND RISK PRACTICES AND POLICIES**

The Hilltop Board of Directors continues to provide oversight over business operations and practices. Our Risk and Nominating Corporate Governance Committees are attuned to the market challenges and regulatory environments that impact our businesses. Stress tests and risk analyses are performed as needed to avoid interruptions to our operations and promote resilience and our practices. Our internal Risk and ESG Committees provide guidance and updates to the Board to ensure that the Company's initiatives are compliant and align or support our overall operating and strategic practices of our businesses and overall sustainability goals.

**ENTERPRISE TAX REPORTING AND PAYMENTS - US JURISDICTIONS**

The enterprise recognizes its financial obligations to the federal and state taxing authorities and continued to file and pay its fair share of taxes during the 2023 year. As a U.S. domestic company, Hilltop provides transparency in its tax positions and obligations within its Annual Report or 10-K filing. Hilltop tax processes, controls and compliance efforts align with its overall regulatory compliance commitment. A more granular view of types of tax payments made during 2023 is reflected below. The reduction in income franchise tax liability and payments reductions for 2023 were primarily attributable to the decline in profits during the 2022 and 2023 years, respectively. Payroll taxes declined due to lower headcount. Property taxes declined primarily due to branch office closings in the year.

Enterprise Income and Franchise Tax Liability				
Year	2022	2021	2020	2019
Federal Income Tax	\$27,756,000	\$101,217,500	\$98,538,500	\$63,094,000
State and Local Tax	\$2,451,500	\$19,204,000	\$19,253,200	\$10,977,000
Total	\$30,207,500	\$120,421,500	\$117,791,700	\$74,071,000

Enterprise Income and Franchise Tax Estimated Payments				
Year	2023	2022	2021	2020
Federal Income Tax	\$19,057,400	\$11,254,800	\$111,318,100	\$103,933,700
State and Local Tax	\$1,540,100	\$6,058,800	\$24,735,100	\$21,206,900
Total	\$20,597,500	\$17,313,600	\$136,053,200	\$125,140,600

Enterprise Payroll Tax Payments				
Year	2023	2022	2021	2020
FICA	\$30,809,400	\$35,876,300	\$39,720,400	\$41,949,100
FUTA	\$215,100	\$248,000	\$239,100	\$242,000
SUTA	\$967,000	\$1,471,600	\$1,511,800	\$1,666,500
Other Payroll Taxes	\$163,900	\$158,300	\$251,200	\$275,900
Total	\$32,155,400	\$37,754,200	\$41,722,500	\$44,133,500

Enterprise Property Tax Payments				
Year	2023	2022	2021	2020
Personal Property	\$979,900	\$1,515,500	\$1,083,000	\$1,344,000
Real Estate	\$1,101,400	\$2,145,200	\$2,115,000	\$2,434,000
Total	\$2,081,300	\$3,660,700	\$3,198,000	\$3,778,000

Enterprise Sales, Use & General Excise Tax Payments				
Year	2023	2022	2021	2020
Tax Payments	\$226,700	\$316,000	\$492,200	\$575,100

**FINANCE SYSTEMS**

As a result of Hilltop's investment in finance and accounting systems and process efficiency initiatives during recent years, we continue to prioritize and realize benefits including a more integrated and efficient accounting close process, improved analysis and reporting capabilities, transparency into enterprise spending and vendors, an enhanced governance and control environment, and the elimination of redundant costs across the organization. These efforts have further supported management's efforts to provide users with financial results that are timely and free of material misstatement.

PlainsCapital Bank began 2023 celebrating its 35th Anniversary of serving Texas communities. The Bank's ranking and customer satisfaction continued to receive high scores in a challenging and competitive banking landscape. The Bank maintained its customer base by offering competitive rates and loan structures to its depositors and customers and held key long-term customer relationships with superior service. PlainsCapital Bank was built on relationships, culture, and service. This is evidenced by the longevity of our employee base, which is well over 10 years for many employees. The Bank's strong capital position allowed us to continue to provide the same service our customers have come to expect on loans across our Texas communities during the year.

The Bank has received recognition and many awards for its culture and dedication to excellence over the years. During 2023, the Bank also was chosen in the midsize company category as one of the Top Workplaces in Dallas-Fort Worth, based on responses to our Employee Engagement Survey. In addition, PlainsCapital and its subsidiary, PrimeLending, received three Top Workplaces Fall 2023 Cultural Excellence Awards from Energage for scoring within the top 20% of eligible organizations, namely in the categories of

"Employee Well Being 2023", "Employee Appreciation 2023", and "Professional Development 2023".

The Bank also continued to individually support Texas communities during 2023 and was a sponsor for the Fort Worth Stock Show and Rodeo and Junior Achievement.

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FALL 2023  
**TOP WORKPLACE  
CULTURAL  
EXCELLENCE  
AWARD  
(ENERGAGE)**

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## PLAINSCAPITAL BANK COMMERCIAL LOAN ACTIVITIES

The Bank's 2023 commercial loan activities were challenged by elevated interest rates, a volatile economic forecast, and increased competition for deposits. The Bank, however, remains committed to small business and community development loans. The number of community development loans funded during the year were relatively flat comparable to the base year, and small business and farm loan values along with home mortgage originations and purchases declined.

## SMALL BUSINESS AND COMMUNITY DEVELOPMENT LOANS

	2023		2022		2021		2020	
Loan Activity	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)
Small Business & Small Farm Loans*	1,288	\$282,359	1,361	\$334,999	2,765	\$517,556	4,244	\$743,410
Community Development Loans*	28	\$101,995	35	\$98,069	50	\$140,603	28	\$69,153
TOTAL	1,316	\$384,354	1,396	\$433,068	2,815	\$658,159	4,272	\$812,563

\*Loan amounts are rounded.

## HOME MORTGAGE LOAN ORIGINATIONS AND PURCHASES

	2023		2022		2021		2020	
Loan Activity	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)	# Loans	Loan Value \$(000s)
Home Mortgage Loan Originations	98	\$46,482	179	\$175,571	188	\$186,054	175	\$113,533
Home Mortgage Loan Purchases	292	\$140,290	1,377	\$623,014	2,271	\$779,634	650	\$192,571
TOTAL	390	\$186,772	1,556	\$798,585	2,459	\$965,688	825	\$306,104

\* As rounded.

Capital Resources Provided in Select Industries Funded Commercial Loans \$(000s)				
Type of Industry	2023	2022	2021	2020
Arts	\$280	\$395	\$111	\$200
Children/Healthcare/Humanity	\$423	\$19,590	\$24,976	\$17,343
Construction	\$251,920	\$710,153	\$269,718	-
Consumer Commercial Finance	\$96,510	\$221,942	\$214,440	-
Education	\$158	\$13,351	\$8,886	\$10,362
Energy	-	-	-	\$5,245
Environmental	-	-	-	\$1,745
Farming	\$11,308	\$10,964	\$8,128	\$80,925
Oil & Gas Production	-	-	\$9,416	\$13,400
Petroleum/Natural Gas Distribution	-	\$7,983	\$22,100	\$10,958
Recycling/Conservation	-	-	-	\$5,984

SBA 504 Funded Loans \$ (Millions)			
2023	2022	2021	2020
\$23	\$29.7	\$39	\$32.9



## BANK DEPOSITOR COMPOSITION

Our offerings to depositors were in alignment with competing financial institutions and attracted depositors predominantly in the baby boomers age group. Economic uncertainty, consumer conservative spending, and our competitive depositor interest rates attributed to a level deposits base in 2023. Based on deposit market share for 2023, PlainsCapital Bank was ranked as the 7th largest bank headquartered in Texas when compared to against non-money center banks.



2023 Business 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
GEN Z (ages 12-24)	100	0.3%	\$1,125,000	0.02%
MILLENNIALS (ages 25-40)	2,440	7.2%	\$209,009,000	2.9%
GEN X (ages 41-56)	10,070	29.8%	\$1,397,297,000	19.3%
BABY BOOMERS (ages 57-75)	16,940	50.2%	\$4,854,515,000	67.0%
POST WAR/ WW2 (ages 76-99)	4,080	12.1%	\$719,430,000	9.9%
Business Owner Depositors	120	0.4%	\$59,967,000	0.8%
<b>Total:</b>	<b>33,750</b>	<b>100%</b>	<b>\$7,241,343,000</b>	<b>100%</b>

2022 Business 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
GEN Z (ages 12-24)	110	0.3%	\$1,022,000	0.01%
MILLENNIALS (ages 25-40)	2,160	6.5%	\$254,120,000	3.3%
GEN X (ages 41-56)	9,630	28.9%	\$1,479,421,000	19.0%
BABY BOOMERS (ages 57-75)	16,820	50.5%	\$5,002,667,000	64.2%
POST WAR/ WW2 (ages 76-99)	4,390	13.2%	\$968,416,000	12.4%
Business Owner Depositors	190	0.6%	\$91,768,000	1.2%
<b>Total:</b>	<b>33,300</b>	<b>100%</b>	<b>\$7,797,414,000</b>	<b>100%</b>

2023 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
GEN ALPHA & Z (ages 9-24)	11,470	13.1%	\$40,335,000	1.6%
MILLENNIALS (ages 25-40)	12,590	14.4%	\$162,819,000	6.4%
GEN X (ages 41-56)	20,580	23.5%	\$535,789,000	21.0%
BABY BOOMERS (ages 57-75)	30,400	34.7%	\$1,215,260,000	47.7%
POST WAR/ WW2 (ages 76-99)	12,600	14.4%	\$591,271,000	23.2%
<b>Total:</b>	<b>87,640</b>	<b>100%</b>	<b>\$2,545,474,000</b>	<b>100%</b>

2022 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
GEN ALPHA & Z (ages 9-24)	9,960	11.7%	\$34,790,500	1.3%
MILLENNIALS (ages 25-40)	12,680	14.8%	\$164,692,900	6.1 %
GEN X (ages 41-56)	20,360	23.8%	\$541,801,700	20.2%
BABY BOOMERS (ages 57-75)	29,290	34.3%	\$1,283,806,000	47.9%
POST WAR/ WW2 (ages 76-99)	13,120	15.4%	\$654,463,200	24.4%
<b>Total:</b>	<b>85,410</b>	<b>100%</b>	<b>\$2,679,552,000</b>	<b>100%</b>

\*As rounded.

PrimeLending, our mortgage loan company, continued to face headwinds in a challenging residential real estate market during 2023. It, however, continued to drive key initiatives of operational efficiency, service, and culture throughout the year. PrimeLending meets the needs of borrowers with purchase or refinancing options, including 30-year and 15-year fixed rate conventional mortgages, adjustable-rate mortgages, jumbo loans, new construction loans, and federal backed loans. Mortgage loans originated by PrimeLending are secured by a first lien on the underlying property and funding is provided by PlainsCapital Bank. PrimeLending employees engaged in productive efforts and programs to provide capital and services to our customers and communities.

Our PrimeLending Multicultural Lending (MCL) team has an Advisory Council consisting of 19 members representing PrimeLending's production and corporate groups. The MCL Advisory Council is focused on developing initiatives to enhance PrimeLending's programs that are focused on underserved communities facilitating new insights, fostering innovation, and expanding our footprint in multicultural communities. In addition, the MCL Advisory Council created opportunities for the field to have greater representation and input in executing strategies. The MCL multicultural lending focus areas include marketing, product enhancement, and recruiting.

PrimeLending employees attended many homeownership and wealth building conferences during the year, including the NAHREP's Homeownership & Wealth Building Conference in Washington, DC. NAHREP's mission is to advance sustainable Hispanic home ownership by educating Hispanic real estate professionals, advocating public policy that supports the trade association's mission, and facilitating relationships.

The MCL worked in concert with the Women's Council of NAREB on several initiatives during 2023, including the National Broadcast Professional Women in Real Estate group to host episodes entitled "Challenges in the Workplace" and "The One Thing" to assist women in real estate. They also co-hosted a National Financial Literacy Day across three target markets concurrently to fuel the dream of homeownership, with the concept of "How To" interactive education symposiums focused on financial literacy and sustainable wealth accumulation for families of color. PrimeLending loan officers shared insightful information on the lending process, knowing what's on your credit report and the significance of maintaining good credit, and how to invest your money to build generational wealth.

During 2023, PrimeLending employees participated in AREAA (Asian Real Estate Association) workshops, summits and NAREB conferences and programs cross the U.S. to provide important

## 2023 EMPLOYEE SATISFACTION

**95%** OF PRIMELENDING EMPLOYEES  
SAY "IT'S A GREAT PLACE TO WORK" PER THE  
GREAT PLACE TO WORK TRUST INDEX™  
EMPLOYEE SURVEY (JULY 2023)  
COMPARED TO **57%** AT TYPICAL  
U.S.-BASED COMPANIES, PER THE 2020 GREAT  
PLACE TO WORK SURVEY

housing policies, lending initiatives, and economic development to advance homeownership and equity to advocate for the diversity and fair housing lending for American Asian Pacific Islander (AAPI) and powerbroking networking opportunities designed to RESTORE, BUILD & RETAIN minority communities. At the Diversity & Fair Housing Summit held in Washington, D.C., our attendees met with members of Congress to advocate AREAA's policy position on issues affecting AAPI homeownership.

Primelending supported and sponsored many homebuyers programs during the year. The MCL participated in minority real estate organization initiatives across the US in 2023, including the 25th National Association of Hispanic Real Estate Professionals (NAHREP) Annual Convention, the B2C Financial Literacy Initiative of the Western Wayne County NAACP, "Changing Lives through Real Estate by Building Generational Wealth" Chicago event in marginalized communities, the Greater Detroit Realtist Association (GDRA) 1<sup>st</sup> Time Home Buyers Workshop, and the National Veterans Association of Real Estate Professionals (VAREP) Annual Convention in Orlando, FL. In Texas, PrimeLending sponsored the "Wealth on Our Watch" conference in Arlington, TX designed to bridge the homeownership gap through educational initiatives and self-empowerment and "Renovating My Way to Homeownership" conference, where the MCL Team partnered with Freddie Mac and the Dallas Association of Real Estate Brokers (DAREB) to educate local realtor partners on the advantages and characteristics of Renovation Lending with a focus on how the program can provide cost-effective housing solutions for first-time homebuyers. PrimeLending's MCL continues to partner with real estate associates and industry leaders in an effort to build sustainable relationships to define and offer value and lending opportunities to their diverse communities.

## LENDING DEMOGRAPHICS

Funded Mortgage Loans by Gender								
Loans By Gender	Number of Loans				Loan Amounts \$(000s)			
Year	2023	2022	2021	2020 Base Year	2023	2022	2021	2020 Base Year
Male	9,095	14,272	59,159	65,634	\$2,624,000	\$4,182,000	\$18,260,000	\$18,679,400
Female	6,247	9,856	18,264	18,575	\$1,563,000	\$2,497,000	\$4,415,000	\$4,290,800
Other (Joint/Business)	11,751	17,206	-	-	\$4,060,000	\$5,976,000	-	-
Grand Total	27,093	41,334	77,423	84,209	\$8,247,000	\$12,655,000	\$22,675,000	\$22,970,200

As rounded.

Funded Mortgage Loans by Type of Borrower												
Type of Borrower	Number of Loans				Loan Amounts \$(000s)				Weighted LTV			
Year	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
All Other Borrowers	17,817	29,175	57,142	65,224	\$5,336,000	\$8,846,000	\$16,689,000	\$17,707,900	81.4	78.1	76.0	79.5
Minority Borrowers	9,276	12,159	20,281	18,985	\$2,911,000	\$3,809,000	\$5,986,000	\$5,262,300	85.9	79.3	77.3	83.7
Grand Total	27,093	41,334	77,423	84,209	\$8,247,000	\$12,655,000	\$22,675,000	\$22,970,200	83.0	78.5	76.3	80.5

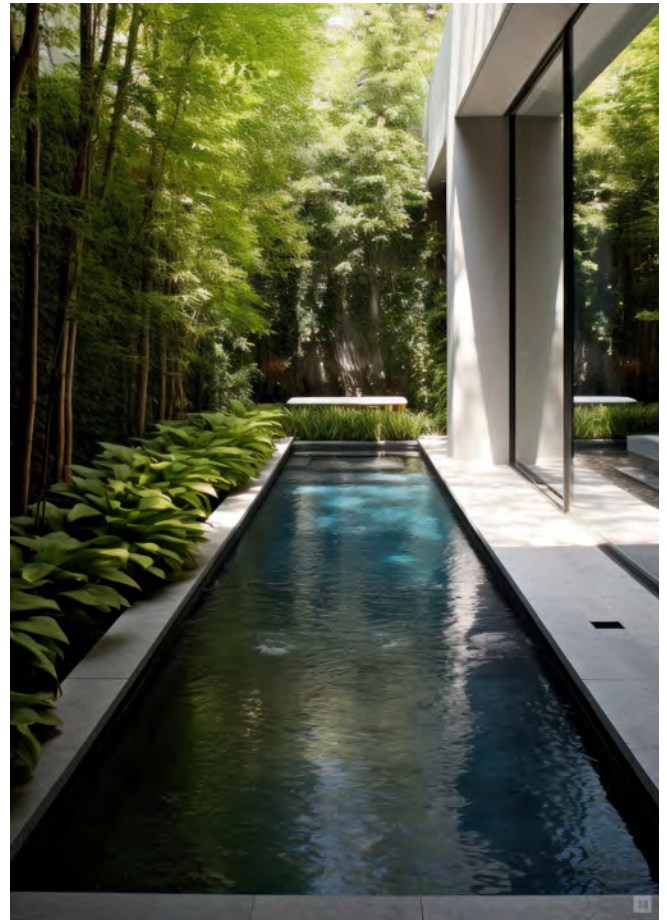
Funded Mortgage Loans by Type of Borrower & FICO Score												
Loans by Borrower Type & FICO Score	Number of Loans				Loan Amounts \$(000s) *				Average Weighted LTV			
Year	2023	2022	2021	2020	2023	2022	2021	2020	2023	2022	2021	2020
All Other Borrowers	17,817	29,175	57,142	65,224	\$5,336,000	\$8,846,000	\$16,689,000	\$17,707,900	81.4	78.1	76.0	79.5
FICO <= 660	1,699	3,036	4,286	4,542	\$396,000	\$686,000	\$979,000	\$924,800	89.9	84.5	87.0	90.6
FICO > 660	15,752	25,798	51,623	60,682	\$4,921,000	\$8,143,000	\$15,675,000	\$16,783,100	80.9	78.2	76.6	78.9
No FICO	366	341	1,233	-	\$19,000	\$17,000	\$35,000	-	49.2	16.0	10.3	-
Minority	9,276	12,159	20,281	18,985	\$2,911,000	\$3,809,000	\$5,986,000	\$5,262,300	85.9	79.3	77.3	83.7
FICO <= 660	1,313	1,823	2,369	2,333	\$337,000	\$473,000	\$606,000	\$497,800	92.5	83.6	89.3	91.4
FICO > 660	7,711	10,096	16,758	16,652	\$2,565,000	\$3,328,000**	\$5,365,000	\$4,764,500	85.1	80.1	80.6	82.9
No FICO	252	240	1,154	-	\$9,000	\$8,000	\$15,000	-	48.3	10.3	5.4	-
Grand Total	27,093	41,334	77,423	84,209	\$8,247,000	\$12,655,000	\$22,675,000	\$22,970,200	83.0	78.5	76.3	80.5

\*Rounded. Consistent with the 2023 US mortgage industry declines due to rising interest rates, and implications of a recession, PrimeLending's overall mortgage loan activity reflected a decline of nearly 40% from the prior year and a greater decline from its 2020 stellar lending base year.

\*\*Rounding updated.

Mortgage Loans by Type of Flood Zone (100 Year Flood Zones)								
Flood Zone*	Number of Loans				Loan Amounts*			
Flood Zone Types	2023	2022	2021	2020	2023	2022	2021	2020
A	99	129	182	211	\$31,925,000	\$38,073,000	\$49,439,000	\$53,502,000
A1-A99	26	52	160	288	\$6,222,000	\$14,338,000	\$52,268,000	\$93,898,000
AE	515	857	1,509	1,552	\$143,152,000	\$266,109,000	\$466,526,000	\$431,561,000
AH	21	31	54	45	\$6,779,000	\$9,645,000	\$20,658,000	\$15,002,000
AO	21	32	52	82	\$9,401,000	\$9,465,000	\$20,671,000	\$27,654,000
V1-V99	-	-	1	1	-	-	\$373,000	\$304,000
VE	19	40	70	69	\$9,357,000	\$20,776,000	\$26,969,000	\$32,656,000
Grand Total	701	1,141	2,028	2,248	\$206,835,000	\$358,406,000	\$636,904,000	\$654,577,000

Mortgage loans funding during 2023 within flood zone areas declined by approximately 40% from the base year loans in Zone A. The decline in funding by over 90% in other flood zones, particularly zones A1-A99 and nearly 67% decrease in zone AE, can be attributable to adjustments in mortgage lending strategies and market conditions. The AE flood zones are areas that present a 1% annual chance of flooding and a 26% chance over the life of a 30-year mortgage per FEMA. While PrimeLending annual mortgage loan volumes averaged around 70% within the AE Flood Zone, its long-lived practices requires flood insurance coverage as security for mortgage loans within flood zone areas.



## 2023 CUSTOMER SATISFACTION

**96%** OVERALL CUSTOMER  
SATISFACTION RATING  
CONSISTENT WITH  
THE BASE YEAR RATING OF  
**96%**

## PRIMELENDING

### 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

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

	2023 LOAN MODIFICATIONS				2022 LOAN MODIFICATIONS**		
Diversity by FICO Score	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV
MSRs	586	\$115,274,200	0.7033	0.7367	482	\$91,651,000	0.7351
All Other	422	\$82,867,600	0.6842	0.7213	354	\$67,849,300	0.7291
Above 660	283	\$58,814,100	0.6231	0.6821	225	\$44,502,500	0.6508
Equal/Below 660	139	\$24,053,500	0.8087	0.8171	129	\$23,346,700	0.8650
Minority	103	\$18,696,000	0.7761	0.8089	63	\$12,780,400	0.7659
Above 660	59	\$10,777,100	0.7333	0.7833	33	\$7,288,400	0.6518
Equal/Below 660	44	\$7,918,900	0.8336	0.8436	30	\$5,492,000	0.8914
Not Provided	61	\$13,710,700	0.7123	0.7318	65	\$11,021,400	0.7377
Above 660	32	\$7,638,200	0.5990	0.6468	40	\$6,839,000	0.6650
Equal/Below 660	29	\$6,072,400	0.8373	0.8388	25	\$4,182,400	0.8540
PRIMELENDING ASSETS	74	\$12,611,900	0.8179	0.8342	48	\$11,167,200	0.8275
All Other	44	\$7,072,400	0.8147	0.8536	37	\$8,618,000	0.8441
Above 660	11	\$2,375,700	0.8396	0.8472	15	\$4,163,400	0.8197
Equal/Below 660	33	\$4,696,700	0.8064	0.8569	22	\$4,454,600	0.8607
Minority	22	\$3,953,000	0.8355	0.8097	6	\$1,157,500	0.8101
Above 660	4	\$734,700	0.8078	0.8261	2	\$306,500	0.7656
Equal/Below 660	18	\$3,218,400	0.8417	0.8059	4	\$851,000	0.8323
Not Provided	8	\$1,586,500	0.7874	0.8091	5	\$1,391,700	0.7263
Above 660	3	\$696,400	0.8793	0.9055	3	\$1,166,200	0.8024
Equal/Below 660	5	\$890,000	0.7322	0.7337	2	\$225,400	0.6121

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

\*All year-end principal balances are rounded. \*\*As corrected.

# PRIMELENDING

	2021 LOAN MODIFICATIONS				2020 LOAN MODIFICATIONS			
Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV
0.77	503	\$91,638,000	0.79	0.82	411	\$69,850,100	0.7649	0.8045
0.77	337	\$60,142,900	0.77	0.80	252	\$40,083,500	0.7296	0.7716
0.70	197	\$37,103,100	0.68	0.73	161	\$25,725,400	0.6539	0.7121
0.88	140	\$23,039,800	0.90	0.91	91	\$14,358,000	0.8635	0.8783
0.82	88	\$16,952,600	0.85	0.89	83	\$16,426,600	0.8551	0.8930
0.74	42	\$7,360,000	0.80	0.85	38	\$6,654,900	0.8326	0.8641
0.91	46	\$9,592,600	0.89	0.92	45	\$9,771,700	0.8741	0.9127
0.77	78	\$14,542,500	0.80	0.82	76	\$13,340,000	0.7856	0.7999
0.71	43	\$8,156,200	0.72	0.75	44	\$8,379,200	0.7356	0.7591
0.87	35	\$6,386,300	0.90	0.92	32	\$4,960,800	0.8519	0.8618
0.84	92	\$15,637,600	0.94	0.98	84	\$13,914,100	0.9596	0.9839
0.86	53	\$8,143,900	0.94	0.98	41	\$5,972,100	0.9731	0.9831
0.83	25	\$3,644,100	0.94	0.97	13	\$1,954,600	1.0010	1.0123
0.88	28	\$4,499,800	0.94	0.99	28	\$4,017,500	0.9602	0.9689
0.81	25	\$5,208,700	0.97	0.97	23	\$3,842,400	0.9404	0.9399
0.80	11	\$2,741,000	0.98	0.98	9	\$1,295,500	0.9252	0.9297
0.81	14	\$2,467,700	0.96	0.96	14	\$2,546,900	0.9501	0.9450
0.79	14	\$2,284,900	0.91	1.01	20	\$4,099,700	0.9564	1.0225
0.81	4	\$716,000	0.82	0.85	4	\$1,194,600	0.7981	0.7939
0.68	10	\$1,568,900	0.95	1.08	16	\$2,905,000	0.9785	1.0848

# PRIMELENDING

- 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

	2023 FORECLOSURES				2023 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	6	\$844,200	0.6320	0.7283	-	-	-	-
All Other	5	\$803,900	0.5906	0.7227	-	-	-	-
Above 660	3	\$715,600	0.7227	0.7151	-	-	-	-
Equal/Below 660	2	\$88,300	0.3925	0.7850				
Minority	1	\$40,300	0.8386	0.8386				
Above 660	1	\$40,300	0.8386	0.8386				
PrimeLending Assets	20	\$1,130,100	0.2845	0.9426	1	-	-	-
All Other	15	\$408,600	0.1877	0.9383	1	-	-	-
Above 660	9	\$132,000	0.1033	0.9297	-	-	-	-
Equal/Below 660	6	\$276,600	0.3142	0.9423	1	-	-	-
Minority	3	\$519,700	0.6316	0.9318	-	-	-	-
Above 660	2	\$422,500	0.4612	0.9224	-	-	-	-
Equal/Below 660	1	\$97,200	0.9724	0.9724				
Not Provided	2	\$201,800	0.4897	0.9794				
Above 660	1	-	-	-				
Equal/Below 660	1	\$201,800	0.9794	0.9794				

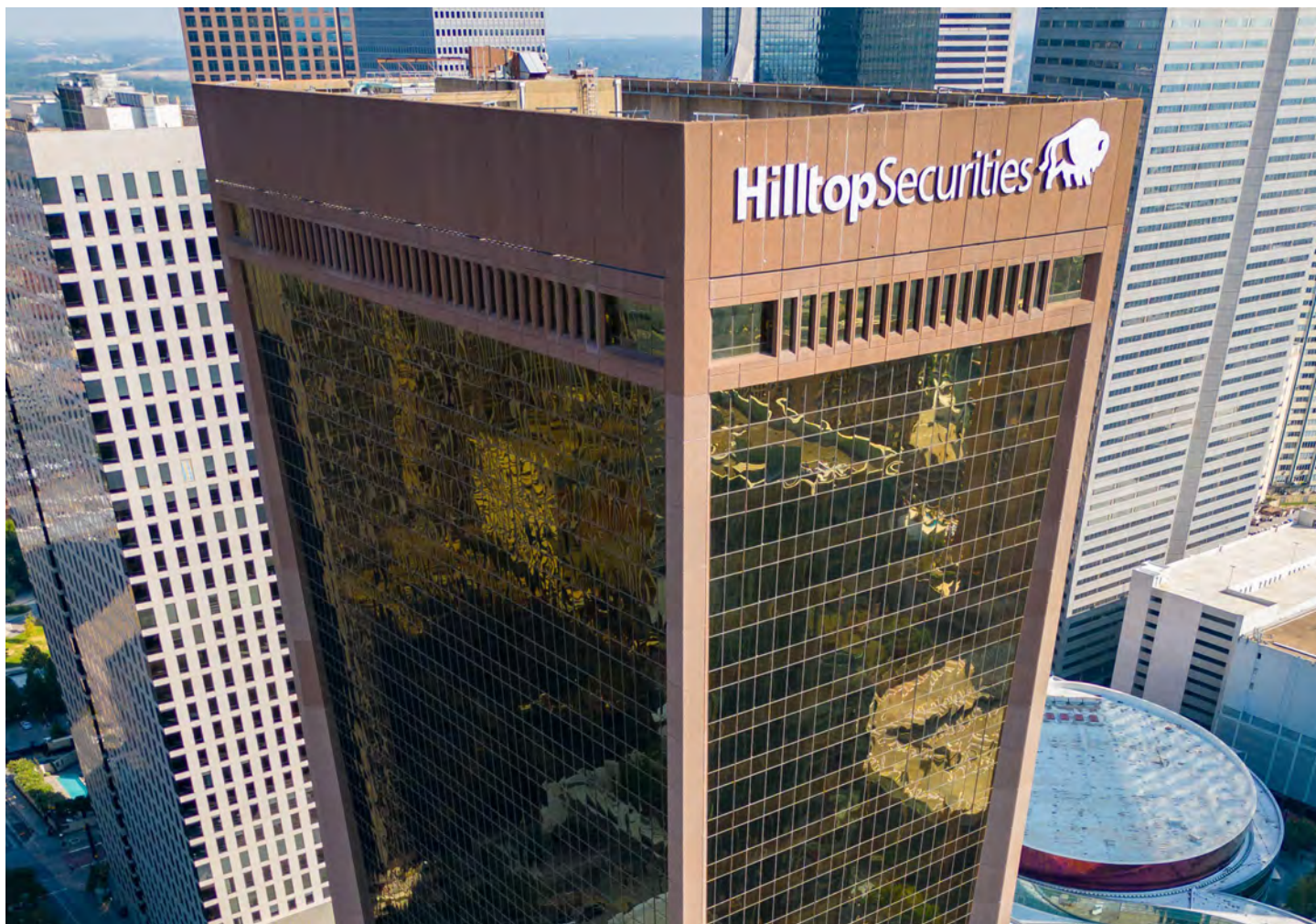
	2022 FORECLOSURES				2022 SHORT SALES/DIL			
Diversity by FICO Score	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV	Number of Loans	Total Principal Balances*	Average LTV	Weighted LTV
MSRs	-	-	-	-	-	-	-	-
Not Provided	-	-	-	-	-	-	-	-
Above 660	-	-	-	-	-	-	-	-
PRIMELENDING ASSETS	26	\$2,939,700	0.6190	0.9036	2	-	-	-
All Other	21	\$2,534,700	0.6687	0.8886	1	-	-	-
Above 660	10	\$1,236,800	0.5741	0.8886	-	-	-	-
Equal/Below 660	11	\$1,297,900	0.7546	0.8798	1	-	-	-
Minority	2	\$405,000	1.0264	1.0254	1	-	-	-
Equal/Below 660	2	\$405,000	1.0264	1.0254	-	-	-	-
NOT PROVIDED	3	-	-	-	-	-	-	-

\*As 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	-	-	-	-	-	-	-
Not Provided	1	-	-	-	-	-	-	-
Above 660	1	-	-	-	-	-	-	-
PRIMELENDING ASSETS	17	\$863,400	0.35	0.84	6	-	-	-
All Other	15	\$698,100	0.34	0.91	6	-	-	-
Above 660	6	\$30,300	0.09	0.53	1	-	-	-
Equal/Below 660	9	\$667,900	0.51	0.93	5	-	-	-
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
Equal/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
Equal/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
Equal/Below 660	-	-	-	-	1	\$219,400	0.8776	0.8776

\*As rounded.



### HILLTOPSECURITIES

HilltopSecurities met the challenges of 2023 with success, securing profits in trading and wealth management and financial advisory services.

HilltopSecurities continues to offer valuable financial advisory and municipal bond underwriting services to local authorities and agencies across the US. Our municipal team is equipped with the knowledge to assist municipalities with infrastructure, schools, and other areas of developments and opportunities across the United States.

As a secondary market maker partner, HilltopSecurities is dedicated to providing liquidity for both tax exempt and taxable municipal securities. HilltopSecurities employees are required to avoid conflicts of interest and exercise the requisite duty of care in all advisory, investments and all trading activities.

HilltopSecurities has a responsibility to its employees, customers, shareholders, and communities to conduct business

with the highest standards of honesty, integrity, governance, and care. Areas of particular focus include, but are not limited to, corporate governance; financial management; risk management; regulatory compliance; and employee safety.

### SUPPORTING EDUCATION

On Oct. 5, 2023, World Teachers' Day, HilltopSecurities launched its third annual virtual Hilltop Hunt, providing Texas K-12 educators with the chance to win a share of \$50,000 in prizes.

"Since beginning the Hilltop Hunt in 2021, HilltopSecurities has awarded more than \$125,000 to education foundations and other teacher support organizations in school districts throughout Texas," said HilltopSecurities President and CEO Brad Wings. "We're excited to continue this tradition in 2023 as part of our commitment to supporting education and the teachers who work so tirelessly to positively impact the lives of their students."

## FINANCIAL ADVISORY SERVICES

In year 2023, HilltopSecurities continued to offer valuable financial advisory and municipal bond underwriting services to local authorities and agencies across the U.S. Our advisory team provides informative financial guidance to school districts, municipalities and other government agencies to meet their financing needs for infrastructure, schools, and other areas of developments and opportunities.

Type of Financial Advisory Service	2023			2022			2021			2020		
Type of Financial Service	States	Deals	\$ (Millions)	States	Deals	\$ (Millions)	States	Deals	\$ (Millions)	States	Deals	\$ (Millions)
Financial Advisory Services to US Municipalities	20	541	\$20,348.25	17	613	\$21,525.98	26	736	\$28,715.27	24	849	\$28,082.30
Co-Financial Advisor	6	25	\$3,991.10	5	26	\$4,947.91	7	41	\$6,249.81	10	54	\$9,097.12
Financial Advisory on Private Placements	10	101	\$2,624.08	12	140	\$4,042.48	3	9	\$525.62	5	25	\$361.21

Type of Underwriting Service	2023 \$ (Millions)	2022 \$ (Millions)	2021 \$ (Millions)	2020 \$ (Millions)
Sole/Senior Underwriter	\$3,825.00	\$3,859.22	\$5,380.84	\$3,166.48
Co-Manager Underwriter	\$14,384.05	\$3,241.96	\$8,920.98	\$8,660.52
Placement Agent Underwriter	\$267.02	\$473.75	\$967.86	\$273.41

Public Finance Revenue	2023 \$ (Millions)	2022 \$ (Millions)	2021 \$ (Millions)	2020 \$ (Millions)
Financial Advisory Revenue	\$53.2	\$58.9	\$63.5	\$59.2
Underwriting Revenue	\$17.5	\$12.2	\$29.9	\$18.9
<b>Total Public Banking Revenue</b>	<b>\$70.7</b>	<b>\$71.1</b>	<b>\$93.4</b>	<b>\$78.1</b>
Government Investment Pools	\$8.2	\$6.1	\$6.1	\$6.3
Treasury Management	\$3.8	\$3.2	\$2.6	\$2.4
Swap Advisory	\$1.5	\$1.1	\$1.7	\$2.7
Continuing Disclosure	\$2.4	\$2.3	\$2.4	\$2.3
Arbitrage Rebate	\$4.1	\$4.5	\$3.7	\$3.5
<b>Total Spoke Revenue</b>	<b>\$20.0</b>	<b>\$17.2</b>	<b>\$16.6</b>	<b>\$17.2</b>
Total Other/Misc. Revenue Adjustments	-	-	-	(\$1.0)
<b>Total Public Finance Revenue</b>	<b>\$90.7</b>	<b>\$88.2</b>	<b>\$110.0</b>	<b>\$95.2</b>

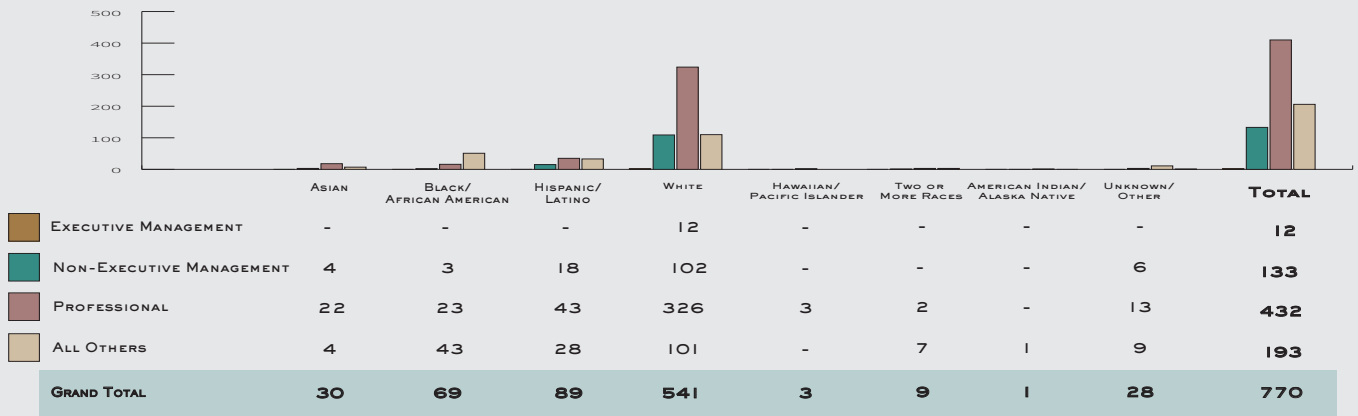


Our public finance business improved over the prior year but reflected a 4.7% decline from our base year.

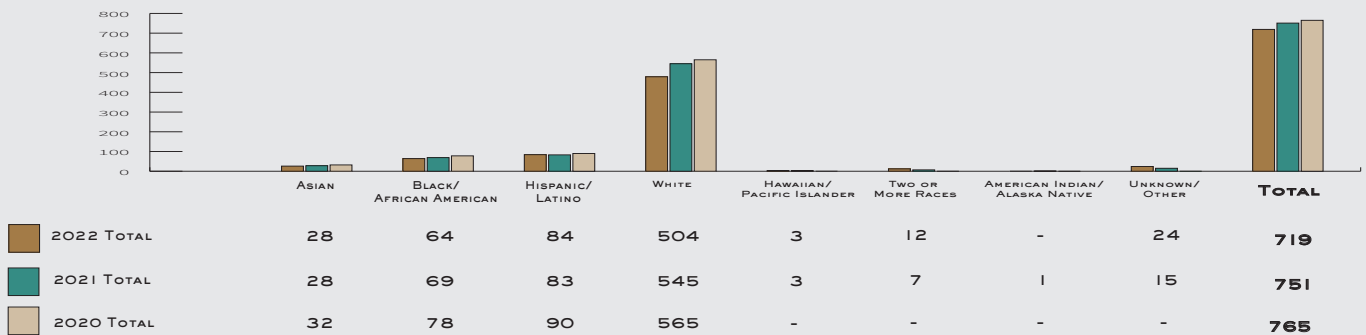
## DEMOGRAPHICS

HilltopSecurities maintains a diverse workforce across its functional areas. Its workforce is comprised of licensed professionals dedicated to providing specialized investment knowledge, skills, and expertise to facilitate the needs and goals of its clients. HilltopSecurities is a leading municipal investment bank that services public entities, communities, businesses, and individuals across the U.S. HilltopSecurities' policies and practices mandate that employees must avoid conflicts of interests.

### 2023 Employee Counts by Ethnicity by Category



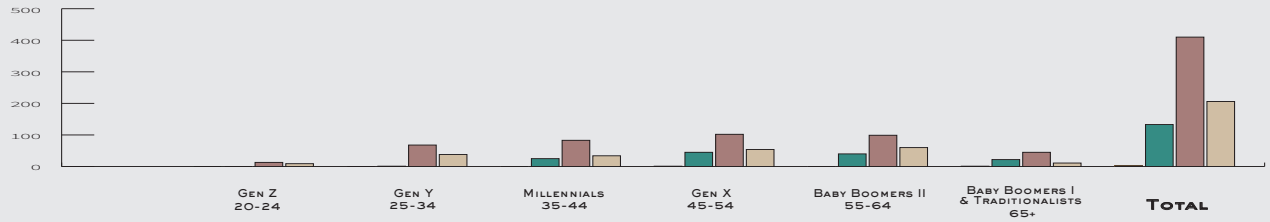
### 2022-2020 Employee Counts by Ethnicity



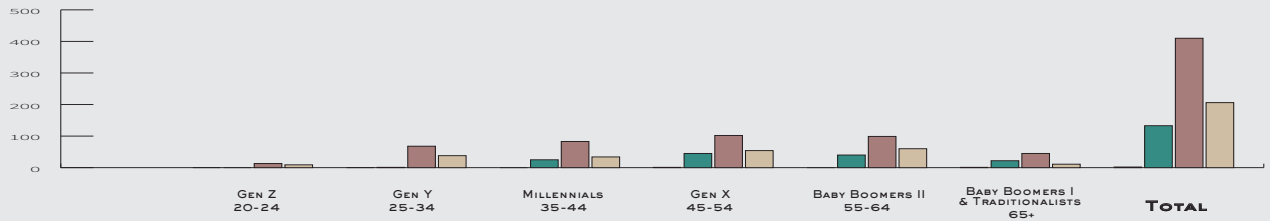
### 2023-2020 Employee Count by Gender by Category

	2023			2022			2021			2020		
	Female	Male	Total	Female	Male	Total	Female	Male	Total	Female	Male	Total
Executive Mgmt	2	10	12	-	2	2	2	11	13	1	6	7
Non-Executive Mgmt	51	82	133	52	84	136	42	80	122	55	75	130
Professional	119	313	432	104	281	385	112	298	410	111	300	411
All Others	146	47	193	149	47	196	158	48	206	165	52	217
<b>TOTAL</b>	<b>318</b>	<b>452</b>	<b>770</b>	<b>305</b>	<b>414</b>	<b>719</b>	<b>314</b>	<b>437</b>	<b>751</b>	<b>332</b>	<b>433</b>	<b>765</b>

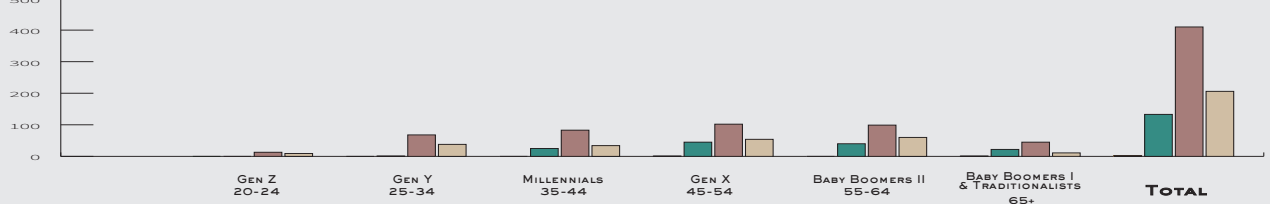
## 2023 Employee Counts by Generation by Category



## 2022 Employee Counts by Generation by Category



## 2021 Employee Counts by Generation by Category



## SECURITIZED BONDS

HilltopSecurities continued its program to provide various state housing financing agencies with down payment assistance financing programs for qualified home buyers. We experienced favorable activity during the 2023 year over the prior year, despite the challenged mortgage climate.

Securitized Bonds				
	2023 \$ (Millions)	2022 \$ (Millions)	2021 \$ (Millions)	2020 \$ (Millions)
Total	\$5,906	\$4,488	\$8,149	\$7,965

## TRADING ACTIVITIES

HilltopSecurities trading activities were relatively constant in volume during 2023.

Secondary Market Trading Activity			
	Principal Traded \$ (Millions)	Number of Tickets Traded	Number of Issuers Traded
2023	\$18,679	84,508	6,017
2022	\$27,009	88,019	5,973
2021	\$28,055	54,631	5,431
2020	\$17,156	40,741	4,445

## HILLTOPSECURITIES 2023 ACCOLADES

- #1 Municipal Bond Advisor in the Southwest
- #2 Municipal Advisor in the nation based on total number of issues
- #3 Municipal Advisor in the nation based on par amount
- 5 Municipal Finance Professionals Elected to Smith's 2023 Municipal Analysts All-Star Team
- Financial Advisor on The Bond Buyer's 2023 Southeast Region Deal of the Year
- #6 Competitive Underwriting in November 2023 by Bloomberg

