



## Hilltop Holdings Inc. Announces Financial Results for First Quarter 2025

2025-04-24

DALLAS--(BUSINESS WIRE)-- Hilltop Holdings Inc. (NYSE: HTH) (“Hilltop”) today announced financial results for the first quarter of 2025. Hilltop produced income to common stockholders of \$42.1 million, or \$0.65 per diluted share, for the first quarter of 2025, compared to \$27.7 million, or \$0.42 per diluted share, for the first quarter of 2024. Hilltop’s financial results for the first quarter, compared with the same period in 2024, primarily included a significant preliminary gain associated with the sale of operations by a merchant bank equity investment within corporate, a significant increase in the provision for credit losses and a decrease in noninterest expenses within the banking segment, net revenues decreased and noninterest expenses increased within the broker-dealer segment, and the mortgage origination segment had a slight increase in noninterest income and declines in net interest expense and noninterest expense.

Hilltop also announced that its Board of Directors declared a quarterly cash dividend of \$0.18 per common share payable on May 22, 2025, to all common stockholders of record as of the close of business on May 8, 2025. Additionally, during the first quarter of 2025, Hilltop paid \$33.3 million to repurchase an aggregate of 1,046,540 shares of its common stock at an average price of \$31.80 per share pursuant to the 2025 stock repurchase program. These shares were returned to the pool of authorized but unissued shares of common stock.

The extent of the impact of uncertain economic conditions on our financial performance during the remainder of 2025 will depend in part on developments outside of our control, including, among others, the timing and significance of further changes in U.S. Treasury yields and mortgage interest rates, changes in funding costs, inflationary pressures, changes in the political environment, the impact of tariffs and reciprocal tariffs, and international armed conflicts and their impact on supply chains.

Jeremy B. Ford, President and CEO of Hilltop, said, “Hilltop delivered strong consolidated financial results during the first quarter, supported by a gain from our merchant banking business, despite a challenging operating environment. At PlainsCapital Bank, net interest income and net interest margin remained resilient, however the Bank’s pre-tax income was negatively impacted by a \$9.4 million provision for credit losses. Further, a challenging home buying environment continued to pressure PrimeLending’s operating results during the seasonally slow first quarter. HilltopSecurities faced headwinds within its Fixed Income Services line of business which contributed to a pre-tax margin of 8.5% at the broker-dealer.”

## First Quarter 2025 Highlights for Hilltop:

- The provision for credit losses was \$9.3 million during the first quarter of 2025, compared to a reversal of credit losses of \$5.9 million in the fourth quarter of 2024 and a reversal of credit losses of \$2.9 million in the first quarter of 2024;
  - The provision for credit losses during the first quarter of 2025 was primarily driven by a build in the allowance related to loan portfolio changes and specific reserves, including changes in loan mix and risk rating grade migration, partially offset by net charge-offs and changes in the U.S. economic outlook associated with collectively evaluated loans within the banking segment since the prior quarter.
- Noninterest income for the first quarter of 2025 included a preliminary pre-tax gain of \$30.5 million (\$23.6 net of tax) associated with the sale of operations by a merchant bank equity investment;
  - The preliminary gain is subject to change given customary post-closing adjustments, changes in the market value of the stock consideration included in transaction given certain restrictions, and liquidation of the investment vehicle.
- For the first quarter of 2025, net gains from sale of loans and other mortgage production income and mortgage loan origination fees was \$67.7 million, compared to \$66.6 million in the first quarter of 2024, a 1.6% increase;
  - Mortgage loan origination production volume was \$1.7 billion during both the first quarter of 2025 and the first quarter of 2024;
  - Net gains from mortgage loans sold to third parties, including broker fee income, increased to 232 basis points during the first quarter of 2025, compared to 226 basis points in the fourth quarter of 2024.
- Hilltop's consolidated annualized return on average assets and return on average stockholders' equity for the first quarter of 2025 were 1.13% and 7.82%, respectively, compared to 0.74% and 5.23%, respectively, for the first quarter of 2024;
- Hilltop's book value per common share increased to \$34.29 at March 31, 2025, compared to \$33.71 at December 31, 2024;
- Hilltop's total assets were \$15.8 billion and \$16.3 billion at March 31, 2025 and December 31, 2024, respectively;
- Loans<sup>1</sup>, net of allowance for credit losses, were \$7.5 billion at both March 31, 2025 and December 31, 2024, respectively;
- Non-accrual loans were \$81.5 million, or 0.93% of total loans, at March 31, 2025, compared to \$88.1 million, or 1.00% of total loans, at December 31, 2024;
- Loans held for sale decreased by 4.7% from December 31, 2024 to \$818.3 million at March 31, 2025;
- Total deposits were \$10.8 billion and \$11.1 billion at March 31, 2025 and December 31, 2024, respectively;
  - Total estimated uninsured deposits were \$5.6 billion, or approximately 52% of total deposits, while estimated uninsured deposits, excluding collateralized deposits of \$371.5 million and internal accounts of \$485.8 million, were \$4.8 billion, or approximately 44% of total deposits, at March 31, 2025.
- Hilltop maintained strong capital levels with a Tier 1 Leverage Ratio<sup>2</sup> of 12.86% and a Common Equity Tier 1 Capital Ratio of 21.29% at March 31, 2025;

- Hilltop’s consolidated net interest margin<sup>3</sup> increased to 2.84% for the first quarter of 2025, compared to 2.72% in the fourth quarter of 2024;
- For the first quarter of 2025, noninterest income was \$213.3 million, compared to \$181.6 million in the first quarter of 2024, a 17.5% increase;
- For the first quarter of 2025, noninterest expense was \$251.5 million, compared to \$250.0 million in the first quarter of 2024, a 0.6% increase; and
- Hilltop’s effective tax rate was 22.7% during the first quarter of 2025, compared to 22.5% during the same period in 2024.
  - The effective tax rate for the first quarter of 2025 was higher than the applicable statutory rate primarily due to the impact of nondeductible expenses, nondeductible compensation expense and other permanent adjustments, partially offset by investments in tax-exempt instruments.

<sup>1</sup> “Loans” reflect loans held for investment excluding broker-dealer margin loans, net of allowance for credit losses, of \$324.2 million and \$363.7 million at March 31, 2025 and December 31, 2024, respectively.

<sup>2</sup> Based on the end of period Tier 1 capital divided by total average assets during the quarter, excluding goodwill and intangible assets.

<sup>3</sup> Net interest margin is defined as net interest income divided by average interest-earning assets.

## **Consolidated Financial and Other Information**

| <b>Consolidated Balance Sheets<br/>(in 000's)</b>       | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> | <b>September 30,<br/>2024</b> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> |
|---|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| Cash and due from banks                                 | \$ 1,702,623              | \$ 2,298,977                 | \$ 1,961,627                  | \$ 798,300               | \$ 1,710,066              |
| Federal funds sold                                      | 650                       | 650                          | 3,650                         | 5,650                    | 650                       |
| Assets segregated for regulatory purposes               | 88,451                    | 70,963                       | 55,628                        | 51,046                   | 70,717                    |
| Securities purchased under agreements to resell         | 99,099                    | 88,728                       | 81,766                        | 111,914                  | 91,608                    |
| Securities:   |                           |                              |                               |                          |                           |
| Trading, at fair value                                  | 647,158                   | 524,916                      | 540,836                       | 721,384                  | 657,700                   |
| Available for sale, at fair value, net <sup>(1)</sup>   | 1,405,170                 | 1,396,549                    | 1,405,700                     | 1,433,107                | 1,480,555                 |
| Held to maturity, at amortized cost, net <sup>(1)</sup> | 762,369                   | 737,899                      | 754,824                       | 777,456                  | 790,550                   |
| Equity, at fair value                                   | 286                       | 297                          | 287                           | 254                      | 315                       |
|   | <u>2,814,983</u>          | <u>2,659,661</u>             | <u>2,701,647</u>              | <u>2,932,201</u>         | <u>2,929,120</u>          |
| Loans held for sale                                     | 818,328                   | 858,665                      | 933,724                       | 1,264,437                | 842,324                   |
| Loans held for investment, net of unearned income       | 7,966,777                 | 7,950,551                    | 7,979,630                     | 8,173,520                | 8,062,693                 |
| Allowance for credit losses                             | (106,197)                 | (101,116)                    | (110,918)                     | (115,082)                | (104,231)                 |
| Loans held for investment, net                          | <u>7,860,580</u>          | <u>7,849,435</u>             | <u>7,868,712</u>              | <u>8,058,438</u>         | <u>7,958,462</u>          |
| Broker-dealer and clearing organization receivables     | 1,450,077                 | 1,452,366                    | 1,220,784                     | 1,297,175                | 1,473,561                 |
| Premises and equipment, net                             | 143,957                   | 148,245                      | 157,803                       | 161,746                  | 165,557                   |
| Operating lease right-of-use assets                     | 93,451                    | 90,563                       | 92,041                        | 93,994                   | 95,343                    |
| Mortgage servicing assets                               | 6,903                     | 5,723                        | 45,742                        | 52,902                   | 95,591                    |
| Other assets  | 459,774                   | 470,073                      | 528,839                       | 517,811                  | 501,244                   |
| Goodwill  | 267,447                   | 267,447                      | 267,447                       | 267,447                  | 267,447                   |
| Other intangible assets, net                            | 6,376                     | 6,633                        | 6,995                         | 7,429                    | 7,943                     |
| Total assets  | <u>\$ 15,812,699</u>      | <u>\$ 16,268,129</u>         | <u>\$ 15,926,405</u>          | <u>\$ 15,620,490</u>     | <u>\$ 16,209,633</u>      |
| Deposits:   |                           |                              |                               |                          |                           |
| Noninterest-bearing                                     | \$ 2,859,828              | \$ 2,768,707                 | \$ 2,831,539                  | \$ 2,845,441             | \$ 3,028,543              |
| Interest-bearing  | 7,972,138                 | 8,296,615                    | 7,959,908                     | 7,528,415                | 7,855,553                 |
| Total deposits  | <u>10,831,966</u>         | <u>11,065,322</u>            | <u>10,791,447</u>             | <u>10,373,856</u>        | <u>10,884,096</u>         |
| Broker-dealer and clearing organization payables        | 1,446,886                 | 1,331,902                    | 1,110,373                     | 1,285,226                | 1,436,462                 |
| Short-term borrowings                                   | 705,008                   | 834,023                      | 914,645                       | 897,613                  | 892,574                   |
| Securities sold, not yet purchased, at fair value       | 63,171                    | 57,234                       | 47,773                        | 75,546                   | 60,562                    |
| Notes payable   | 198,043                   | 347,667                      | 347,533                       | 347,402                  | 347,273                   |
| Operating lease liabilities                             | 110,815                   | 109,103                      | 110,799                       | 113,096                  | 114,518                   |
| Other liabilities                                       | 227,988                   | 304,566                      | 397,976                       | 365,140                  | 314,718                   |
| Total liabilities                                       | <u>13,583,877</u>         | <u>14,049,817</u>            | <u>13,720,546</u>             | <u>13,457,879</u>        | <u>14,050,203</u>         |
| Common stock  | 642                       | 650                          | 650                           | 650                      | 653                       |
| Additional paid-in capital                              | 1,037,138                 | 1,052,219                    | 1,050,497                     | 1,047,523                | 1,049,831                 |
| Accumulated other comprehensive loss                    | (100,654)                 | (111,497)                    | (98,168)                      | (119,171)                | (119,606)                 |
| Retained earnings                                       | 1,262,586                 | 1,248,593                    | 1,224,117                     | 1,205,467                | 1,201,013                 |
| Deferred compensation employee stock trust, net         | —                         | —                            | —                             | 1                        | 115                       |
| Employee stock trust                                    | —                         | —                            | —                             | (1)                      | (142)                     |
| Total Hilltop stockholders' equity                      | <u>2,199,712</u>          | <u>2,189,965</u>             | <u>2,177,096</u>              | <u>2,134,469</u>         | <u>2,131,864</u>          |
| Noncontrolling interests                                | 29,110                    | 28,347                       | 28,763                        | 28,142                   | 27,566                    |
| Total stockholders' equity                              | <u>2,228,822</u>          | <u>2,218,312</u>             | <u>2,205,859</u>              | <u>2,162,611</u>         | <u>2,159,430</u>          |
| Total liabilities & stockholders' equity                | <u>\$ 15,812,699</u>      | <u>\$ 16,268,129</u>         | <u>\$ 15,926,405</u>          | <u>\$ 15,620,490</u>     | <u>\$ 16,209,633</u>      |

(1) At March 31, 2025, the amortized cost of the available for sale securities portfolio was \$1,492,604, while the fair value of the held to maturity securities portfolio was \$687,469.

| Consolidated Income Statements<br>(in 000's, except per share data)            | Three Months Ended |                      |                       |                  |                   |
|--|--------------------|----------------------|-----------------------|------------------|-------------------|
|  | March 31,<br>2025  | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 |
| <b>Interest income:</b>  |                    |                      |                       |                  |                   |
| Loans, including fees  | \$ 124,692         | \$ 131,726           | \$ 139,821            | \$ 138,627       | \$ 134,331        |
| Securities borrowed  | 15,809             | 17,492               | 19,426                | 20,306           | 20,561            |
| <b>Securities:</b>   |                    |                      |                       |                  |                   |
| Taxable  | 24,782             | 29,212               | 26,265                | 25,289           | 26,241            |
| Tax-exempt   | 2,613              | 2,944                | 2,438                 | 2,389            | 2,415             |
| Other  | 24,903             | 27,216               | 23,092                | 20,532           | 26,066            |
| <b>Total interest income</b>   | <b>192,799</b>     | <b>208,590</b>       | <b>211,042</b>        | <b>207,143</b>   | <b>209,614</b>    |
| <b>Interest expense:</b>   |                    |                      |                       |                  |                   |
| Deposits   | 60,051             | 67,411               | 70,641                | 68,095           | 69,144            |
| Securities loaned  | 14,736             | 16,407               | 18,499                | 18,669           | 19,039            |
| Short-term borrowings  | 8,103              | 10,992               | 10,878                | 10,676           | 11,588            |
| Notes payable  | 3,653              | 3,910                | 3,555                 | 3,604            | 3,590             |
| Other  | 1,139              | 4,386                | 2,426                 | 2,449            | 2,632             |
| <b>Total interest expense</b>  | <b>87,682</b>      | <b>103,106</b>       | <b>105,999</b>        | <b>103,493</b>   | <b>105,993</b>    |
| <b>Net interest income</b>   | <b>105,117</b>     | <b>105,484</b>       | <b>105,043</b>        | <b>103,650</b>   | <b>103,621</b>    |
| Provision for (reversal of) credit losses                                      | 9,338              | (5,852)              | (1,270)               | 10,934           | (2,871)           |
| <b>Net interest income after provision for<br/>(reversal of) credit losses</b> | <b>95,779</b>      | <b>111,336</b>       | <b>106,313</b>        | <b>92,716</b>    | <b>106,492</b>    |
| <b>Noninterest income:</b>   |                    |                      |                       |                  |                   |
| Net gains from sale of loans and other<br>mortgage production income           | 45,281             | 43,553               | 47,816                | 58,455           | 40,197            |
| Mortgage loan origination fees   | 22,451             | 30,111               | 32,119                | 34,398           | 26,438            |
| Securities commissions and fees  | 33,728             | 35,338               | 30,434                | 29,510           | 30,373            |
| Investment and securities advisory fees<br>and commissions                     | 36,628             | 37,514               | 42,220                | 32,992           | 30,226            |
| Other  | 75,252             | 49,074               | 47,854                | 37,950           | 54,384            |
| <b>Total noninterest income</b>  | <b>213,340</b>     | <b>195,590</b>       | <b>200,443</b>        | <b>193,305</b>   | <b>181,618</b>    |
| <b>Noninterest expense:</b>  |                    |                      |                       |                  |                   |
| Employees' compensation and benefits   | 176,240            | 173,334              | 177,987               | 169,998          | 165,830           |
| Occupancy and equipment, net   | 19,782             | 25,707               | 22,317                | 21,297           | 21,912            |
| Professional services  | 4,114              | 12,791               | 11,645                | 10,270           | 9,731             |
| Other  | 51,337             | 50,925               | 52,363                | 54,899           | 52,550            |
| <b>Total noninterest expense</b>   | <b>251,473</b>     | <b>262,757</b>       | <b>264,312</b>        | <b>256,464</b>   | <b>250,023</b>    |
| <b>Income before income taxes</b>  | <b>57,646</b>      | <b>44,169</b>        | <b>42,444</b>         | <b>29,557</b>    | <b>38,087</b>     |
| Income tax expense   | 13,114             | 6,285                | 9,539                 | 6,658            | 8,565             |
| <b>Net income</b>  | <b>44,532</b>      | <b>37,884</b>        | <b>32,905</b>         | <b>22,899</b>    | <b>29,522</b>     |
| Less: Net income attributable to<br>noncontrolling interest                    | 2,416              | 2,365                | 3,212                 | 2,566            | 1,854             |
| <b>Income attributable to Hilltop</b>  | <b>\$ 42,116</b>   | <b>\$ 35,519</b>     | <b>\$ 29,693</b>      | <b>\$ 20,333</b> | <b>\$ 27,668</b>  |
| <b>Earnings per common share:</b>  |                    |                      |                       |                  |                   |
| Basic  | \$ 0.65            | \$ 0.55              | \$ 0.46               | \$ 0.31          | \$ 0.42           |
| Diluted  | \$ 0.65            | \$ 0.55              | \$ 0.46               | \$ 0.31          | \$ 0.42           |
| <b>Cash dividends declared per common share</b>                                | <b>\$ 0.18</b>     | <b>\$ 0.17</b>       | <b>\$ 0.17</b>        | <b>\$ 0.17</b>   | <b>\$ 0.17</b>    |
| <b>Weighted average shares outstanding:</b>                                    |                    |                      |                       |                  |                   |
| Basic  | 64,613             | 64,935               | 64,928                | 65,085           | 65,200            |
| Diluted  | 64,615             | 64,943               | 64,946                | 65,086           | 65,214            |

| Segment Results<br>(in 000's)                | Three Months Ended March 31, 2025 |               |                         |           |                               |                         |
|--|-----------------------------------|---------------|-------------------------|-----------|-------------------------------|-------------------------|
|  | Banking                           | Broker-Dealer | Mortgage<br>Origination | Corporate | All Other and<br>Eliminations | Hilltop<br>Consolidated |
| Net interest income<br>(expense)             | \$ 90,550                         | \$ 11,568     | \$ (1,397)              | \$ (869)  | \$ 5,265                      | \$ 105,117              |
| Provision for (reversal of)<br>credit losses | 9,372                             | (34)          | —                       | —         | —                             | 9,338                   |
| Noninterest income                           | 10,810                            | 96,937        | 67,775                  | 43,379    | (5,561)                       | 213,340                 |
| Noninterest expense                          | 51,930                            | 99,323        | 74,660                  | 25,891    | (331)                         | 251,473                 |
| Income (loss) before<br>taxes                | \$ 40,058                         | \$ 9,216      | \$ (8,282)              | \$ 16,619 | \$ 35                         | \$ 57,646               |

| Selected Financial Data                                   | Three Months Ended |                      |                       |                  |                   |
|---|--------------------|----------------------|-----------------------|------------------|-------------------|
|   | March 31,<br>2025  | December 31,<br>2024 | September 30,<br>2024 | June 30,<br>2024 | March 31,<br>2024 |
| <b>Hilltop Consolidated:</b>                              |                    |                      |                       |                  |                   |
| Return on average stockholders' equity                    | 7.82%              | 6.50%                | 5.51%                 | 3.84%            | 5.23%             |
| Return on average assets                                  | 1.13%              | 0.92%                | 0.84%                 | 0.59%            | 0.74%             |
| Net interest margin <sup>(1)</sup>                        | 2.84%              | 2.72%                | 2.84%                 | 2.90%            | 2.85%             |
| Net interest margin (taxable equivalent) <sup>(2)</sup> : |                    |                      |                       |                  |                   |
| As reported   | 2.86%              | 2.74%                | 2.85%                 | 2.92%            | 2.87%             |
| Impact of purchase accounting                             | 4 bps              | 3 bps                | 2 bps                 | 6 bps            | 4 bps             |
| Book value per common share (\$)                          | 34.29              | 33.71                | 33.51                 | 32.86            | 32.66             |
| Shares outstanding, end of period (000's)                 | 64,154             | 64,968               | 64,960                | 64,953           | 65,267            |
| Dividend payout ratio <sup>(3)</sup>                      | 27.62%             | 31.08%               | 37.17%                | 54.42%           | 40.06%            |
| <b>Banking Segment:</b>                                   |                    |                      |                       |                  |                   |
| Net interest margin <sup>(1)</sup>                        | 2.97%              | 2.98%                | 3.05%                 | 3.10%            | 3.00%             |
| Net interest margin (taxable equivalent) <sup>(2)</sup> : |                    |                      |                       |                  |                   |
| As reported   | 2.97%              | 2.99%                | 3.06%                 | 3.10%            | 3.00%             |
| Impact of purchase accounting                             | 3 bps              | 4 bps                | 3 bps                 | 7 bps            | 5 bps             |
| Accretion of discount on loans (\$000's)                  | 1,045              | 1,076                | 737                   | 1,945            | 1,299             |
| Net recoveries (charge-offs) (\$000's)                    | (4,257)            | (3,950)              | (2,894)               | (83)             | (4,311)           |
| Return on average assets                                  | 0.96%              | 1.24%                | 1.14%                 | 0.81%            | 1.20%             |
| Fee income ratio  | 10.7%              | 10.7%                | 10.3%                 | 9.1%             | 11.5%             |
| Efficiency ratio  | 51.2%              | 57.8%                | 55.2%                 | 57.0%            | 54.1%             |
| Employees' compensation and benefits (\$000's)            | 34,102             | 33,313               | 31,920                | 33,352           | 32,389            |
| <b>Broker-Dealer Segment:</b>                             |                    |                      |                       |                  |                   |
| Net revenue (\$000's) <sup>(4)</sup>                      | 108,505            | 126,367              | 124,258               | 104,271          | 116,847           |
| Employees' compensation and benefits (\$000's)            | 68,064             | 75,150               | 75,912                | 66,181           | 69,457            |
| Variable compensation expense (\$000's)                   | 33,283             | 42,484               | 42,569                | 32,734           | 35,274            |
| Compensation as a % of net revenue                        | 62.7%              | 59.5%                | 61.1%                 | 63.5%            | 59.4%             |
| Pre-tax margin <sup>(5)</sup>                             | 8.5%               | 16.1%                | 13.7%                 | 6.9%             | 16.2%             |
| <b>Mortgage Origination Segment:</b>                      |                    |                      |                       |                  |                   |
| Mortgage loan originations - volume (\$000's):            |                    |                      |                       |                  |                   |
| Home purchases  | 1,528,560          | 1,909,706            | 2,096,009             | 2,205,157        | 1,548,941         |
| Refinancings  | 213,781            | 343,400              | 211,454               | 174,141          | 127,545           |
| Total mortgage loan originations - volume                 | 1,742,341          | 2,253,106            | 2,307,463             | 2,379,298        | 1,676,486         |
| Mortgage loan sales - volume (\$000's)                    | 1,744,555          | 2,065,356            | 2,569,678             | 1,838,841        | 1,749,857         |
| Net gains from mortgage loan sales (basis points):        |                    |                      |                       |                  |                   |
| Loans sold to third parties                               | 222                | 217                  | 218                   | 223              | 216               |
| Broker fee income <sup>(6)</sup>                          | 10                 | 9                    | 6                     | 10               | 5                 |
| Impact of loans retained by banking segment               | (8)                | (5)                  | 0                     | (5)              | (5)               |
| As reported   | 224                | 221                  | 224                   | 228              | 216               |
| Mortgage servicing rights asset (\$000's) <sup>(7)</sup>  | 6,903              | 5,723                | 45,742                | 52,902           | 95,591            |
| Employees' compensation and benefits (\$000's)            | 53,339             | 56,402               | 60,573                | 61,624           | 52,694            |
| Variable compensation expense (\$000's)                   | 24,832             | 30,784               | 33,862                | 34,886           | 22,188            |

- (1) Net interest margin is defined as net interest income divided by average interest-earning assets.
- (2) Net interest margin (taxable equivalent), a non-GAAP measure, is defined as taxable equivalent net interest income divided by average interest-earning assets. Taxable equivalent adjustments are based on the applicable 21% federal income tax rate for all periods presented. The interest income earned on certain earning assets is completely or partially exempt from federal income tax. As such, these tax-exempt instruments typically yield lower returns than taxable investments. To provide more meaningful comparisons of net interest margins for all earning assets, we use net interest income on a taxable-equivalent basis in calculating net interest margin by increasing the interest income earned on tax-exempt assets to make it fully equivalent to interest income earned on taxable investments. The taxable equivalent adjustments to interest income for Hilltop (consolidated) were \$0.6 million, \$0.7 million, \$0.6 million, \$0.6 million and \$0.6 million, respectively, for the periods presented and for the banking segment were \$0.2 million, \$0.2 million, \$0.2 million, \$0.1 million and \$0.1 million, respectively, for the periods presented.
- (3) Dividend payout ratio is defined as cash dividends declared per common share divided by basic earnings per common share.
- (4) Net revenue is defined as the sum of total broker-dealer net interest income and total broker-dealer noninterest income.
- (5) Pre-tax margin is defined as income before income taxes divided by net revenue.
- (6) Broker fee income is earned by the mortgage origination segment for facilitating mortgage loan transactions between PrimeLending customers and third-party mortgage lenders when the requested loan products are not offered by PrimeLending.
- (7) Reported on a consolidated basis and therefore does not include mortgage servicing rights assets related to loans serviced for the banking segment, which are eliminated in consolidation.

| <b>Capital Ratios</b>  | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> | <b>September 30,<br/>2024</b> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> |
|--|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| <b>Tier 1 capital (to average assets):</b>                     |                           |                              |                               |                          |                           |
| PlainsCapital  | 10.22%                    | 9.99%                        | 10.34%                        | 11.36%                   | 11.00%                    |
| Hilltop  | 12.86%                    | 12.57%                       | 12.95%                        | 12.87%                   | 12.49%                    |
| <b>Common equity Tier 1 capital (to risk-weighted assets):</b> |                           |                              |                               |                          |                           |
| PlainsCapital  | 15.14%                    | 15.35%                       | 14.94%                        | 15.58%                   | 15.87%                    |
| Hilltop  | 21.29%                    | 21.23%                       | 20.48%                        | 19.45%                   | 19.73%                    |
| <b>Tier 1 capital (to risk-weighted assets):</b>               |                           |                              |                               |                          |                           |
| PlainsCapital  | 15.14%                    | 15.35%                       | 14.94%                        | 15.58%                   | 15.87%                    |
| Hilltop  | 21.29%                    | 21.23%                       | 20.48%                        | 19.45%                   | 19.73%                    |
| <b>Total capital (to risk-weighted assets):</b>                |                           |                              |                               |                          |                           |
| PlainsCapital  | 16.39%                    | 16.54%                       | 16.13%                        | 16.77%                   | 17.06%                    |
| Hilltop  | 24.59%                    | 24.40%                       | 23.68%                        | 22.57%                   | 22.79%                    |

| <b>Non-Performing Assets Portfolio Data</b>                                | <b>March 31,<br/>2025</b> | <b>December 31,<br/>2024</b> | <b>September 30,<br/>2024</b> | <b>June 30,<br/>2024</b> | <b>March 31,<br/>2024</b> |
|--|---------------------------|------------------------------|-------------------------------|--------------------------|---------------------------|
| Loans accounted for on a non-accrual basis (\$000's):                      |                           |                              |                               |                          |                           |
| Commercial real estate:  |                           |                              |                               |                          |                           |
| Non-owner occupied   | \$ 4,241                  | \$ 7,166                     | \$ 8,042                      | \$ 6,894                 | \$ 34,661                 |
| Owner occupied   | 6,535                     | 6,092                        | 2,410                         | 6,437                    | 4,846                     |
| Commercial and industrial  | 51,987                    | 59,025                       | 66,929                        | 80,755                   | 12,165                    |
| Construction and land development  | 3,256                     | 3,003                        | 2,682                         | 485                      | 698                       |
| 1-4 family residential   | 15,458                    | 12,863                       | 11,123                        | 11,092                   | 12,363                    |
| Consumer   | —                         | —                            | —                             | 1                        | 3                         |
| Broker-dealer  | —                         | —                            | —                             | —                        | —                         |
| Non-accrual loans (\$000's)  | \$ 81,477                 | \$ 88,149                    | \$ 91,186                     | \$ 105,664               | \$ 64,736                 |
| Non-accrual loans as a % of total loans                                    | 0.93%                     | 1.00%                        | 1.02%                         | 1.12%                    | 0.73%                     |
| Other real estate owned (\$000's)  | 7,682                     | 2,848                        | 2,744                         | 2,973                    | 5,254                     |
| Other repossessed assets (\$000's)   | —                         | 98                           | 413                           | 464                      | 472                       |
| Non-performing assets (\$000's)  | 89,159                    | 91,095                       | 94,343                        | 109,101                  | 70,462                    |
| Non-performing assets as a % of total assets                               | 0.56%                     | 0.56%                        | 0.59%                         | 0.70%                    | 0.43%                     |
| Loans past due 90 days or more and still accruing (\$000's) <sup>(1)</sup> | 24,145                    | 22,090                       | 140,763                       | 122,451                  | 112,799                   |

(1) Loans past due 90 days or more and still accruing were primarily comprised of loans held for sale and guaranteed by U.S. government agencies, including loans that are subject to repurchase, or have been repurchased, by PrimeLending.

| Net Interest Margin<br>(Taxable Equivalent)<br>Details <sup>(1)</sup>  | Three Months Ended March 31, |                    |                        |                        |                    |                        |
|--|------------------------------|--------------------|------------------------|------------------------|--------------------|------------------------|
|  | 2025                         |                    |                        | 2024                   |                    |                        |
|  | Average<br>Outstanding       | Interest<br>Earned | Annualized<br>Yield or | Average<br>Outstanding | Interest<br>Earned | Annualized<br>Yield or |
|  | Balance                      | or Paid            | Rate                   | Balance                | or Paid            | Rate                   |
| <b>Assets</b>  |                              |                    |                        |                        |                    |                        |
| Interest-earning assets  |                              |                    |                        |                        |                    |                        |
| Loans held for sale  | \$ 709,094                   | \$ 11,438          | 6.45%                  | \$ 802,098             | \$ 11,655          | 5.81%                  |
| Loans held for investment, gross <sup>(2)</sup>                        | 7,890,745                    | 113,254            | 5.82%                  | 7,835,647              | 122,676            | 6.28%                  |
| Investment securities - taxable  | 2,455,590                    | 24,782             | 4.04%                  | 2,619,081              | 26,241             | 4.01%                  |
| Investment securities - non-taxable <sup>(3)</sup>                     | 321,128                      | 3,253              | 4.05%                  | 293,420                | 2,992              | 4.08%                  |
| Federal funds sold and securities purchased under agreements to resell | 100,691                      | 1,820              | 7.33%                  | 94,108                 | 1,631              | 6.95%                  |
| Interest-bearing deposits in other financial institutions              | 2,037,462                    | 21,192             | 4.22%                  | 1,458,784              | 19,245             | 5.29%                  |
| Securities borrowed  | 1,390,797                    | 15,809             | 4.55%                  | 1,442,870              | 20,561             | 5.64%                  |
| Other  | 117,155                      | 1,891              | 6.55%                  | 39,885                 | 5,190              | 52.19%                 |
| Interest-earning assets, gross <sup>(3)</sup>                          | 15,022,662                   | 193,439            | 5.22%                  | 14,585,893             | 210,191            | 5.78%                  |
| Allowance for credit losses  | (100,704)                    |                    |                        | (110,583)              |                    |                        |
| Interest-earning assets, net   | 14,921,958                   |                    |                        | 14,475,310             |                    |                        |
| Noninterest-earning assets   | 1,012,700                    |                    |                        | 1,522,337              |                    |                        |
| <b>Total assets</b>  | <b>\$ 15,934,658</b>         |                    |                        | <b>\$ 15,997,647</b>   |                    |                        |
| <b>Liabilities and Stockholders' Equity</b>                            |                              |                    |                        |                        |                    |                        |
| Interest-bearing liabilities   |                              |                    |                        |                        |                    |                        |
| Interest-bearing deposits  | \$ 8,186,423                 | \$ 60,051          | 2.97%                  | \$ 7,748,633           | \$ 69,144          | 3.58%                  |
| Securities loaned  | 1,381,819                    | 14,736             | 4.33%                  | 1,401,975              | 19,039             | 5.45%                  |
| Notes payable and other borrowings                                     | 1,065,835                    | 12,895             | 4.91%                  | 1,327,889              | 17,810             | 5.38%                  |
| Total interest-bearing liabilities                                     | 10,634,077                   | 87,682             | 3.34%                  | 10,478,497             | 105,993            | 4.06%                  |
| Noninterest-bearing liabilities  |                              |                    |                        |                        |                    |                        |
| Noninterest-bearing deposits   | 2,696,247                    |                    |                        | 2,951,357              |                    |                        |
| Other liabilities  | 391,617                      |                    |                        | 420,355                |                    |                        |
| Total liabilities  | 13,721,941                   |                    |                        | 13,850,209             |                    |                        |
| Stockholders' equity   | 2,184,937                    |                    |                        | 2,120,494              |                    |                        |
| Noncontrolling interest  | 27,780                       |                    |                        | 26,944                 |                    |                        |
| <b>Total liabilities and stockholders' equity</b>                      | <b>\$ 15,934,658</b>         |                    |                        | <b>\$ 15,997,647</b>   |                    |                        |
| <b>Net interest income<sup>(3)</sup></b>                               |                              | <b>\$ 105,757</b>  |                        |                        | <b>\$ 104,198</b>  |                        |
| <b>Net interest spread<sup>(3)</sup></b>                               |                              |                    | <b>1.88%</b>           |                        |                    | <b>1.72%</b>           |
| <b>Net interest margin<sup>(3)</sup></b>                               |                              |                    | <b>2.86%</b>           |                        |                    | <b>2.87%</b>           |

- (1) Information presented on a consolidated basis (dollars in thousands).
- (2) Average balance includes non-accrual loans.
- (3) Presented on a taxable-equivalent basis with annualized taxable equivalent adjustments based on the applicable 21% federal income tax rate for the periods presented. The adjustment to interest income was \$0.6 million and \$0.6 million for the three months ended March 31, 2025 and 2024, respectively.

### **Conference Call Information**

Hilltop will host a live webcast and conference call at 8:00 AM Central (9:00 AM Eastern) on Friday, April 25, 2025. Hilltop President and CEO Jeremy B. Ford and Hilltop CFO William B. Furr will review first quarter 2025 financial results. Interested parties can access the conference call by dialing 800-549-8228 (Toll Free North America) or (+1) 289-819-1520 (International Toll) and then using the conference ID 06045. The conference call also will be webcast simultaneously on Hilltop's Investor Relations website (<http://ir.hilltop.com>).

### **About Hilltop**

Hilltop Holdings is a Dallas-based financial holding company. Its primary line of business is to provide business and consumer banking services from offices located throughout Texas through PlainsCapital Bank. PlainsCapital Bank's wholly owned subsidiary, PrimeLending, provides residential mortgage lending throughout the United States. Hilltop Holdings' broker-dealer subsidiaries, Hilltop Securities Inc. and Momentum Independent Network Inc., provide a full complement of securities brokerage, institutional and investment banking services in addition to clearing services and retail financial advisory. At March 31, 2025, Hilltop employed approximately 3,640 people and operated 316 locations in 47 states. Hilltop Holdings' common stock is listed on the New York Stock Exchange under the symbol "HTH." Find more information at [Hilltop.com](http://Hilltop.com), [PlainsCapital.com](http://PlainsCapital.com), [PrimeLending.com](http://PrimeLending.com) and [Hilltopsecurities.com](http://Hilltopsecurities.com).

### **FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements anticipated in such statements. Forward-looking statements speak only as of the date they are made and, except as required by law, we do not assume any duty to update forward-looking statements. Such forward-looking statements include, but are not limited to, statements concerning such things as our plans, objectives, strategies, expectations, intentions and other statements that are not statements of historical fact, and may be identified by words such as "aim," "anticipates," "believes," "building," "continue," "could," "drive," "estimates," "expects," "extent," "focus," "forecasts," "goal," "guidance," "intends," "may," "might," "outlook," "plan," "position," "probable," "progressing," "projects," "prudent," "seeks," "should," "steady," "target," "view," "will" or "would" or the negative of these words and phrases or similar words or phrases. The following factors, among others, could cause actual results to differ materially from those set forth in the forward-looking statements: (i) the credit risks of lending activities, including our ability to estimate credit losses and the allowance for credit losses, as well as the effects of changes in the level of, and trends in, loan delinquencies and write-offs; (ii) effectiveness of our data security controls in the face of cyber attacks and any legal, reputational and financial risks following a cybersecurity incident; (iii) changes in general economic, market and business

conditions in areas or markets where we compete, including changes in the price of crude oil; (iv) changes in the interest rate environment; (v) risks associated with concentration in real estate related loans; (vi) the effects of indebtedness on our ability to manage our business successfully, including the restrictions imposed by the indenture governing our indebtedness; (vii) disruptions to the economy and financial services industry, risks associated with uninsured deposits and responsive measures by federal or state governments or banking regulators, including increases in the cost of our deposit insurance assessments; (viii) cost and availability of capital; (ix) changes in state and federal laws, regulations or policies affecting one or more of our business segments, including changes in policies under the new Presidential administration, changes in regulatory fees, deposit insurance premiums, capital requirements and the Dodd-Frank Wall Street Reform and Consumer Protection Act (the “Dodd-Frank Act”); (x) changes in key management; (xi) competition in our banking, broker-dealer, and mortgage origination segments from other banks and financial institutions as well as investment banking and financial advisory firms, mortgage bankers, asset-based non-bank lenders and government agencies; (xii) legal and regulatory proceedings; (xiii) risks associated with merger and acquisition integration; and (xiv) our ability to use excess capital in an effective manner. For further discussion of such factors, see the risk factors described in our most recent Annual Report on Form 10-K and subsequent Quarterly Reports on Form 10-Q and other reports that are filed with the Securities and Exchange Commission. All forward-looking statements are qualified in their entirety by this cautionary statement.

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Source: Hilltop Holdings Inc.