

Hilltop Holdings Inc.
Form DEFM14A
August 07, 2012

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

SCHEDULE 14A

Proxy Statement Pursuant to Section 14(a) of
the Securities Exchange Act of 1934

Filed by the Registrant

Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement
- Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))**
- Definitive Proxy Statement
- Definitive Additional Materials
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HILLTOP HOLDINGS INC.

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

Payment of Filing Fee (Check the appropriate box):

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- Fee computed on table below per Exchange Act Rules 14a-6(i)(1) and 0-11.
 - (1) Title of each class of securities to which transaction applies:
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- (4) Proposed maximum aggregate value of transaction:
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 - o Fee paid previously with preliminary materials.
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-

MERGER PROPOSED YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

The board of directors of each of Hilltop Holdings Inc. ("Hilltop") and PlainsCapital Corporation ("PlainsCapital") have agreed to a strategic business combination of Hilltop and PlainsCapital pursuant to the terms of an Agreement and Plan of Merger, dated May 8, 2012, which we refer to as the merger agreement. If we complete the merger, PlainsCapital will merge with and into Meadow Corporation, a wholly owned subsidiary of Hilltop, and PlainsCapital will become a subsidiary of Hilltop.

In the merger, each share of PlainsCapital common stock will be converted into (i) 0.776 shares of Hilltop common stock, subject to certain adjustments, and (ii) \$9.00 in cash, subject to certain adjustments. **The value of the merger consideration will fluctuate with the market price of Hilltop common stock and may fluctuate if the number of outstanding shares of PlainsCapital common stock changes, and will not be known at the time you vote on the merger.** Hilltop common stock is currently quoted on the New York Stock Exchange under the symbol "HTH." On August 1, 2012, the last practicable trading day before the date of this joint proxy statement/prospectus, the merger consideration of \$9.00 in cash and 0.776 Hilltop shares represented approximately \$17.148 in value for each share of PlainsCapital common stock. **We urge you to obtain current market quotations for Hilltop common stock.**

Each outstanding option to purchase shares of PlainsCapital common stock will vest in full and will be entitled to receive the merger consideration with respect to the underlying shares of PlainsCapital common stock, less the applicable exercise price and withholding taxes. Each outstanding PlainsCapital restricted stock unit and share of PlainsCapital restricted common stock will vest in full and will be converted into the right to receive the merger consideration less applicable withholding taxes. Each share of PlainsCapital Series C preferred stock will be converted into one share of preferred stock of Hilltop having the same rights and preferences as the PlainsCapital Series C preferred stock.

Hilltop and PlainsCapital will each hold a special meeting of shareholders to consider the proposed merger and certain related matters. We cannot complete the merger unless the shareholders of both Hilltop and PlainsCapital approve the respective proposals related to the merger. The U.S. Department of the Treasury ("U.S. Treasury"), which holds all of the currently issued and outstanding PlainsCapital Series C preferred stock, is not entitled to and is not being requested to vote at the PlainsCapital special meeting.

Your vote is very important, regardless of the number of shares you own. **Whether or not you plan to attend your company's special meeting, we urge you to vote your shares as promptly as possible by (1) accessing the internet site listed on your proxy card, (2) calling the toll-free number listed on your proxy card, or (3) signing and returning all proxy cards that you receive and returning them in the postage-paid envelopes provided, so that your shares may be represented and voted at the Hilltop or PlainsCapital special meeting, as applicable. You may revoke your proxy at any time before the vote at your company's respective special meeting by following the procedures outlined in the accompanying joint proxy statement/prospectus.**

We look forward to the successful combination of Hilltop and PlainsCapital.

JEREMY B. FORD
Chief Executive Officer
Hilltop Holdings Inc.

ALAN B. WHITE
Chairman and Chief Executive Officer
PlainsCapital Corporation

The obligations of Hilltop and PlainsCapital to complete the merger are subject to the satisfaction or waiver of several conditions set forth in the merger agreement. More information about Hilltop, PlainsCapital, the special meetings, the merger agreement and the merger is contained in the accompanying joint proxy statement/prospectus. **Hilltop and PlainsCapital encourage you to read the entire joint proxy statement/prospectus carefully, including the section titled "Risk Factors" beginning on page 30.**

Neither the Securities and Exchange Commission nor any state securities commission or bank regulatory agency has approved or disapproved of the Hilltop common stock to be issued under this document or passed upon the accuracy or adequacy of this prospectus. Any representation to the contrary is a criminal offense.

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The securities to be issued in the merger are not savings and deposit accounts and are not insured by the Federal Deposit Insurance Corporation, or any other governmental agency.

The date of this document is August 3, 2012, and it is first being mailed to Hilltop shareholders and PlainsCapital shareholders on or about August 6, 2012.

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**NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON SEPTEMBER 20, 2012**

To the shareholders of Hilltop Holdings Inc.:

On September 20, 2012, Hilltop Holdings Inc. ("Hilltop") will hold a special meeting of shareholders in Dallas, Texas at 10:00 a.m., local time, at the Crescent Club at 200 Crescent Court, 17th Floor, Dallas, Texas 75201, to consider and vote upon the following matters:

a proposal to approve the issuance of Hilltop common stock to PlainsCapital shareholders in connection with the merger (the "share issuance proposal");

a proposal to approve the adoption of the Hilltop Holdings Inc. 2012 Equity Incentive Plan (the "Equity Incentive Plan proposal");

a proposal to approve the adoption of the Hilltop Holdings Inc. Annual Incentive Plan (the "Annual Incentive Plan proposal"); and

a proposal to approve the adjournment of the Hilltop special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the special meeting to approve the share issuance proposal (the "Hilltop adjournment proposal").

The approval by Hilltop's shareholders of the share issuance proposal is required for the completion of the merger described in this joint proxy statement/prospectus.

Hilltop will transact no other business at the meeting except such business as may properly be brought before the Hilltop special meeting or any adjournment or postponement thereof. Please refer to the joint proxy statement/prospectus of which this notice forms a part for further information with respect to the business to be transacted at the Hilltop special meeting.

The Hilltop board of directors has fixed the close of business on August 3, 2012, as the record date for the Hilltop special meeting. Only Hilltop shareholders of record at that time are entitled to notice of, and to vote at, the special meeting, or any adjournment or postponement of the Hilltop special meeting.

Approval of each of (i) the share issuance proposal, (ii) the Equity Incentive Plan proposal and (iii) the Annual Incentive Plan proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock voting on that proposal, provided that the total votes cast on the proposal (including abstentions) represent a majority of the shares of Hilltop common stock outstanding on the record date for the Hilltop special meeting. Approval of the Hilltop adjournment proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock represented in person or by proxy at the Hilltop special meeting and entitled to vote on the proposal.

Your vote is important. Whether or not you plan to attend the Hilltop special meeting, we urge you to vote your shares as promptly as possible by (1) accessing the internet site listed on your proxy card, (2) calling the toll-free number listed on your proxy card, or (3) signing and returning the enclosed proxy card in the postage-paid envelope provided, so that your shares may be represented and voted at the Hilltop special meeting. If your shares are held in the name of a bank, broker or other nominee, please follow the voting instructions furnished by the record holder.

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The Hilltop board of directors unanimously recommends that Hilltop shareholders vote "FOR" the share issuance proposal, "FOR" the adoption of the Equity Incentive Plan, "FOR" the adoption of the Annual Incentive Plan and "FOR" the adjournment of the Hilltop special meeting if necessary or appropriate to permit further solicitation of proxies.

By Order of the Board of Directors

Corey G. Prestidge
General Counsel & Secretary

Dallas, Texas
August 3, 2012

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REFERENCES TO ADDITIONAL INFORMATION

This document incorporates by reference important business and financial information about Hilltop from documents that are not included in or delivered with this document. You can obtain documents incorporated by reference in this document, other than certain exhibits to those documents, free of charge through the Securities and Exchange Commission website (<http://www.sec.gov>) or by requesting them in writing or by telephone from Hilltop at the following address:

Hilltop Holdings Inc.
200 Crescent Court, Suite 1330
Dallas, Texas 75201
Attention: Investor Relations
Telephone: (214) 855-2177

You will not be charged for any of these documents that you request. **Hilltop shareholders and PlainsCapital shareholders requesting documents should do so by September 13, 2012, in order to receive them before their respective special meetings.**

Investors may also consult Hilltop's or PlainsCapital's websites for more information concerning the merger described in this document. Hilltop's website is www.hilltop-holdings.com. PlainsCapital's website is www.plainscapital.com. Information included on these websites is not incorporated by reference into this document.

You should rely only on the information contained in or incorporated by reference into this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated August 3, 2012, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Hilltop shareholders or PlainsCapital shareholders nor the issuance by Hilltop of shares of Hilltop common stock in connection with the merger will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding PlainsCapital has been provided by PlainsCapital and information contained in this document regarding Hilltop has been provided by Hilltop.

See "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

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QUESTIONS AND ANSWERS

The following are answers to certain questions that you may have regarding the Hilltop special meeting or the PlainsCapital special meeting. We urge you to read carefully the remainder of this document because the information in this section may not provide all the information that might be important to you in determining how to vote. Additional important information is also contained in the annexes to, and the documents incorporated by reference into, this document.

Q: Why am I receiving this document?

A: The Hilltop and PlainsCapital boards of directors are using this document to solicit proxies of Hilltop and PlainsCapital shareholders in connection with the merger agreement entered into among Hilltop, PlainsCapital, and Meadow Corporation, a wholly owned subsidiary of Hilltop, and certain related matters. In addition, we are using this document as a prospectus for PlainsCapital shareholders because Hilltop is offering shares of its common stock to be issued in exchange for shares of PlainsCapital common stock in the merger.

Q: What are holders of Hilltop common stock being asked to vote on?

A: Holders of Hilltop common stock are being asked to vote on a proposal to approve the issuance of Hilltop common stock to PlainsCapital shareholders in connection with the merger (the "share issuance proposal"), a proposal to approve the adoption of the Hilltop Holdings Inc. 2012 Equity Incentive Plan (the "Equity Incentive Plan proposal"), a proposal to approve the adoption of the Hilltop Holdings Inc. Annual Incentive Plan (the "Annual Incentive Plan proposal") and a proposal to approve the adjournment of the Hilltop special meeting, if necessary or appropriate, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the share issuance proposal (the "Hilltop adjournment proposal").

Q: What are holders of PlainsCapital common stock being asked to vote on?

A: PlainsCapital shareholders are being asked to vote on a proposal to adopt and approve the merger agreement (the "merger proposal"), a proposal to approve, on a non-binding, advisory basis, compensation that may be paid or become payable to PlainsCapital's named executive officers in connection with the merger (the "compensation proposal"), and a proposal to approve the adjournment of the PlainsCapital special meeting, if necessary or appropriate, to solicit additional proxies in the event that there are not sufficient votes at the time of the special meeting to approve the merger proposal (the "PlainsCapital adjournment proposal").

Q: What will holders of PlainsCapital common stock receive in the merger?

A: If the merger is completed, holders of PlainsCapital common stock will receive (i) 0.776 shares of Hilltop common stock, subject to certain adjustments, and (ii) \$9.00 in cash, subject to certain adjustments, for each share of PlainsCapital common stock that they hold immediately prior to the merger. No fractional shares of Hilltop common stock will be issued in connection with the merger. A holder of PlainsCapital common stock who otherwise would have received a fraction of a share of Hilltop common stock will instead receive an amount in cash reflecting the market value of the fractional shares of Hilltop common stock at the date of the closing of the merger, rounded to the nearest cent.

Q: Will the value of the merger consideration change between the date of this joint proxy statement/prospectus and the time the merger is completed?

A: The value of the merger consideration may fluctuate between the date of this joint proxy statement/prospectus and your company's special meeting, and your company's special meeting and the completion of the merger based upon the market value for Hilltop common stock and changes in the number of shares of PlainsCapital common stock outstanding. In the merger, PlainsCapital

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shareholders will receive cash and a fraction of a share of Hilltop common stock for each share of PlainsCapital common stock they hold. Any fluctuation in the market price of Hilltop stock after the special meeting will change the value of the shares of Hilltop common stock that PlainsCapital shareholders will receive. In addition, the aggregate merger consideration payable by Hilltop will not increase in the event that additional shares of PlainsCapital common stock are issued or become outstanding following the execution of the merger agreement, other than in connection with certain equity awards. As a result, if additional shares of PlainsCapital common stock are issued or become outstanding, the per share merger consideration will decrease.

Q:
When do you expect to complete the merger?

A:
We currently expect to complete the merger prior to the end of 2012. However, we cannot assure you when or if the merger will occur. We must, among other things, first obtain the required approvals of Hilltop shareholders and PlainsCapital shareholders at their respective special meetings and the required regulatory approvals described below in "The Merger Regulatory Approvals Required for the Merger."

Q:
What happens if the merger is not completed?

A:
If the merger is not completed, shares of Hilltop common stock will not be issued, and holders of PlainsCapital common stock will not receive any consideration for their shares, in connection with the merger. Instead, PlainsCapital will remain an independent company. Under specified circumstances in connection with the termination of the merger agreement, including circumstances involving a change in recommendation by either party's board of directors or failure to receive required shareholder approvals, Hilltop or PlainsCapital may be required to pay the other a termination fee of \$17.5 million, or PlainsCapital may be required to pay Hilltop \$5 million in respect of Hilltop's expenses in connection with the merger agreement.

Q:
When and where is the Hilltop special meeting?

A:
The Hilltop special meeting will be held at the Crescent Club at 200 Crescent Court, 17th Floor, Dallas, Texas 75201 on September 20 at 10:00 a.m. local time.

Q:
When and where is the PlainsCapital special meeting?

A:
The PlainsCapital special meeting will be held at PlainsCapital's conference facility located at 2323 Victory Avenue, 5th Floor, Dallas, Texas 75219 on September 20 at 10:00 a.m. local time.

Q:
How do I vote?

A:
If you are a shareholder of record of PlainsCapital as of the record date for the PlainsCapital special meeting or a shareholder of Hilltop as of the record date for the Hilltop special meeting, you may vote by:

accessing the internet website specified on your proxy card;

calling the toll-free number specified on your proxy card; or

signing the enclosed proxy card and returning it in the postage-paid envelope provided.

You may also cast your vote in person at your respective company's special meeting. If you hold Hilltop common stock or PlainsCapital common stock in "street name" through a bank, broker or other nominee, please follow the voting instructions provided

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by your bank, broker or other nominee to ensure that your shares are represented at your special meeting. Shareholders that hold shares through a bank, broker, or other nominee who wish to vote at their respective company's special meeting will need to obtain a "legal proxy" from the record holder.

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Q: Why is my vote important?

A: If you do not vote, it will be more difficult to obtain the necessary quorum to hold your company's respective special meeting. In addition, we cannot complete the merger without obtaining the necessary vote of Hilltop shareholders in favor of the share issuance proposal and of PlainsCapital shareholders in favor of the merger proposal.

Q: How does the Hilltop board of directors recommend that I vote?

A: The Hilltop board of directors unanimously recommends that you vote "FOR" the share issuance proposal, "FOR" the Equity Incentive Plan proposal, "FOR" the Annual Incentive Plan proposal, and "FOR" the Hilltop adjournment proposal.

Q: How does the PlainsCapital board of directors recommend that I vote?

A: The PlainsCapital board of directors unanimously recommends that you vote "FOR" the merger proposal, "FOR" the compensation proposal and "FOR" the PlainsCapital adjournment proposal.

Q: What constitutes a quorum for the Hilltop special meeting?

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of Hilltop common stock entitled to vote at the Hilltop special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instructions are given.

Q: What constitutes a quorum for the PlainsCapital special meeting?

A: The presence at the special meeting, in person or by proxy, of holders of a majority of the outstanding shares of PlainsCapital common stock entitled to vote at the PlainsCapital special meeting will constitute a quorum for the transaction of business. Abstentions and broker non-votes will be included in determining the number of shares present at the meeting for the purpose of determining the presence of a quorum. A broker non-vote occurs under stock exchange rules when a broker is not permitted to vote on a matter without instructions from the beneficial owner of the shares and no instructions are given.

Q: What is the vote required to approve each proposal at the Hilltop special meeting?

A: Approval of each of (i) the share issuance proposal, (ii) the Equity Incentive Plan proposal and (iii) the Annual Incentive Plan proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock voting on that proposal, provided that the total votes cast on the proposal (including abstentions) represent a majority of the shares of Hilltop common stock outstanding on the record date for the Hilltop special meeting. Approval of the Hilltop adjournment proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock represented in person or by proxy at the Hilltop special meeting and entitled to vote on the proposal.

Q: What is the vote required to approve each proposal at the PlainsCapital special meeting?

A: Approval of the merger proposal requires the affirmative vote of a majority of shares of PlainsCapital common stock outstanding on the record date for the PlainsCapital special meeting. The compensation proposal and the PlainsCapital adjournment proposal will be approved if they receive the affirmative vote of the holders of at least a majority of the shares of PlainsCapital common stock

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represented in person or by proxy at the PlainsCapital special meeting and entitled to vote on each such proposal.

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Q: What will happen if PlainsCapital's shareholders do not approve, on an advisory (non-binding) basis, the compensation payable to PlainsCapital's named executive officers in connection with the merger?

A: The vote on the compensation proposal is a vote separate and apart from the vote to approve the merger agreement. You may vote for the compensation proposal and against the merger proposal, and vice versa. Because the vote on the compensation proposal is advisory only, it will not be binding on either PlainsCapital or Hilltop. Accordingly, because PlainsCapital is contractually obligated to pay the compensation, if the merger were completed, the compensation would be payable, subject only to the conditions applicable thereto, regardless of the outcome of the advisory (non-binding) vote.

Q: If my shares are held in street name by my broker, will my broker automatically vote my shares for me?

A: No. Your broker cannot vote your shares without instructions from you. You should instruct your broker as to how to vote your shares, following the directions your broker provides to you. Please check the voting form used by your broker. Without instructions, your shares will not be voted, which will have the effect described below.

Q: What if I abstain from voting or fail to instruct my broker?

A: If you are a holder of Hilltop common stock and you abstain from voting or fail to instruct your broker to vote your shares, it will have no effect on the proposals to be voted on at the Hilltop special meeting. However, if you fail to vote your shares, your failure to do so may make it more difficult for Hilltop to meet the NYSE requirement that the total votes cast on each of such proposals (including abstentions) represent a majority of the shares of Hilltop common stock outstanding as of the record date for the Hilltop special meeting.

If you are a holder of PlainsCapital common stock and you abstain from voting or fail to instruct your broker to vote your shares, it will have the same effect as a vote against the merger proposal. An abstention or broker non-vote will have no effect on the compensation proposal or the PlainsCapital adjournment proposal.

Q: Can I attend the Hilltop special meeting and vote my shares in person?

A: Yes. All Hilltop shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the Hilltop special meeting. Holders of record of Hilltop common stock can vote in person at the Hilltop special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the Hilltop special meeting. If you plan to attend the special meeting, you must hold your shares in your own name or have a statement from your bank, broker or other record holder confirming your ownership of shares as of the record date for the Hilltop special meeting. In addition, you must bring a form of personal photo identification with you in order to be admitted. Hilltop reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the Hilltop special meeting is prohibited without Hilltop's express written consent.

Regardless of whether you plan to attend the Hilltop special meeting, we recommend that you vote your shares early by internet, telephone or mail to ensure that a quorum exists at the Hilltop special meeting and to ensure that your vote will be counted if you later choose not to attend the Hilltop special meeting. You may revoke any previously submitted proxy and vote your shares in person at the Hilltop special meeting.

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Q: Can I attend the PlainsCapital special meeting and vote my shares in person?

A: Yes. All PlainsCapital shareholders, including shareholders of record and shareholders who hold their shares through banks, brokers, nominees or any other holder of record, are invited to attend the PlainsCapital special meeting. Holders of record of PlainsCapital common stock can vote in person at the PlainsCapital special meeting. If you are not a shareholder of record, you must obtain a proxy, executed in your favor, from the record holder of your shares, such as a broker, bank or other nominee, to be able to vote in person at the special meeting. If you plan to attend the PlainsCapital special meeting, you must hold your shares in your own name or have a statement from your bank, broker or other record holder confirming your ownership of shares as of the record date for the PlainsCapital special meeting. In addition, you must bring a form of personal photo identification with you in order to be admitted. PlainsCapital reserves the right to refuse admittance to anyone without proper proof of share ownership or without proper photo identification. The use of cameras, sound recording equipment, communications devices or any similar equipment during the PlainsCapital special meeting is prohibited without PlainsCapital's express written consent.

Regardless of whether you plan to attend the PlainsCapital special meeting, we recommend that you vote your shares early by internet, telephone or mail to ensure that a quorum exists at the PlainsCapital special meeting and to ensure that your vote will be counted if you later choose not to attend the PlainsCapital special meeting. You may revoke any previously submitted proxy and vote your shares in person at the PlainsCapital special meeting.

Q: What do I do if I want to change or revoke my vote?

A: You may revoke your proxy and change your vote at any time before your company's respective special meeting, or earlier deadline specified in the proxy card, by voting again via the Internet or by telephone (only your latest Internet or telephone proxy submitted prior to the applicable special meeting will be counted), by signing and returning a new proxy card or voting instruction form with a later date, or by attending the special meeting and voting in person. Your attendance at the applicable special meeting, however, will not automatically revoke your proxy unless you vote again at the special meeting. We provide additional information on changing your vote under the headings "The Hilltop Special Meeting Proxies" and "The PlainsCapital Special Meeting Proxies" included elsewhere in this joint proxy statement/prospectus.

Q: Am I entitled to exercise dissenters' rights as a PlainsCapital shareholder?

A: If you wish to exercise dissenters' rights and receive the fair value of your PlainsCapital shares in cash instead of the merger consideration described in this joint proxy statement/prospectus, your shares must be voted against approval of the merger proposal, and you must follow other procedures in accordance with applicable Texas law. If you return a signed proxy without voting instructions or with instructions to vote "FOR" the merger agreement, your shares will be automatically voted in favor of the merger agreement and you will lose dissenters' rights. If you return a signed proxy with instructions to "ABSTAIN" from the merger proposal, you will also lose dissenters' rights. Thus, if you wish to dissent and you execute and return a proxy, you must specify that your shares are to be voted "AGAINST" with respect to approval of the merger. For additional information on exercising dissenters' rights, see "The Merger Dissenters' Rights" included elsewhere in this joint proxy statement/prospectus.

Q: What if some or all of my PlainsCapital shares are held in the ESOP?

A: If you are a participant in the PlainsCapital Corporation Employees' Stock Ownership Plan (the "ESOP"), then you may be receiving this material because of the common stock held for you in the ESOP. In that case, you should use the enclosed proxy card to instruct the ESOP trustees how to vote those shares. Return your proxy card, which serves as your voting instructions to the ESOP

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trustees, as described on the card itself. To allow sufficient time for voting by the ESOP trustees, your ESOP voting instructions must be received no later than September 17, 2012 at 5:00 p.m, Central time. PlainsCapital's transfer agent will tabulate the ESOP voting instructions it receives and provide aggregate ESOP voting instructions to the ESOP trustees. The ESOP trustees will vote the shares in accordance with such instructions and the terms of the ESOP. Your ESOP voting instructions are confidential and will not be disclosed to PlainsCapital. Please note that you will not be able to vote the shares of common stock held for you in the ESOP in person at the PlainsCapital special meeting, as these shares may only be voted by the ESOP trustees.

The ESOP trustees may vote the shares held for you even if you do not direct them how to vote. The ESOP trustees will vote any shares held in the ESOP for which they do not timely receive instructions in their own, or the ESOP committee's, discretion and in accordance with the ESOP plan documents.

If your shares of common stock are held by you in both your record name and in the ESOP, you may use the same enclosed proxy card to vote the shares held in your record name and to direct the ESOP trustees to vote the shares held for you in the ESOP. You must timely return the enclosed proxy card to direct the vote of the shares held for you in the ESOP.

Q:
Should I send in my PlainsCapital stock certificates now?

A:
No. PlainsCapital shareholders with shares represented by stock certificates should not send PlainsCapital stock certificates with their proxy cards. After the merger is completed, holders of PlainsCapital common stock certificates will be mailed a transmittal form with instructions on how to exchange their PlainsCapital stock certificates for the merger consideration. Shares of PlainsCapital common stock held in book-entry form will automatically be exchanged for the merger consideration.

Q:
What if I cannot find my stock certificates?

A:
There will be a procedure for you to receive the merger consideration in the merger, even if you have lost one or more of your PlainsCapital stock certificates. This procedure, however, may take time to complete. In order to ensure that you will be able to receive the merger consideration promptly after the merger is completed, if you cannot locate your PlainsCapital stock certificates after looking for them carefully, we urge you to contact PlainsCapital's transfer agent, Continental Stock Transfer & Trust Company, as soon as possible and follow the procedure they explain to you for replacing your PlainsCapital stock certificates. Continental Stock Transfer & Trust Company can be reached at (212) 509-4000, extension 237, or on its website at <http://www.continentalstock.com>, or you can write to them at the following address:

Continental Stock Transfer & Trust Co.
17 Battery Place
New York, New York 10004

Q:
Whom should I call with questions?

A:
Hilltop shareholders should contact Hilltop by telephone at (214) 855-2177 or D.F. King & Co., Inc., Hilltop's proxy solicitor, collect at (212) 269-5550 or toll-free at (800) 859-8511. PlainsCapital shareholders should call PlainsCapital at (214) 252-4155.

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SUMMARY

This summary highlights selected information from this document. It may not contain all of the information that is important to you. We urge you to carefully read the entire document and the other documents to which we refer in order to fully understand the merger and the related transactions. See "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus. Each item in this summary refers to the page of this joint proxy statement/prospectus on which that subject is discussed in more detail.

Information About the Companies (page 72)

Hilltop Holdings Inc.

Hilltop is a holding company that endeavors to identify and execute attractive acquisitions and business combinations. Hilltop also provides fire and homeowners insurance to low value dwellings and manufactured homes, primarily in Texas and other areas of the south through its wholly owned property and casualty insurance holding company, NLASCO, Inc., or NLASCO. Hilltop acquired NLASCO in January 2007. NLASCO operates through its wholly owned subsidiaries, National Lloyds Insurance Company, or NLIC, and American Summit Insurance Company, or ASIC.

Hilltop's common stock is listed on the New York Stock Exchange under the symbol "HTH."

Hilltop's principal office is located at 200 Crescent Court, Suite 1330, Dallas, Texas 75201, and its telephone number at that location is (214) 855-2177. Hilltop's internet address is www.hilltop-holdings.com. Additional information about Hilltop and its subsidiaries is included in documents incorporated by reference in this document. See "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

PlainsCapital Corporation

PlainsCapital is a Texas-based and Dallas-headquartered financial holding company registered under the Bank Holding Company Act of 1956 (as amended, the "Bank Holding Company Act"), as amended by the Gramm-Leach-Bliley Act of 1999 (the "Gramm-Leach-Bliley Act"), and was incorporated in 1987. Historically, the majority of PlainsCapital's net income has been derived from its wholly owned bank subsidiary, PlainsCapital Bank. PlainsCapital Bank provides business and consumer banking services from offices located throughout central, north and west Texas. PlainsCapital Bank's subsidiaries have specialized areas of expertise that allow it to provide an array of financial products and services, such as mortgage origination and financial advisory services. As of March 31, 2012, on a consolidated basis, PlainsCapital had total assets of approximately \$5.8 billion, total deposits of approximately \$4.2 billion, total loans, including loans held for sale, of approximately \$4.2 billion, and shareholders' equity of approximately \$539.1 million.

PlainsCapital's principal executive offices are located at 2323 Victory Avenue, Suite 1400, Dallas, Texas 75219, and its telephone number at that location is (214) 252-4000. PlainsCapital's internet address is www.plainscapital.com. Additional information about PlainsCapital and its subsidiaries can be found below in the section titled "Information About the Companies PlainsCapital Corporation."

Meadow Corporation

Meadow Corporation is a Maryland corporation and a wholly owned subsidiary of Hilltop. Meadow Corporation was formed in May 2012 for the purpose of effecting the merger. Meadow Corporation has not conducted any activities other than those incidental to its formation and the matters contemplated by the merger agreement.

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Risk Factors (page 30)

An investment in shares of Hilltop common stock involves risks, some of which are related to the merger. In considering the merger, you should carefully consider the information about these risks set forth under "Risk Factors" beginning on page 30, together with the other information included or incorporated by reference or in this joint proxy statement/prospectus.

The Merger (page 193)

If the merger is completed, each share of PlainsCapital common stock, par value \$0.01 per share, issued and outstanding immediately prior to the completion of the merger will be converted into the right to receive \$9.00 in cash and 0.776 of a share of Hilltop common stock, subject to certain adjustments if PlainsCapital issues additional shares of its common stock other than pursuant to the exercise of certain equity awards which were outstanding on the date of the merger agreement. We refer to this cash and stock consideration as the merger consideration. No fractional shares of Hilltop common stock will be issued in connection with the merger. A holder of PlainsCapital common stock who otherwise would have received a fraction of a share of Hilltop common stock will instead receive an amount in cash rounded to the nearest cent. *For example, if you hold 10 shares of PlainsCapital common stock and the merger consideration is not adjusted, you will receive \$90.00 and seven shares of Hilltop common stock and a cash payment instead of the 0.76 shares of Hilltop common stock that you otherwise would have received.*

The value of the merger consideration may fluctuate between the date of each company's special meeting and the completion of the merger based upon the market value for Hilltop common stock and certain changes in the number of shares of PlainsCapital common stock outstanding. Any fluctuation in the market price of Hilltop stock after the date of the special meetings will change the value of the shares of Hilltop common stock that PlainsCapital shareholders will receive. In addition, the aggregate merger consideration payable by Hilltop will not increase in the event that additional shares of PlainsCapital common stock are issued or become outstanding following the execution of the merger agreement, other than in connection with certain equity awards as permitted in the merger agreement. As a result, if additional shares of PlainsCapital common stock are issued or become outstanding other than pursuant to certain equity awards, the per share merger consideration will decrease. For information about the historical prices of Hilltop common stock, see "Market Prices and Dividends of Hilltop Common Stock."

The merger agreement governs the merger. The merger agreement is included in this joint proxy statement/prospectus as Annex A. Please read the merger agreement carefully. All descriptions in this summary and elsewhere in this prospectus of the terms and conditions of the merger are qualified by reference to the merger agreement.

Recommendation of the Board of Directors of Hilltop (page 199)

Hilltop's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of Hilltop and its shareholders and has unanimously approved the merger and the merger agreement. Hilltop's board of directors unanimously recommends that Hilltop shareholders vote "FOR" the approval of the share issuance proposal, the Equity Incentive Plan proposal, the Annual Incentive Plan proposal and the Hilltop adjournment proposal. For the factors considered by Hilltop's board of directors in reaching its decision to approve the merger agreement, see "The Merger Hilltop's Reasons for the Merger; Recommendation of the Hilltop Board of Directors."

Recommendation of the Board of Directors of PlainsCapital (page 197)

PlainsCapital's board of directors has determined that the merger, the merger agreement and the transactions contemplated by the merger agreement are advisable and in the best interests of

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PlainsCapital and its shareholders and has unanimously approved the merger and the merger agreement. PlainsCapital's board of directors unanimously recommends that PlainsCapital shareholders vote "FOR" the merger proposal, the compensation proposal and the PlainsCapital adjournment proposal. For the factors considered by PlainsCapital's board of directors in reaching its decision to approve the merger agreement, see "The Merger PlainsCapital's Reasons for the Merger; Recommendation of the PlainsCapital Board of Directors."

Opinions of Financial Advisors (page 200 and page 208)

Opinion of Financial Advisor to PlainsCapital

On May 8, 2012, J.P. Morgan Securities LLC ("J.P. Morgan"), PlainsCapital's financial advisor in connection with the merger, rendered its oral opinion to PlainsCapital's board of directors, which was subsequently confirmed in a written opinion dated the same date, that, as of such date and based upon and subject to the various factors, assumptions and any limitations set forth in its written opinion, the merger consideration to be paid to the holders of PlainsCapital common stock in the proposed merger was fair, from a financial point of view, to such holders.

The full text of J.P. Morgan's opinion, dated May 8, 2012, is attached as Annex B to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of, among other things, the assumptions made, procedures followed, matters considered and any limitations on the review undertaken by J.P. Morgan in rendering its opinion.

J.P. Morgan's written opinion is addressed to the PlainsCapital board of directors, is directed only to the merger consideration to be paid in the merger and does not constitute a recommendation to any PlainsCapital shareholder as to how such shareholder should vote with respect to the merger or any other matter.

For further information, see "The Merger Opinion of PlainsCapital's Financial Advisor."

Opinion of Financial Advisor to Hilltop

On May 8, 2012, Stephens Inc. ("Stephens"), Hilltop's financial advisor in connection with the merger, rendered its oral opinion to Hilltop's board of directors, which was subsequently confirmed in a written opinion dated the same date, that as of such date and based upon and subject to the various assumptions, considerations, qualifications and limitations set forth in the written opinion, the cash and stock consideration to be paid by Hilltop pursuant to the merger agreement was fair, from a financial point of view, to Hilltop.

The full text of Stephens' opinion, dated May 8, 2012, is attached as Annex C to this joint proxy statement/prospectus. You should read the opinion in its entirety for a discussion of the assumptions made, procedures followed, matters considered and limitations upon the review undertaken by Stephens in rendering its opinion.

Stephens' opinion is addressed to Hilltop's board of directors and the opinion is not a recommendation as to how any shareholder of Hilltop should vote with respect to the merger or any other matter or as to any action that a shareholder should take relating to the merger.

The opinion addresses only the fairness of the cash and stock consideration to be paid by Hilltop from a financial point of view and does not address the merits of the underlying decision by Hilltop to enter into the merger agreement, the merits of the merger as compared to other alternatives potentially available to Hilltop or the relative effects of any alternative transaction in which Hilltop might engage. Stephens will receive a fee for its services, portions of which have been paid, and a significant portion of which will be payable upon consummation of the merger.

For further information, see "The Merger Opinion of Hilltop's Financial Advisor."

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What Holders of PlainsCapital Stock Options and Other Equity-Based Awards Will Receive (page 233)

If the merger is completed, each outstanding stock option to acquire shares of PlainsCapital common stock will immediately vest in full and, subject to the execution of a stock-based award surrender agreement, the holder of a PlainsCapital stock option will be entitled to receive the merger consideration with respect to each share of PlainsCapital common stock underlying such option, less the exercise price and the applicable withholding taxes.

If the merger is completed, each share of PlainsCapital restricted stock and each PlainsCapital restricted stock unit will vest in full and, subject to the execution of a stock-based award surrender agreement, the holders of such restricted stock or restricted stock units will be entitled to receive the merger consideration with respect to such equity award, less applicable withholding taxes.

If the merger is completed, each share of PlainsCapital Non-Cumulative Perpetual Preferred Stock, Series C (the "Series C preferred stock") will be converted into a share of a new series of Hilltop's preferred stock with equivalent rights and preferences.

Hilltop Will Hold Its Special Meeting on September 20, 2012 (page 50)

The Hilltop special meeting will be held on September 20, 2012, at 10:00 a.m., local time at the Crescent Club at 200 Crescent Court, 17th Floor, Dallas, Texas 75201. The purpose of the special meeting is to vote on:

a proposal to approve the issuance of Hilltop common stock to PlainsCapital shareholders in connection with the merger (the "share issuance proposal");

a proposal to approve the adoption of the Hilltop Holdings Inc. 2012 Equity Incentive Plan (the "Equity Incentive Plan proposal");

a proposal to approve the adoption of the Hilltop Holdings Inc. Annual Incentive Plan (the "Annual Incentive Plan proposal"); and

a proposal to approve the adjournment of the Hilltop special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the Hilltop special meeting to approve the share issuance proposal (the "Hilltop adjournment proposal").

Only holders of record of Hilltop common stock at the close of business on August 3, 2012 will be entitled to vote at the Hilltop special meeting. Each share of Hilltop common stock is entitled to one vote on each proposal to be considered at the Hilltop special meeting.

As of the record date for the Hilltop special meeting, there were 56,363,647 shares of Hilltop common stock outstanding and entitled to vote at the Hilltop special meeting. As of the record date for the Hilltop special meeting, to the knowledge of Hilltop, directors and executive officers of Hilltop (including the shares owned by Diamond A Financial, L.P. discussed below) had the right to vote approximately 16,910,159 shares of Hilltop common stock, or approximately 30% of the outstanding shares of Hilltop common stock entitled to vote at the special meeting. We currently expect that each of these individuals will vote their shares of Hilltop common stock in favor of the proposals to be presented at the Hilltop special meeting.

Diamond A Financial, L.P., a limited partnership whose sole general partner is Gerald J. Ford, Chairman of the Hilltop board of directors, has entered into a voting and support agreement with PlainsCapital. Pursuant to such agreement, Diamond A Financial has agreed to vote all of its shares of Hilltop common stock in favor of the share issuance proposal and certain related matters, subject to certain exceptions. As of the record date for the Hilltop special meeting and to the knowledge of Hilltop, Diamond A Financial owned and had the ability to vote approximately 15,048,102 shares of Hilltop common stock, or approximately 26.7% of the outstanding shares of Hilltop common stock entitled to vote at the special meeting.

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Approval of each of (i) the share issuance proposal, (ii) the Equity Incentive Plan proposal and (iii) the Annual Incentive Plan proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock voting on that proposal, provided that the total votes cast on such proposal (including abstentions) must represent a majority of the shares of Hilltop common stock outstanding on the record date for the Hilltop special meeting. Approval of the Hilltop adjournment proposal requires the affirmative vote of the holders of at least a majority of the shares of Hilltop common stock represented in person or by proxy at the Hilltop special meeting and entitled to vote on the proposal.

PlainsCapital Will Hold Its Special Meeting on September 20, 2012 (page 66)

The PlainsCapital special meeting will be held on September 20, 2012, at 10:00 a.m., local time, at PlainsCapital's conference facility located at 2323 Victory Avenue, 5th Floor, Dallas, Texas 75219. The purpose of the PlainsCapital special meeting is to vote on:

a proposal to adopt and approve the merger agreement as such agreement may be amended from time to time (the "merger proposal");

a proposal to approve, on a non-binding, advisory basis, compensation that may be paid or become payable to PlainsCapital's named executive officers that is based on or otherwise relates to the merger (the "compensation proposal"); and

a proposal to approve the adjournment of the PlainsCapital special meeting, if necessary or appropriate, to solicit additional proxies, in the event that there are not sufficient votes at the time of the PlainsCapital special meeting to approve the merger proposal (the "PlainsCapital adjournment proposal").

Only holders of record of PlainsCapital common stock at the close of business on August 3, 2012 will be entitled to vote at the PlainsCapital special meeting. Each share of PlainsCapital common stock is entitled to one vote on each proposal to be considered at the PlainsCapital special meeting.

As of the record date for the PlainsCapital special meeting, there were 34,462,390 shares of PlainsCapital common stock outstanding and entitled to vote at the PlainsCapital special meeting. As of the record date for the PlainsCapital special meeting, to the knowledge of PlainsCapital, directors and executive officers of PlainsCapital (including those parties who have entered into voting agreements with Hilltop, as discussed below) may be deemed to have had voting power over approximately 6,321,870 shares of PlainsCapital common stock, or approximately 18.3% of the outstanding shares of PlainsCapital common stock entitled to vote at the PlainsCapital special meeting. We currently expect that each of these individuals will vote their shares of PlainsCapital common stock in favor of the proposals to be presented at the PlainsCapital special meeting.

Alan B. White, Chairman and Chief Executive Officer of PlainsCapital, and certain entities controlled by him, and Hill A. Feinberg, a director of PlainsCapital and Chief Executive Officer of First Southwest Holdings, LLC, a wholly owned subsidiary of PlainsCapital ("First Southwest"), have each entered into a voting and support agreement with Hilltop. Pursuant to such agreements, each such shareholder has agreed to vote all of their shares of PlainsCapital common stock in favor of the merger proposal and related matters, subject to certain exceptions. As of the record date for the PlainsCapital special meeting and to the knowledge of PlainsCapital, the shareholders party to these agreements owned and had the ability to vote approximately 4,944,083 shares of PlainsCapital common stock, or approximately 14.3% of the outstanding shares of PlainsCapital common stock entitled to vote at the PlainsCapital special meeting.

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Approval of the merger proposal requires the affirmative vote of a majority of shares of PlainsCapital common stock outstanding on the record date for the PlainsCapital special meeting. The compensation proposal and the PlainsCapital adjournment proposal will be approved if they receive the affirmative vote of the holders of at least a majority of the shares of PlainsCapital common stock represented in person or by proxy at the PlainsCapital special meeting and entitled to vote on each such proposal.

The Merger is Intended to Be Tax-Free to Holders of PlainsCapital Common Stock as to the Shares of Hilltop Common Stock They Receive (page 251)

The merger is intended to qualify as a "reorganization" within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended (the "Code") and it is a condition to the respective obligations of Hilltop and PlainsCapital to complete the merger that each of Hilltop and PlainsCapital receives a legal opinion to that effect. Accordingly, a PlainsCapital common shareholder generally will recognize gain, but not loss, in an amount equal to the lesser of (1) the amount of gain realized (*i.e.*, the excess of the sum of the amount of cash and the fair market value of the shares of Hilltop common stock received pursuant to the merger over that holder's adjusted tax basis in its shares of PlainsCapital common stock surrendered) and (2) the amount of cash received pursuant to the merger. Further, a holder of shares of PlainsCapital common stock generally will recognize gain or loss with respect to cash received instead of fractional shares of Hilltop common stock that the PlainsCapital common shareholder would otherwise be entitled to receive. For further information, please refer to "United States Federal Income Tax Consequences of the Merger."

The United States federal income tax consequences described above may not apply to all holders of PlainsCapital common stock. Your tax consequences will depend on your individual situation. Accordingly, we strongly urge you to consult your tax advisor for a full understanding of the particular tax consequences of the merger to you.

PlainsCapital's Officers and Directors Have Financial Interests in the Merger that Differ from Your Interests (page 223)

PlainsCapital shareholders should be aware that some of PlainsCapital's directors and executive officers have interests in the merger and have arrangements that are different from, or in addition to, those of PlainsCapital shareholders generally. These interests and arrangements may create potential conflicts of interest. PlainsCapital's board of directors was aware of these interests and considered these interests, among other matters, when making its decision to approve the merger agreement, and in recommending that PlainsCapital's shareholders vote in favor of approving the merger proposal and the compensation proposal. For purposes of all of the PlainsCapital agreements and plans described below, the completion of the transactions contemplated by the merger agreement will constitute a change of control.

These interests include the following:

Upon completion of the merger, the board of directors of Hilltop will include members selected by the pre-merger board of directors of PlainsCapital, as described under "The Merger Hilltop Board of Directors Following Completion of the Merger."

Alan B. White and Jerry L. Schaffner each entered into retention agreements with Hilltop and Meadow Corporation that will become effective on the consummation of the merger, superseding their current employment agreements with PlainsCapital. The new retention agreements set forth the titles for each of Messrs. White and Schaffner and provide for ongoing base salary, annual bonus opportunity, discretionary equity grants, severance and a payment upon termination of employment that is in respect of amounts that would otherwise be owed in connection with a termination of employment pursuant to the applicable executive's current employment agreement.

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PlainsCapital previously entered into employment agreements with each of its executive officers (including employment agreements with Messrs. White and Schaffner that will be superseded by the retention agreements described above) that provide for enhanced severance upon certain qualifying terminations of employment in connection with a change in control.

Messrs. White, Schaffner and Huffines participate in the PlainsCapital Supplemental Executive Pension Plan ("SEPP"). On May 8, 2012, PlainsCapital Bank amended the SEPP to eliminate additional service crediting for participants who have their employment terminated in connection with the merger and to clarify certain benefits that are creditable upon termination of the SEPP prior to December 31, 2012. It is anticipated that the SEPP will be terminated in connection with completion of the merger, with all accrued amounts (including all accruals in respect of 2012) to be paid to SEPP participants within 30 days of the completion of the merger.

All outstanding PlainsCapital equity awards will vest in connection with the merger and each holder will receive merger consideration in exchange for the vested equity awards.

Each present and former director, officer and employee of PlainsCapital and its subsidiaries (when acting in such capacity) will be indemnified to the fullest extent permitted by law for any acts arising out of or pertaining to matters existing or occurring at or prior to the closing of the merger. Hilltop will also provide director and officer liability insurance with respect to claims arising from facts or events occurring before the completion of the merger or, at PlainsCapital's option, PlainsCapital may purchase a "tail" policy for directors' and officers' liability insurance.

For further information, see the discussion in "The Merger Interests of Certain Directors and Executive Officers in the Merger" included elsewhere in this joint proxy statement/prospectus.

PlainsCapital Shareholders Dissenters' Rights (page 219)

Under the Texas Business Organization Code, or "TBOC," PlainsCapital shareholders have the right to demand appraisal of their shares of common stock in connection with the merger and to receive, in lieu of the merger consideration, payment in cash, for the fair value of their shares of PlainsCapital common stock as determined by an appraiser selected in a Texas state court proceeding. Any shareholder electing to exercise dissenters' rights must vote against the merger proposal and must comply with the provisions of Section 10.356 of the TBOC in order to perfect its rights of dissent and appraisal. Strict compliance with the statutory procedures is required to perfect dissenters' rights. The procedures to be followed by dissenting shareholders are described below in "The Merger Dissenters' Rights."

Regulatory Approvals Required for the Merger (page 222)

Hilltop and PlainsCapital have agreed to use their reasonable best efforts to obtain all regulatory approvals required to complete the transactions contemplated by the merger agreement. These approvals include approval from the Board of Governors of the Federal Reserve System (the "Federal Reserve Board") and the Texas Department of Banking, among others. Hilltop has filed applications and notifications to obtain the required regulatory approvals.

We are not aware of any material governmental approvals or actions that are required for completion of the merger other than those described above. It is presently contemplated that if any such additional governmental approvals or actions are required, those approvals or actions will be sought. Any such additional approvals or actions may not be obtained.

Conditions that Must be Satisfied or Waived for the Merger to Occur (page 243)

Currently, Hilltop and PlainsCapital expect to complete the merger by the end of 2012. As more fully described in this joint proxy statement/prospectus and in the merger agreement, the completion of the merger depends on a number of conditions being satisfied or, where legally permissible, waived.

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These conditions include, among others, approval of the merger by PlainsCapital's shareholders, approval of the share issuance proposal by Hilltop's shareholders and the receipt of certain required regulatory approvals, including approval of the Federal Reserve Board.

Neither Hilltop nor PlainsCapital can be certain when, or if, the conditions to the merger will be satisfied or waived, or that the merger will be completed. For a further discussion of the conditions to the completion of the merger, see "The Merger Agreement - Conditions to Completion of the Merger."

Termination of the Merger Agreement (page 244)

The merger agreement can be terminated at any time prior to the completion of the merger by mutual consent, or by either party in the following circumstances:

a governmental entity that must grant a required regulatory approval has denied approval and such denial has become final, or an injunction or legal prohibition against the transaction becomes final and nonappealable;

the merger has not been consummated by December 31, 2012;

the other party breaches any of its covenants or agreements under the merger agreement in a manner that would cause the closing conditions not to be satisfied and which is not cured by the earlier of December 31, 2012 or 30 days following written notice of the breach (provided that the terminating party is not also in material breach of any of its obligations under the merger agreement);

either or both of Hilltop's shareholders or PlainsCapital's shareholders fail to approve the share issuance proposal or the merger proposal, respectively; or

the other party's board of directors withdraws or materially and adversely modifies its recommendation with respect to the transactions contemplated by the merger agreement or recommends an alternative acquisition proposal.

Expenses and Termination Fees (page 245)

In general, each of Hilltop and PlainsCapital will be responsible for all expenses incurred by it in connection with the negotiation and completion of the transactions contemplated by the merger agreement. However, the costs and expenses of filing, printing and mailing this joint proxy statement/prospectus, and all filing and other fees paid to the Securities and Exchange Commission (the "SEC") in connection with the merger, will be borne equally by Hilltop and PlainsCapital.

Upon termination of the merger agreement under specified circumstances, including circumstances involving a change in recommendation by either party's board of directors or failure to receive required shareholder approvals, Hilltop or PlainsCapital may be required to pay the other a termination fee of \$17.5 million.

PlainsCapital will be required to pay the termination fee to Hilltop under the following circumstances:

if (i) a third party makes a takeover proposal that is publicly disclosed or made known to PlainsCapital management and is not withdrawn, (ii) the merger agreement is later terminated because the merger has not been consummated by December 31, 2012, and the approval of the merger proposal has not been obtained by such date, or because PlainsCapital's shareholders fail to approve the merger proposal, or because PlainsCapital breaches its covenants under the merger agreement in a manner that would cause the closing conditions not to be satisfied and which is not cured, and (iii) PlainsCapital consummates or enters into a definitive agreement with respect to a takeover proposal within 12 months after termination; or

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if PlainsCapital's board of directors withdraws or materially and adversely modifies its recommendation or recommends an alternative PlainsCapital acquisition proposal and Hilltop terminates the merger agreement as a result.

Hilltop will be required to pay the termination fee to PlainsCapital under the following circumstances:

if the merger agreement is terminated because Hilltop's shareholders fail to approve the share issuance proposal; or

if Hilltop's board of directors withdraws or materially and adversely modifies its recommendation or recommends an alternative Hilltop acquisition proposal and PlainsCapital terminates the merger agreement as a result.

If Hilltop terminates the merger agreement because the PlainsCapital shareholders fail to approve the merger proposal and the termination fee is not required to be paid, PlainsCapital will be required to pay Hilltop \$5 million in respect of Hilltop's expenses in connection with the merger agreement.

Hilltop Board of Directors Following Completion of the Merger (page 219)

Under the merger agreement, upon completion of the merger, Hilltop and its board of directors have agreed to take all actions necessary so that, at the effective time of the Merger, the board of directors of Hilltop will consist of members selected by the pre-merger board of directors of Hilltop and members selected by the pre-merger board of directors of PlainsCapital, with the number of members selected by the pre-merger board of directors of PlainsCapital to be one less in number than the number of members selected by the pre-merger board of directors of Hilltop.

In addition, upon completion of the merger, the board of directors of Hilltop will include, in addition to its existing committees, an Executive Committee of five members, including three individuals selected from the pre-merger members of the board of directors of Hilltop and two individuals selected from the pre-merger members of the board of directors of PlainsCapital who will be designated to the board of directors of Hilltop. Mr. White will initially serve as Chairman of the Executive Committee of the board of directors of Hilltop.

PlainsCapital Directors Expected to be Appointed to Hilltop Board of Directors Following Completion of the Merger (page 219)

The individuals from the pre-merger board of directors of PlainsCapital to be elected to the board of directors of Hilltop following the merger will include Mr. White, and have otherwise not yet been determined.

The Rights of PlainsCapital Shareholders Will Change as a Result of the Merger (page 255)

The rights of PlainsCapital shareholders will change as a result of the merger due to differences in Hilltop's and PlainsCapital's governing documents. The rights of PlainsCapital shareholders are governed by Texas law and by PlainsCapital's certificate of formation and bylaws, each as amended to date (which we refer to as PlainsCapital's articles of incorporation and bylaws, respectively). Upon the completion of the merger, the rights of PlainsCapital shareholders will be governed by Maryland law and Hilltop's articles of incorporation and bylaws.

See "Comparison of Shareholders' Rights" included elsewhere in this joint proxy statement/prospectus for a description of the material differences in shareholder rights under each of the Hilltop and PlainsCapital governing documents.

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SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF HILLTOP

Set forth below is certain consolidated financial data of Hilltop as of and for the years ended December 31, 2007 through December 31, 2011 and as of and for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 and 2011 are not necessarily indicative of the results of operations for the full year or any other interim period. Hilltop management prepared the unaudited consolidated information as of and for the three months ended March 31, 2012 and 2011 on the same basis as it prepared Hilltop's audited consolidated financial statements as of and for the year ended December 31, 2011. In the opinion of Hilltop management, this information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with Hilltop's consolidated financial statements and related notes included in Hilltop's Annual Report on Form 10-K for the year ended December 31, 2011 and Hilltop's Quarterly Report on Form 10-Q for the three months ended March 31, 2012, which are incorporated by reference in this document and from which this information is derived. See "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

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| | Three Months Ended March 31, | | Year Ended December 31, | | | | | 2007 |
|---|---------------------------------|------------|---------------------------------------|------------|------------|-------------|------------|------|
| | 2012 | 2011 | 2011 | 2010 | 2009 | 2008 | | |
| | (unaudited) | | (in thousands, except per share data) | | | | | |
| Income Statement Data: | | | | | | | | |
| Direct premium written | \$ 40,741 | \$ 37,241 | \$ 155,054 | \$ 139,290 | \$ 131,309 | \$ 132,642 | \$ 122,708 | |
| Net premium written | 37,562 | 33,701 | 141,737 | 121,691 | 114,743 | 113,285 | 118,357 | |
| Net premium earned | 35,155 | 30,932 | 134,048 | 117,192 | 115,153 | 115,247 | 96,804 | |
| Net investment income | 3,259 | 2,081 | 10,538 | 7,664 | 6,458 | 27,143 | 24,829 | |
| Net realized gain (loss) | 21 | 19 | 817 | 137 | 307 | (45,992) | 3,205 | |
| Other income, net | 1,711 | 1,625 | 6,785 | 6,744 | 6,917 | 6,147 | 6,445 | |
| Total revenue | 40,146 | 34,657 | 152,188 | 131,737 | 128,835 | 102,545 | 131,283 | |
| Loss and loss adjustment expense | 22,542 | 16,004 | 96,734 | 70,943 | 70,295 | 80,435 | 52,074 | |
| Policy acquisition and other underwriting expense | 12,915 | 11,985 | 58,008 | 53,378 | 52,333 | 53,726 | 42,397 | |
| Interest expense | 2,139 | 2,176 | 8,985 | 8,971 | 9,668 | 10,528 | 11,539 | |
| Total expenses | 39,600 | 32,470 | 163,727 | 133,292 | 132,296 | 144,689 | 106,010 | |
| (Loss) income from continuing operations before federal income tax | 546 | 2,187 | (11,540) | (1,555) | (3,461) | (42,144) | 25,273 | |
| Federal income taxes (expense) benefit | (203) | (777) | 5,009 | 1,007 | 1,349 | 19,559 | (10,635) | |
| Net (loss) income | \$ 343 | \$ 1,410 | \$ (6,531) | \$ (548) | \$ (2,112) | \$ (22,585) | \$ 14,638 | |
| Selected Balance Sheet Data: | | | | | | | | |
| Total investments | 219,521 | 144,502 | 224,200 | 148,965 | 129,968 | 138,568 | 191,024 | |
| Total assets | 924,310 | 941,565 | 925,424 | 939,641 | 1,040,752 | 1,048,770 | 1,085,491 | |
| Total liabilities | 273,013 | 287,493 | 270,042 | 286,586 | 256,975 | 257,315 | 261,306 | |
| Shareholders' equity | 651,297 | 654,072 | 655,382 | 653,055 | 783,777 | 791,455 | 824,185 | |
| Other Data: | | | | | | | | |
| Loss and loss adjustment expense ratio | 64.1% | 51.7% | 72.2% | 60.5% | 61.0% | 69.8% | 53.8% | |
| Policy acquisition and other underwriting expense less agency expense ratio | 35.5% | 37.3% | 34.0% | 36.0% | 35.7% | 35.6% | 29.2% | |
| Combined ratio | 99.6% | 89.0% | 106.2% | 96.5% | 96.8% | 105.4% | 83.0% | |
| Statutory surplus | \$ 120,899 | \$ 122,375 | \$ 118,708 | \$ 119,297 | \$ 117,063 | \$ 108,478 | \$ 124,892 | |
| Statutory premiums to surplus ratio | 116.3% | 101.1% | 119.4% | 102.0% | 98.0% | 104.4% | 94.8% | |
| Per Share Data: | | | | | | | | |
| Basic (loss) earnings per share attributable to common shareholders | \$ 0.01 | \$ 0.02 | \$ (0.12) | \$ (0.24) | \$ (0.22) | \$ (0.58) | \$ 5.10 | |
| Weighted average shares outstanding basic | 56,499 | 56,496 | 56,499 | 56,492 | 56,474 | 56,453 | 55,421 | |
| Diluted (loss) earnings per share attributable to common shareholders | \$ 0.01 | \$ 0.02 | \$ (0.12) | \$ (0.24) | \$ (0.22) | \$ (0.58) | \$ 5.02 | |
| Weighted average shares outstanding diluted | 56,555 | 56,496 | 56,511 | 56,492 | 56,474 | 56,453 | 56,326 | |
| Book value per common share | \$ 11.56 | \$ 11.58 | \$ 11.60 | \$ 11.56 | \$ 11.77 | \$ 11.91 | \$ 12.49 | |
| Tangible book value per share common share | \$ 10.97 | \$ 10.97 | \$ 11.01 | \$ 10.95 | \$ 11.13 | \$ 11.24 | \$ 11.79 | |
| Cash Dividends Declared per Share of Unit: | | | | | | | | |
| Series A preferred stock dividends | \$ | \$ | \$ | \$ 1.24 | \$ 2.06 | \$ 2.06 | \$ 2.06 | |

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

Hilltop presents two measures in its selected financial data that are not measures of financial performance recognized by GAAP.

"Tangible book value per common share" is defined as total shareholders' equity, excluding preferred stock, reduced by goodwill and other intangible assets, divided by total common shares outstanding. "Tangible common equity to tangible assets" is defined as total shareholders' equity, excluding preferred stock, reduced by goodwill and other intangible assets divided by total assets reduced by goodwill and other intangible assets.

These measures are important to investors interested in changes from period to period in tangible common equity per share exclusive of changes in intangible assets. For companies that have engaged in business combinations, purchase accounting can result in the recording of significant amounts of goodwill and other intangible assets related to those transactions.

You should not view these disclosures as a substitute for results determined in accordance with GAAP, and these disclosures are not necessarily comparable to that of other companies that use non-GAAP measures. The following table reconciles these non-GAAP financial measures for Hilltop to the most comparable GAAP financial measures, "book value per common share" and "Hilltop shareholders' equity to total assets" (in thousands, except per share data):

| | As of March 31, | | | As of December 31, | | | |
|---|-----------------|------------|------------|--------------------|------------|------------|------------|
| | 2012 | 2011 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Book value per common share | \$ 11.56 | \$ 11.58 | \$ 11.60 | \$ 11.56 | \$ 11.77 | \$ 11.91 | \$ 12.49 |
| Effect of goodwill and intangible assets per common share | \$ (0.58) | \$ (0.61) | \$ (0.59) | \$ (0.61) | \$ (0.64) | \$ (0.67) | \$ (0.70) |
| Tangible book value per share common share | \$ 10.97 | \$ 10.97 | \$ 11.01 | \$ 10.95 | \$ 11.13 | \$ 11.24 | \$ 11.79 |
| Hilltop Holdings Inc. shareholders' equity | \$ 651,297 | \$ 654,072 | \$ 655,383 | \$ 653,055 | \$ 783,777 | \$ 791,455 | \$ 824,185 |
| Less: preferred stock | | | | | 119,108 | 119,108 | 119,108 |
| Less: goodwill and intangible assets, net | 32,753 | 34,198 | 33,062 | 34,587 | 36,229 | 37,990 | 39,493 |
| Tangible common equity | 618,544 | 619,874 | 622,321 | 618,468 | 628,440 | 634,357 | 665,584 |
| Total assets | 924,310 | 941,565 | 925,425 | 939,641 | 1,040,752 | 1,048,770 | 1,085,491 |
| Less: goodwill and intangible assets, net | 32,753 | 34,198 | 33,062 | 34,587 | 36,229 | 37,990 | 39,493 |
| Tangible assets | 891,557 | 907,367 | 892,363 | 905,054 | 1,004,523 | 1,010,780 | 1,045,998 |

Table of Contents**SELECTED CONSOLIDATED HISTORICAL FINANCIAL DATA OF PLAINSCAPITAL**

Set forth below is certain consolidated financial data of PlainsCapital as of and for the years ended December 31, 2007 through December 31, 2011 and as of and for the three months ended March 31, 2012 and 2011. The results of operations for the three months ended March 31, 2012 and 2011 are not necessarily indicative of the results of operations for the full year or any other interim period. PlainsCapital management prepared the unaudited consolidated information as of and for the three months ended March 31, 2012 and 2011 on the same basis as it prepared PlainsCapital's audited consolidated financial statements as of and for the year ended December 31, 2011. In the opinion of PlainsCapital management, this unaudited consolidated information reflects all adjustments, consisting of only normal recurring adjustments, necessary for a fair presentation of this data for those dates. You should read this information in conjunction with PlainsCapital's consolidated financial statements and related notes for the year ended December 31, 2011 and PlainsCapital's unaudited consolidated financial statements and related notes for the three months ended March 31, 2012, which are included in this document and from which this information is derived.

| | Three Months Ended March 31 | | Year Ended December 31, | | | | 2007 |
|--|--------------------------------|------------|-------------------------|------------|------------|------------|------------|
| | 2012 (unaudited) | 2011 | 2011 | 2010 | 2009 | 2008 | |
| Income Statement Data: | | | | | | | |
| Total interest income | \$ 56,556 | \$ 52,003 | \$ 219,443 | \$ 218,425 | \$ 202,823 | \$ 193,392 | \$ 220,895 |
| Total interest expense | 7,347 | 9,578 | 36,512 | 38,725 | 42,464 | 66,069 | 104,805 |
| Net interest income | 49,209 | 42,425 | 182,931 | 179,700 | 160,359 | 127,323 | 116,090 |
| Provision for loan losses | 2,221 | 6,500 | 21,757 | 83,226 | 66,673 | 22,818 | 5,517 |
| Net interest income after provision for loan losses | 46,988 | 35,925 | 161,174 | 96,474 | 93,686 | 104,505 | 110,573 |
| Total noninterest income | 150,106 | 85,340 | 477,758 | 432,183 | 334,908 | 119,066 | 84,281 |
| Total noninterest expense | 164,102 | 109,041 | 554,018 | 480,046 | 382,191 | 185,983 | 150,815 |
| Income from continuing operations before income taxes | 32,992 | 12,224 | 84,914 | 48,611 | 46,403 | 37,588 | 44,039 |
| Federal income tax provision | 11,254 | 4,508 | 30,068 | 15,412 | 14,855 | 13,027 | 14,904 |
| Net income | 21,738 | 7,716 | 54,846 | 33,199 | 31,548 | 24,561 | 29,135 |
| Less: Net income attributable to noncontrolling interest | 481 | 122 | 1,650 | 790 | 220 | 437 | 543 |
| Net income attributable to PlainsCapital Corporation | 21,257 | 7,594 | 53,196 | 32,409 | 31,328 | 24,124 | 28,592 |
| Dividends on preferred stock and other | 1,094 | 1,400 | 7,488 | 5,569 | 5,704 | | |
| Income applicable to PlainsCapital Corporation common shareholders | 20,163 | 6,194 | 45,708 | 26,840 | 25,624 | 24,124 | 28,592 |
| Less: income applicable to participating securities | 702 | 217 | 1,670 | 976 | 953 | | |
| Income applicable to PlainsCapital Corporation common shareholders for basic earnings per common share | \$ 19,461 | \$ 5,977 | \$ 44,038 | \$ 25,864 | \$ 24,671 | \$ 24,124 | \$ 28,592 |
| Per Share Data: | | | | | | | |
| Net income basic | \$ 0.61 | \$ 0.19 | \$ 1.39 | \$ 0.82 | \$ 0.79 | \$ 0.92 | \$ 1.10 |
| Weighted average shares outstanding basic | 31,843,784 | 31,625,519 | 31,649,566 | 31,476,675 | 31,259,995 | 26,117,934 | 26,012,250 |
| Net income diluted | \$ 0.59 | \$ 0.18 | \$ 1.36 | \$ 0.80 | \$ 0.77 | \$ 0.92 | \$ 1.09 |
| Weighted average shares outstanding diluted | 33,924,350 | 33,523,518 | 33,492,717 | 33,547,896 | 33,352,858 | 26,256,165 | 26,195,211 |
| Book value per common share | \$ 13.26 | \$ 11.33 | \$ 12.70 | \$ 11.33 | \$ 10.66 | \$ 9.99 | \$ 8.97 |
| Tangible book value per common share | \$ 11.79 | \$ 9.79 | \$ 11.21 | \$ 9.76 | \$ 9.02 | \$ 8.82 | \$ 7.54 |
| Dividends per common share | \$ 0.06 | \$ 0.05 | \$ 0.24 | \$ 0.20 | \$ 0.20 | \$ 0.20 | \$ 0.19 |

Table of Contents**PlainsCapital Non-GAAP to GAAP Reconciliation and Management's Explanation of Non-GAAP Financial Measures**

PlainsCapital presents two measures in its selected financial data that are not measures of financial performance recognized by GAAP.

"Tangible book value per common share" is defined as PlainsCapital's total shareholders' equity, excluding preferred stock, reduced by goodwill and other intangible assets, divided by total common shares outstanding. "Tangible common equity to tangible assets" is defined as PlainsCapital's total shareholders' equity, excluding preferred stock, reduced by goodwill and other intangible assets divided by total assets reduced by goodwill and other intangible assets.

These measures are important to investors interested in changes from period to period in tangible common equity per share exclusive of changes in intangible assets. For companies such as PlainsCapital that have engaged in business combinations, purchase accounting can result in the recording of significant amounts of goodwill and other intangible assets related to those transactions.

You should not view this disclosure as a substitute for results determined in accordance with GAAP, and PlainsCapital's disclosure is not necessarily comparable to that of other companies that use non-GAAP measures. The following table reconciles these non-GAAP financial measures to the most comparable GAAP financial measures, "book value per common share" and "PlainsCapital Corporation shareholders' equity to total assets" (in thousands, except per share data):

| | As of March 31, | | As of December 31, | | | | |
|--|-----------------|------------|--------------------|------------|------------|------------|------------|
| | 2012 | 2011 | 2011 | 2010 | 2009 | 2008 | 2007 |
| Book value per common share | \$ 13.26 | \$ 11.33 | \$ 12.70 | \$ 11.33 | \$ 10.66 | \$ 9.99 | \$ 8.97 |
| Effect of goodwill and intangible assets per share | \$ (1.47) | \$ (1.54) | \$ (1.49) | \$ (1.57) | \$ (1.64) | \$ (1.17) | \$ (1.43) |
| Tangible book value per common share | \$ 11.79 | \$ 9.79 | \$ 11.21 | \$ 9.76 | \$ 9.02 | \$ 8.82 | \$ 7.54 |
| PlainsCapital Corporation shareholders' equity | \$ 539,133 | \$ 447,851 | \$ 517,031 | \$ 446,491 | \$ 422,500 | \$ 399,815 | \$ 233,890 |
| Less: preferred stock | 114,068 | 89,399 | 114,068 | 89,193 | 88,400 | 87,631 | |
| Less: goodwill and intangible assets, net | 46,877 | 48,807 | 47,265 | 49,321 | 51,496 | 36,568 | 37,307 |
| Tangible common equity | 378,188 | 309,645 | 355,698 | 307,977 | 282,604 | 275,616 | 196,583 |
| Total assets | 5,787,557 | 5,404,364 | 5,700,020 | 5,313,405 | 4,570,769 | 3,951,996 | 3,182,863 |
| Less: goodwill and intangible assets, net | 46,877 | 48,807 | 47,265 | 49,321 | 51,496 | 36,568 | 37,307 |
| Tangible assets | 5,740,680 | 5,355,557 | 5,652,755 | 5,264,084 | 4,519,273 | 3,915,428 | 3,145,556 |
| Equity to assets | 9.32% | 8.29% | 9.07% | 8.40% | 9.24% | 10.12% | 7.35% |
| Tangible common equity to tangible assets | 6.59% | 5.78% | 6.29% | 5.85% | 6.25% | 7.04% | 6.25% |

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UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

The following unaudited pro forma condensed combined financial statements are based on the separate historical financial statements of Hilltop and PlainsCapital after giving effect to the merger and the issuance of Hilltop common stock in connection therewith, and the assumptions and adjustments described in the accompanying notes to the unaudited pro forma condensed combined financial statements. The unaudited pro forma condensed combined balance sheet as of March 31, 2012 is presented as if the merger with PlainsCapital had occurred on March 31, 2012. The unaudited pro forma condensed combined income statements for the year ended December 31, 2011 and the three months ended March 31, 2012 are presented as if the merger had occurred on January 1, 2011. The historical consolidated financial information has been adjusted to reflect factually supportable items that are directly attributable to the merger and, with respect to the income statements only, expected to have a continuing impact on consolidated results of operations.

The unaudited pro forma condensed combined financial information has been prepared using the acquisition method of accounting for business combinations under accounting principles generally accepted in the United States. Hilltop is the acquirer for accounting purposes. Hilltop has not had sufficient time to completely evaluate the significant identifiable long-lived tangible and identifiable intangible assets of PlainsCapital. Accordingly, the unaudited pro forma adjustments, including the allocations of the purchase price, are preliminary and have been made solely for the purpose of providing unaudited pro forma condensed combined financial information.

A final determination of the acquisition consideration and fair values of PlainsCapital's assets and liabilities, which cannot be made prior to the completion of the merger, will be based on the actual net tangible and intangible assets of PlainsCapital that exist as of the date of completion of the transaction. Consequently, amounts preliminarily allocated to goodwill and identifiable intangibles could change significantly from those allocations used in the unaudited pro forma condensed combined financial statements presented below and could result in a material change in amortization of acquired intangible assets.

In connection with the plan to integrate the operations of Hilltop and PlainsCapital following the completion of the merger, Hilltop anticipates that nonrecurring charges, such as costs associated with systems implementation, severance, and other costs related to exit or disposal activities, could be incurred. Hilltop is not able to determine the timing, nature, and amount of these charges as of the date of this joint proxy statement/prospectus. However, these charges could affect the results of operations of Hilltop and PlainsCapital, as well as those of the combined company following the completion of the merger, in the period in which they are recorded. The unaudited pro forma condensed combined financial statements do not include the effects of the costs associated with any restructuring or integration activities resulting from the transaction, as they are nonrecurring in nature and not factually supportable at the time that the unaudited pro forma condensed combined financial statements were prepared. Additionally, the unaudited pro forma adjustments do not give effect to any nonrecurring or unusual restructuring charges that may be incurred as a result of the integration of the two companies or any anticipated disposition of assets that may result from such integration. Transaction-related expenses estimated at \$13.1 million are not included in the unaudited pro forma condensed combined income statements.

The actual amounts recorded as of the completion of the merger may differ materially from the information presented in these unaudited pro forma condensed combined financial statements as a result of:

changes in the trading price for Hilltop's common stock;

net cash used or generated in PlainsCapital's operations between the signing of the merger agreement and completion of the merger;

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the timing of the completion of the merger;

other changes in PlainsCapital's net assets that occur prior to completion of the merger, which could cause material differences in the information presented below; and

changes in the financial results of the combined company, which could change the future discounted cash flow projections.

The unaudited pro forma condensed combined financial statements are provided for informational purposes only. The unaudited pro forma condensed combined financial statements are not necessarily, and should not be assumed to be, an indication of the results that would have been achieved had the transaction been completed as of the dates indicated or that may be achieved in the future. The preparation of the unaudited pro forma condensed combined financial statements and related adjustments required management to make certain assumptions and estimates. The unaudited pro forma condensed combined financial statements should be read together with:

the accompanying notes to the unaudited pro forma condensed combined financial statements;

Hilltop's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2011, included in Hilltop's Annual Report on Form 10-K for the year ended December 31, 2011;

PlainsCapital's separate audited historical consolidated financial statements and accompanying notes as of and for the year ended December 31, 2011, included in this joint proxy statement/prospectus beginning on page F-1;

Hilltop's separate unaudited historical consolidated financial statements and accompanying notes as of and for the three months ended March 31, 2012 included in Hilltop's Quarterly Report on Form 10-Q for the three months ended March 31, 2012;

PlainsCapital's separate unaudited historical consolidated financial statements and accompanying notes as of and for the three months ended March 31, 2012, included in this joint proxy statement/prospectus beginning on page F-1; and

other information pertaining to Hilltop and PlainsCapital contained in or, with respect to Hilltop, incorporated by reference into this joint proxy statement/prospectus. See "Selected Consolidated Historical Financial Data of Hilltop" and "Selected Consolidated Historical Financial Data of PlainsCapital" included elsewhere in this joint proxy statement/prospectus.

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**HILLTOP HOLDINGS INC. UNAUDITED PRO FORMA CONDENSED COMBINED
BALANCE SHEET AS OF MARCH 31, 2012**

| | Historical | | Pro Forma Adjustments | Pro Forma Combined | Notes |
|--|------------|---------------|--------------------------|-----------------------|-------|
| | Hilltop | PlainsCapital | | | |
| (In thousands) | | | | | |
| Assets: | | | | | |
| Cash, cash equivalents, and amounts due from banks | \$ 579,639 | \$ 244,864 | \$ (336,840) | \$ 487,663 | A |
| Federal funds sold and securities purchased under agreements to resell | | 19,858 | | 19,858 | |
| Investments in securities: | | | | | |
| Trading | | 66,804 | | 66,804 | |
| Available for sale | 162,961 | 616,609 | (4,061) | 775,509 | B |
| Held to maturity | | 175,647 | 6,090 | 181,737 | C |
| Total investments in securities | 162,961 | 859,060 | 2,029 | 1,024,050 | |
| Other investments | 56,560 | | | 56,560 | |
| Loans | | 3,269,255 | (86,588) | 3,182,667 | D |
| Loans held for sale | | 853,801 | | 853,801 | |
| Broker-dealer and clearing organization receivables | | 196,990 | | 196,990 | |
| Premiums receivable | 25,197 | | | 25,197 | |
| Fee award receivable | | 17,706 | | 17,706 | |
| Deferred acquisition costs | 19,395 | | | 19,395 | |
| Reinsurance recoverable | 25,932 | | | 25,932 | |
| Intangible assets | 8,765 | 10,997 | 75,903 | 95,665 | E |
| Goodwill | 23,988 | 35,880 | 176,452 | 236,320 | F |
| Property and equipment | 2,139 | 92,335 | 26,430 | 120,904 | G |
| Other real estate owned | | 23,590 | (9,015) | 14,575 | H |
| Other assets | 19,734 | 163,221 | 47,832 | 230,787 | I |
| Total assets | \$ 924,310 | \$ 5,787,557 | \$ (103,797) | \$ 6,608,070 | |
| Liabilities: | | | | | |
| Deposits | \$ | \$ 4,168,776 | \$ 7,073 | \$ 4,175,849 | J |
| Broker-dealer and clearing organization payables | | 220,012 | | 220,012 | |
| Short-term borrowings | | 606,774 | | 606,774 | |
| Reserve for losses and loss adjustment expenses | 47,861 | | | 47,861 | |
| Unearned premiums | 82,796 | | | 82,796 | |
| Notes payable | 131,450 | 51,828 | | 183,278 | |
| Junior subordinated debentures | | 67,012 | | 67,012 | |
| Other liabilities | 10,906 | 132,193 | 31,896 | 174,995 | K |
| Total liabilities | 273,013 | 5,246,595 | 38,969 | 5,558,577 | |
| Stockholders' Equity: | | | | | |
| Preferred stock | | 114,068 | | 114,068 | L |
| Common stock | 564 | 32 | 241 | 837 | M |
| Additional paid-in capital | 917,165 | 159,835 | 126,764 | 1,203,764 | N |
| Accumulated other comprehensive income | 10,582 | 4,857 | (4,857) | 10,582 | O |
| Accumulated earnings (deficit) | (277,014) | 262,411 | (266,984) | (281,587) | P |
| Unearned ESOP shares | | (2,070) | 2,070 | | Q |
| Total stockholders' equity before noncontrolling interest | 651,297 | 539,133 | (142,766) | 1,047,664 | |
| Noncontrolling interest | | 1,829 | | 1,829 | |
| Total stockholders' equity | 651,297 | 540,962 | (142,766) | 1,049,493 | |

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| | | | | |
|--|------------|--------------|--------------|--------------|
| Total liabilities and stockholders' equity | \$ 924,310 | \$ 5,787,557 | \$ (103,797) | \$ 6,608,070 |
|--|------------|--------------|--------------|--------------|

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

Table of Contents**HILLTOP HOLDINGS INC. UNAUDITED PRO FORMA CONDENSED COMBINED
INCOME STATEMENT FOR THE THREE MONTHS ENDED MARCH 31, 2012**

| | Historical | | Pro Forma | Pro Forma | Notes |
|---|---------------------------------------|----------------|----------------|----------------|-------|
| | Hilltop | PlainsCapital | Adjustments | Combined | |
| | (In thousands, except per share data) | | | | |
| Interest income: | | | | | |
| Loans, including fees | \$ | \$ 48,600 | \$ 982 | \$ 49,582 | R |
| Net investment and other interest income | 3,259 | 7,956 | (202) | 11,013 | S |
| Total interest income | 3,259 | 56,556 | 780 | 60,595 | |
| Interest expense: | | | | | |
| Deposits | | 5,265 | | 5,265 | |
| Short-term borrowings | | 428 | | 428 | |
| Notes payable | 2,139 | 723 | | 2,862 | |
| Junior subordinated debentures | | 648 | | 648 | |
| Other interest expense | | 283 | | 283 | |
| Total interest expense | 2,139 | 7,347 | | 9,486 | |
| Net interest income | 1,120 | 49,209 | 780 | 51,109 | |
| Provision for loan losses | | 2,221 | 342 | 2,563 | T |
| Net interest income after provision for loan losses | 1,120 | 46,988 | 438 | 48,546 | |
| Noninterest income: | | | | | |
| Net gains from sale of loans | | 99,718 | | 99,718 | |
| Mortgage loan origination fees | | 18,325 | | 18,325 | |
| Investment advisory and securities brokerage fees and commissions | | 24,595 | | 24,595 | |
| Net premiums earned | 35,155 | | | 35,155 | |
| Other noninterest income | 1,732 | 7,468 | | 9,200 | |
| Total noninterest income | 36,887 | 150,106 | | 186,993 | |
| Noninterest expense: | | | | | |
| Loss and loss adjustment expenses | 22,542 | | | 22,542 | |
| Policy acquisition and other underwriting expenses | 12,915 | | | 12,915 | |
| Employees' compensation and benefits | 2,220 | 105,774 | | 107,994 | |
| Occupancy & equipment | 271 | 17,082 | | 17,353 | |
| General and administrative and other expenses | (486) | 41,246 | 3,407 | 44,167 | U |
| Total noninterest expense | 37,461 | 164,102 | 3,407 | 204,970 | |
| Income before income tax expense | 546 | 32,992 | (2,969) | 30,569 | |
| Income tax expense | 203 | 11,254 | (1,069) | 10,388 | V |
| Net Income | 343 | 21,738 | (1,900) | 20,181 | |
| Less: net income attributable to noncontrolling interest | | 481 | | 481 | |
| Less: dividends on preferred stock and other | | 1,094 | | 1,094 | |
| Net income attributable to common stockholders | \$ 343 | \$ 20,163 | \$ (1,900) | \$ 18,606 | |
| Net income per share attributable to common stockholders: | | | | | |
| Basic | \$ 0.01 | \$ 0.61 | | \$ 0.22 | |
| Diluted | \$ 0.01 | \$ 0.59 | | \$ 0.22 | |
| Weighted average common shares outstanding: | | | | | |
| Basic | 56,499 | 32,991 | (5,670) | 83,820 | |
| Diluted | 56,555 | 33,924 | (6,603) | 83,876 | |

See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

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**HILLTOP HOLDINGS INC. UNAUDITED PRO FORMA CONDENSED COMBINED
INCOME STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2011**

| | Historical | | Pro Forma | Pro Forma | Notes |
|---|-------------------|------------------|-----------------|------------------|-------|
| | Hilltop | PlainsCapital | Adjustments | Combined | |
| (In thousands, except per share data) | | | | | |
| Interest income: | | | | | |
| Loans, including fees | \$ | \$ 180,209 | \$ 3,457 | \$ 183,666 | R |
| Net investment and other interest income | 10,538 | 39,234 | (808) | 48,964 | S |
| Total interest income | 10,538 | 219,443 | 2,648 | 232,629 | |
| Interest expense: | | | | | |
| Deposits | | 28,172 | | 28,172 | |
| Short-term borrowings | | 1,700 | | 1,700 | |
| Notes payable | 8,985 | 3,141 | | 12,126 | |
| Junior subordinated debentures | | 2,502 | | 2,502 | |
| Other interest expense | | 997 | | 997 | |
| Total interest expense | 8,985 | 36,512 | | 45,497 | |
| Net interest income | 1,553 | 182,931 | 2,648 | 187,132 | |
| Provision for loan losses | | 21,757 | (12,757) | 9,000 | T |
| Net interest income after provision for loan losses | 1,553 | 161,174 | 15,405 | 178,132 | |
| Noninterest income: | | | | | |
| Net gains from sale of loans | | 293,469 | | 293,469 | |
| Mortgage loan origination fees | | 72,351 | | 72,351 | |
| Investment advisory and securities brokerage fees and commissions | | 92,101 | | 92,101 | |
| Net premiums earned | 134,048 | | | 134,048 | |
| Other noninterest income | 7,602 | 19,837 | | 27,439 | |
| Total noninterest income | 141,650 | 477,758 | | 619,408 | |
| Noninterest expense: | | | | | |
| Loss and loss adjustment expenses | 96,734 | | | 96,734 | |
| Policy acquisition and other underwriting expenses | 47,425 | | | 47,425 | |
| Employees' compensation and benefits | 7,714 | 348,121 | | 355,835 | |
| Occupancy & equipment | 958 | 64,682 | | 65,640 | |
| General and administrative and other expenses | 1,911 | 141,215 | 12,880 | 156,006 | U |
| Total noninterest expense | 154,743 | 554,018 | 12,880 | 721,641 | |
| Income before income tax expense | (11,540) | 84,914 | 2,525 | 75,899 | |
| Income tax expense | (5,009) | 30,068 | 909 | 25,968 | V |
| Net Income | (6,531) | 54,846 | 1,616 | 49,931 | |
| Less: net income attributable to noncontrolling interest | | 1,650 | | 1,650 | |
| Less: dividends on preferred stock and other | | 7,488 | | 7,488 | |
| Net income attributable to common stockholders | \$ (6,531) | \$ 45,708 | \$ 1,616 | \$ 40,793 | |
| Net income per share attributable to common stockholders: | | | | | |
| Basic | \$ (0.12) | \$ 1.39 | | \$ 0.49 | |
| Diluted | \$ (0.12) | \$ 1.36 | | \$ 0.49 | |
| Weighted average common shares outstanding: | | | | | |
| Basic | 56,499 | 32,851 | (5,530) | 83,820 | |
| Diluted | 56,511 | 33,493 | (6,172) | 83,832 | |

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See accompanying Notes to Unaudited Pro Forma Condensed Financial Statements.

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NOTES TO UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL STATEMENTS

1. Basis of Pro Forma Presentation

The unaudited pro forma condensed combined balance sheet as of March 31, 2012 and the unaudited pro forma condensed combined income statements for the three months ended March 31, 2012 and the year ended December 31, 2011 are based on the historical financial statements of Hilltop and PlainsCapital after giving effect to the completion of the merger and the assumptions and adjustments described in the accompanying notes. It does not reflect cost savings or operating synergies expected to result from the merger, or the costs to achieve these cost savings or operating synergies, or any anticipated disposition of assets that may result from the integration of the operations of the two companies.

The transaction will be accounted for under the acquisition method of accounting in accordance with Accounting Standards Codification ("ASC") Topic 805, *Business Combinations* ("ASC 805"). In business combination transactions in which the consideration given is not in the form of cash (that is, in the form of non-cash assets, liabilities incurred, or equity interests issued), measurement of the acquisition consideration is based on the fair value of the consideration given or the fair value of the asset (or net assets) acquired, whichever is more clearly evident and, thus, more reliably measurable.

Under ASC 805, all of the assets acquired and liabilities assumed in a business combination are recognized at their acquisition-date fair value, while transaction costs and restructuring costs associated with the business combination are expensed as incurred. The excess of the acquisition consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill. Changes in deferred tax asset valuation allowances and income tax uncertainties after the acquisition date generally affect income tax expense. Subsequent to the completion of the merger, Hilltop and PlainsCapital will finalize an integration plan, which may affect how the assets acquired, including intangible assets, will be utilized by the combined company. For those assets in the combined company that will be phased out or will no longer be used, additional amortization, depreciation and possibly impairment charges will be recorded after management completes the integration plan.

The unaudited pro forma information is presented solely for informational purposes and is not necessarily indicative of the combined results of operations or financial position that might have been achieved for the periods or dates indicated, nor is it necessarily indicative of the future results of the combined company.

2. Preliminary Estimated Acquisition Consideration

On May 8, 2012, Hilltop entered into a definitive agreement and plan of merger with PlainsCapital and Meadow Corporation, pursuant to which PlainsCapital will merge with and into Meadow Corporation and become a subsidiary of Hilltop. The purchase consideration to PlainsCapital shareholders includes approximately 27.3 million shares of Hilltop common stock, 114,068 shares of Hilltop preferred stock, and approximately \$317 million of cash. At the closing (as defined in the merger agreement) each outstanding share of PlainsCapital common stock will be converted into the right to receive 0.776 shares of Hilltop common stock and \$9.00 in cash (collectively, the "Merger Consideration"), subject to certain adjustments. Each outstanding and unexercised option to purchase shares of PlainsCapital common stock will vest in full and the holder thereof will be entitled to receive the Merger Consideration in respect of each share of PlainsCapital common stock underlying such stock option, less the applicable exercise price and withholding taxes. Each outstanding PlainsCapital restricted stock unit and share of PlainsCapital restricted common stock will vest in full and will be converted into the right to receive the Merger Consideration, less applicable withholding taxes. Each share of PlainsCapital Series C preferred stock will be converted into one share of preferred stock of Hilltop having the same rights, preferences, privileges, voting powers, limitations, and restrictions as the PlainsCapital Series C preferred stock.

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Based on PlainsCapital's estimated shares of common stock and equity awards outstanding as of August 3, 2012, and assuming that all equity awards are vested and exercised as of the closing of the merger, the preliminary estimated acquisition consideration is as follows (in thousands):

Preliminary Estimated Acquisition Consideration

| | | |
|--|------------|--|
| Number of shares of PlainsCapital common stock outstanding at March 31, 2012 | 32,255 | |
| Escrow common shares expected to be issued prior to closing of the merger(1) | 1,042 | |
| Restricted stock units that will vest upon closing of the merger | 939 | |
| Restricted shares that will vest upon closing of the merger | 453 | |
| Stock options that will vest and be exercised prior to closing of the merger | 519 | |
| | | |
| Total PlainsCapital common stock upon closing of the merger | 35,208 | |
| Per share exchange ratio | 0.776 | |
| | | |
| Number of shares of Hilltop common stock as exchanged | 27,321 | |
| Multiplied by Hilltop common stock price on August 1, 2012 | \$ 10.50 | |
| | | |
| Estimated fair value of Hilltop common stock issued | \$ 286,872 | |
| Estimated fair value of Hilltop preferred stock issued | 114,068 | |
| Estimated cash distribution to PlainsCapital common stockholders(2) | 316,870 | |
| | | |
| Total Preliminary Estimated Acquisition Consideration | \$ 717,810 | |

-
- (1) Escrow common shares expected to be issued represent the estimated number of PlainsCapital shares that will be released from escrow and delivered to former First Southwest stockholders under the terms of its December 2008 merger agreement with PlainsCapital and is based on the estimated fair value of certain auction rate securities.
- (2) The estimated cash distribution to PlainsCapital common shareholders equals the cash portion of the Merger Consideration of \$9.00, multiplied by the total PlainsCapital common stock upon closing of the merger.

3. Preliminary Estimated Acquisition Consideration Allocation

Under the acquisition method of accounting, the total acquisition consideration is allocated to the acquired tangible and intangible assets and assumed liabilities of PlainsCapital based on their estimated fair values as of the closing of the merger. The excess of the acquisition consideration over the fair value of assets acquired and liabilities assumed, if any, is allocated to goodwill.

The allocation of the estimated acquisition consideration is preliminary because the proposed merger has not yet been completed. The preliminary allocation is based on estimates, assumptions, valuations, and other studies which have not progressed to a stage where there is sufficient information to make a definitive allocation. Accordingly, the acquisition consideration allocation unaudited pro forma adjustments will remain preliminary until Hilltop management determines the final acquisition consideration and the fair values of assets acquired and liabilities assumed. The final determination of the acquisition consideration allocation is anticipated to be completed as soon as practicable after the completion of the merger and will be based on the value of the Hilltop share price at the closing of the transaction. The final amounts allocated to assets acquired and liabilities assumed could differ significantly from the amounts presented in the unaudited pro forma condensed combined financial statements.

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The total preliminary estimated acquisition consideration as shown in the table above is allocated to PlainsCapital's tangible and intangible assets and liabilities as of March 31, 2012 based on their preliminary estimated fair values as follows (in thousands):

Preliminary Estimated Acquisition Consideration Allocation

| | |
|--|----------------|
| Cash, cash equivalents, and amounts due from banks | \$ 230,470 |
| Federal funds sold and securities purchased under agreements to resell | 19,858 |
| Investment securities | 861,089 |
| Loans held for sale | 853,801 |
| Loans | 3,182,667 |
| Broker-dealer and clearing organization receivables | 196,990 |
| Fee award receivable | 17,706 |
| Property and equipment | 118,765 |
| Other real estate owned | 14,575 |
| Other assets | 210,050 |
| Deposits | (4,175,849) |
| Broker-dealer and clearing organization payables | (220,012) |
| Short-term borrowings | (606,774) |
| Notes payable | (51,828) |
| Junior subordinated debentures | (67,012) |
| Other liabilities | (164,089) |
| Noncontrolling interest | (1,829) |
| Intangible assets | 86,900 |
| Goodwill | 212,332 |
| Preliminary Estimated Acquisition Consideration | \$ 717,810 |

Approximately \$86.9 million has been preliminarily allocated to amortizable intangible assets acquired. The amortization related to the preliminary fair value of net amortizable intangible assets is reflected as a pro forma adjustment to the unaudited pro forma condensed combined financial statements.

Identifiable intangible assets. The preliminary fair values of intangible assets were determined based on the provisions of ASC 805, which defines fair value in accordance with ASC Topic 820, *Fair Value Measurements and Disclosures*, or "ASC 820." ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Intangible assets were identified that met either the separability criterion or the contractual-legal criterion described in ASC 805. The preliminary allocation to intangible assets is as follows (dollar amounts in thousands):

| | | Estimated Useful Life (Years) |
|--------------------------------------|---------------|--|
| Core deposit intangible | \$ 42,700 | 9 |
| Customer contracts and relationships | 14,500 | 14 |
| Non-compete agreements | 14,100 | 5 |
| Trademarks and trade names | 12,000 | 23 |
| Internally-developed software | 3,600 | 3 |
| Total intangible assets | \$ 86,900 | |

Goodwill. Goodwill represents the excess of the preliminary estimated acquisition consideration over the preliminary fair value of the underlying net tangible and intangible assets. Among the factors

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that contributed to a purchase price in excess of the fair value of the net tangible and intangible assets are the skill sets, operations, customer base and organizational cultures that can be leveraged to enable the combined company to build an enterprise greater than the sum of its parts. In accordance with ASC Topic 350, *Intangibles Goodwill and Other*, goodwill will not be amortized, but instead will be tested for impairment at least annually and whenever events or circumstances have occurred that may indicate a possible impairment. In the event management determines that the value of goodwill has become impaired, the combined company will incur an accounting charge for the amount of the impairment during the period in which the determination is made.

4. Preliminary Unaudited Pro Forma and Acquisition Accounting Adjustments

The unaudited pro forma financial information is not necessarily indicative of what the financial position actually would have been had the merger been completed at the date indicated, and includes adjustments which are preliminary and may be revised. Such revisions may result in material changes. The financial position shown herein is not necessarily indicative of what the past financial position of the combined companies would have been, nor necessarily indicative of the financial position of the post-merger periods. The unaudited pro forma financial information does not give consideration to the impact of possible expense efficiencies, synergies, strategy modifications, asset dispositions, or other actions that may result from the merger.

The following unaudited pro forma adjustments result from accounting for the merger, including the determination of fair value of the assets, liabilities, and commitments which Hilltop, as the acquirer for accounting purposes, will acquire from PlainsCapital. The descriptions related to these preliminary adjustments are as follows (in thousands):

Balance Sheet

| | | |
|----------|---|--------------|
| A | Adjustments to cash | |
| | To reflect cash used to purchase outstanding shares of PlainsCapital | \$ (316,870) |
| | To reflect cash proceeds to PlainsCapital from assumed stock option exercises, immediately prior to closing of the merger | 5,374 |
| | To reflect cash paid by PlainsCapital to settle executive compensation obligations | (12,267) |
| | To reflect cash used to pay estimated transaction costs of Hilltop | (5,577) |
| | To reflect cash used to pay estimated transaction costs of PlainsCapital | (7,500) |
| | | \$ (336,840) |
| B | Adjustment to available for sale investments | |
| | To reflect estimated fair value at acquisition date | \$ (4,061) |
| C | Adjustment to held to maturity investments | |
| | To reflect estimated fair value at acquisition date | \$ 6,090 |
| D | Adjustment to loans | |
| | To reflect estimated fair value at acquisition date | \$ (86,588) |
| E | Adjustments to intangible assets | |
| | To eliminate PlainsCapital historical acquired intangible assets | \$ (10,997) |
| | To record the estimated fair value of acquired identifiable intangible assets | 86,900 |
| | | \$ 75,903 |
| F | Adjustments to goodwill | |
| | To eliminate PlainsCapital historical acquired goodwill | \$ (35,880) |
| | To reflect the goodwill associated with the PlainsCapital acquisition | 212,332 |
| | | \$ 176,452 |

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| | | | |
|----------|---|----|-----------|
| G | Adjustment to property and equipment | | |
| | To reflect estimated fair value at acquisition date | \$ | 26,430 |
| H | Adjustment to other real estate owned | | |
| | To reflect estimated fair value at acquisition date | \$ | (9,015) |
| I | Adjustments to other assets | | |
| | To reflect acquired current tax recoverable from estimated transaction costs of PlainsCapital | \$ | 1,350 |
| | To reflect current tax recoverable from estimated transaction costs of Hilltop | | 1,004 |
| | To reflect deferred tax asset changes resulting from pro forma adjustments | | 45,478 |
| | | \$ | 47,832 |
| J | Adjustment to deposits | | |
| | To reflect estimated fair value at acquisition date | \$ | 7,073 |
| K | Adjustments to other liabilities | | |
| | To eliminate contingent liability related to First Southwest escrow shares | \$ | (13,273) |
| | To reflect liability for change in control payments due under existing contracts | | 13,404 |
| | To reflect cash paid by PlainsCapital to settle executive compensation obligations | | (12,267) |
| | To reflect liability for indemnification reserve | | 5,000 |
| | To reflect deferred tax liability changes resulting from pro forma adjustments | | 39,032 |
| | | \$ | 31,896 |
| L | Adjustments to preferred stock | | |
| | To eliminate PlainsCapital historical preferred stock | \$ | (114,068) |
| | To reflect the issuance of Hilltop preferred stock, at fair value | | 114,068 |
| | | \$ | |
| M | Adjustments to common stock | | |
| | To eliminate PlainsCapital historical common stock | \$ | (32) |
| | To reflect the issuance of Hilltop common stock to PlainsCapital shareholders | | 273 |
| | | \$ | 241 |
| N | Adjustments to additional paid-in capital | | |
| | To eliminate PlainsCapital historical additional paid-in capital | \$ | (159,835) |
| | To reflect the issuance of Hilltop common stock to PlainsCapital shareholders | | 286,599 |
| | | \$ | 126,764 |
| O | Adjustment to accumulated other comprehensive income | | |
| | To eliminate PlainsCapital historical accumulated other comprehensive income | \$ | (4,857) |
| P | Adjustments to accumulated deficit | | |
| | To eliminate PlainsCapital retained earnings | \$ | (262,411) |
| | To reflect estimated transactions costs of Hilltop, net of tax | | (4,573) |
| | | \$ | (266,984) |
| Q | Adjustment to unearned ESOP shares | | |
| | To reflect vesting of PlainsCapital unearned ESOP shares | \$ | 2,070 |

Pursuant to the acquisition method of accounting, the final acquisition consideration will be based on the price of Hilltop's common stock immediately prior to the effective time of the merger. A 20% difference in per share price at the closing of the merger compared to the amount used in these unaudited pro forma condensed combined financial statements would increase or decrease total acquisition consideration and goodwill by approximately \$57 million.

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Income Statements

| | Three Months Ended March 31, 2012 | | Year Ended December 31, 2011 | |
|---|--|---------|---|----------|
| R Adjustment to loan interest income | | | | |
| To reflect amortization of loan discounts resulting from loan fair value pro forma adjustment | \$ | 982 | \$ | 3,457 |
| S Adjustment to net investment and other interest income | | | | |
| To reflect foregone interest resulting from pro forma cash adjustments | \$ | (202) | \$ | (808) |
| T Adjustment to provision for loan losses | | | | |
| To reflect changes to loan loss provision | \$ | 342 | \$ | (12,757) |
| U Adjustments to general and administrative and other expenses | | | | |
| To eliminate PlainsCapital historical amortization expense | \$ | (388) | \$ | (2,100) |
| To reflect amortization of acquired intangible assets | | 2,600 | | 10,200 |
| To reflect additional depreciation expense resulting from property and equipment pro forma adjustment | | 1,195 | | 4,780 |
| | \$ | 3,407 | \$ | 12,880 |
| V Adjustment to income tax expense | | | | |
| To reflect the income tax effect of pro forma adjustments R - U at Hilltop's estimated combined statutory tax rate of 36% | \$ | (1,069) | \$ | 909 |

Note that the estimated transaction costs included as part of the unaudited pro forma condensed combined balance sheet as of March 31, 2012, have not been included in the above unaudited pro forma condensed combined income statements.

5. Earnings per Common Share

Unaudited pro forma earnings per common share for the three months ended March 31, 2012 and for the year ended December 31, 2011 have been calculated using Hilltop's historic weighted average common shares outstanding plus the common shares assumed to be issued to PlainsCapital shareholders per the merger agreement.

The following table sets forth the calculation of basic and diluted unaudited pro forma earnings per common share for the three months ended March 31, 2012 and the year ended December 31, 2011 (in thousands, except per share data).

| | Three Months Ended March 31, 2012 | | Year Ended December 31, 2011 | |
|---|--|----------------|---|----------------|
| | Basic | Diluted | Basic | Diluted |
| Pro forma net income | \$ 18,606 | \$ 18,606 | \$ 40,793 | \$ 40,793 |
| Weighted average common shares outstanding: | | | | |
| Historic Hilltop | 56,499 | 56,555 | 56,499 | 56,511 |
| Common shares issued to PlainsCapital | 27,321 | 27,321 | 27,321 | 27,321 |
| Pro forma | 83,820 | 83,876 | 83,820 | 83,832 |
| Pro forma net income per common share | \$ 0.22 | \$ 0.22 | \$ 0.49 | \$ 0.49 |

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UNAUDITED COMPARATIVE PER SHARE DATA

The following table sets forth for Hilltop common stock and PlainsCapital common stock certain historical, pro forma and pro forma-equivalent per share financial information. The pro forma and pro forma-equivalent per share information gives effect to the merger and the planned conversion of the outstanding PlainsCapital Series C preferred stock into shares of a new series of Hilltop preferred stock with equivalent rights and preferences as if such transactions had been effective on the dates presented, in the case of the book value data, and as if the transactions had become effective on January 1, 2011, in the case of the net income and dividends declared data.

The unaudited pro forma per share data in the tables assume that the merger is accounted for using the acquisition method of accounting and represents a current estimate based on available information of the combined company's results of operations. The unaudited pro forma condensed combined financial statement adjustments record the assets and liabilities of PlainsCapital at their estimated fair values and are subject to adjustment as additional information becomes available and as additional analyses are performed. See "Unaudited Pro Forma Condensed Combined Financial Statements" included elsewhere in this joint proxy statement/prospectus. The information in the following table is based on, and should be read together with, the historical financial information that Hilltop presented in its prior filings with the SEC and that Hilltop and PlainsCapital have included in this joint proxy statement/prospectus. See "Where You Can Find More Information" included elsewhere in this joint proxy statement/prospectus.

The unaudited pro forma information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not reflect the impact of possible business model changes as a result of current market conditions which may impact revenues, expense efficiencies, asset dispositions, share repurchases and other factors. It also does not necessarily reflect what the historical results of the combined company would have been had our companies been combined during these periods nor is it indicative of the results of operations in future periods or the future financial position of the combined company. The Comparative Per Share Data Table for the three months ended March 31, 2012 and the year ended December 31, 2011 combines the historical income per share data of Hilltop and subsidiaries and PlainsCapital and subsidiaries after giving effect to the transactions contemplated by the merger agreement as if such transactions had become effective on January 1, 2011. The unaudited pro forma adjustments are based upon available information and certain assumptions that Hilltop management believes are reasonable. Upon completion of the merger, the operating results of PlainsCapital will be reflected in the consolidated financial statements of Hilltop on a prospective basis.

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| | Hilltop Historical | PlainsCapital Historical | Pro Forma Combined | Per Equivalent PlainsCapital Share(2) |
|--|-----------------------|-----------------------------|-----------------------|---|
| Income (loss) from operations for the year ended December 31, 2011: | | | | |
| Basic earnings (loss) per share | \$ (0.12) | \$ 1.39 | \$ 0.49 | \$ 0.38 |
| Diluted earnings (loss) per share | \$ (0.12) | \$ 1.36 | \$ 0.49 | \$ 0.38 |
| Dividends paid for the year ended December 31, 2011: | | | | |
| | \$ | \$ 0.24 | \$ 0.10 | \$ 0.08 |
| Book value per share as of December 31, 2011: | \$ 11.60 | \$ 12.70 | N/A | N/A |
| Tangible book value per share as of December 31, 2011: | \$ 11.01 | \$ 11.21 | N/A | N/A |
| Income from operations for the three months ended March 31, 2012: | | | | |
| Basic earnings per share | \$ 0.01 | \$ 0.61 | \$ 0.22 | \$ 0.17 |
| Diluted earnings per share | \$ 0.01 | \$ 0.59 | \$ 0.22 | \$ 0.17 |
| Dividends paid for the three months ended March 31, 2012: | | | | |
| | \$ | \$ 0.06 | \$ 0.02 | \$ 0.02 |
| Book value per share as of March 31, 2012: | \$ 11.56 | \$ 13.26 | \$ 11.16 | \$ 8.66 |
| Tangible book value per share as of March 31, 2012(1): | \$ 10.97 | \$ 11.79 | \$ 7.19 | \$ 5.58 |

(1) Please see " Hilltop Non-GAAP to GAAP Reconciliation and Mangement's Explanation of Non-GAAP Financial Measures" and " PlainsCapital Non-GAAP to GAAP Reconciliation and Mangement's Explanation of Non-GAAP Financial Measures" for a reconciliation of each company's tangible book value per common share to book value per common share.

(2) The per equivalent PlainsCapital share data is based only on the 0.776 shares of Hilltop common stock to be issued to PlainsCapital shareholders as the stock portion of the merger consideration for each share of PlainsCapital common stock and does not give effect to the \$9.00 in cash to be received by PlainsCapital shareholders as the cash portion of the merger consideration for each share of PlainsCapital common stock.

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On August 3, 2012, PlainsCapital announced its results of operations for the quarter ended June 30, 2012. The following is a summary of PlainsCapital's unaudited results for the three and six months ended June 30, 2012 and 2011. This summary is not intended to be a comprehensive statement of PlainsCapital's unaudited financial results for these periods. Full financial results will be included in PlainsCapital's Quarterly Report on Form 10-Q for the period ended June 30, 2012.

The following table presents certain data from PlainsCapital's consolidated results of operations for the three and six months ended June 30, 2012 and 2011 (in thousands, except per share amounts):

| | Three Months Ended June 30, | | Six Months Ended June 30, | |
|-----------------------------------|--------------------------------|-----------|------------------------------|-----------|
| | 2012 | 2011 | 2012 | 2011 |
| Net interest income | \$ 49,985 | \$ 45,185 | \$ 99,194 | \$ 87,610 |
| Provision for loan losses | 3,419 | 7,238 | 5,640 | 13,738 |
| Noninterest income | 168,419 | 107,589 | 318,525 | 192,929 |
| Noninterest expense | 172,791 | 121,930 | 336,893 | 230,971 |
| Income before income taxes | 42,194 | 23,606 | 75,186 | 35,830 |
| Income tax provision | 15,962 | 7,992 | 27,216 | 12,500 |
| Consolidated net income | \$ 26,232 | \$ 15,614 | \$ 47,970 | \$ 23,330 |
| Diluted earnings per common share | \$ 0.72 | \$ 0.42 | \$ 1.32 | \$ 0.60 |
| Dividends per common share | \$ 0.06 | \$ 0.05 | \$ 0.12 | \$ 0.10 |

PlainsCapital announced consolidated net income for the second quarter of 2012 of \$26.2 million, a 68% increase over its second quarter 2011 earnings of \$15.6 million. On a per share basis, earnings were \$0.72 per diluted common share for the three months ended June 30, 2012, compared to \$0.42 per diluted common share reported for the quarter ended a year earlier. Consolidated net income for the six months ended June 30, 2012 was \$48.0 million, a 106% increase over earnings of \$23.3 million for the six months ended June 30, 2011. On a per share basis, earnings were \$1.32 per diluted share for the first six months of 2012, compared to \$0.60 per diluted share reported for the six-month period ended June 30, 2011. Returns on average assets and average shareholders' equity for the six months ended June 30, 2012 were 1.63% and 17.38%, respectively, compared to 0.87% and 10.28% for the six months ended June 30, 2011.

Net interest income increased \$4.8 million for the second quarter of 2012, from \$45.2 million in the second quarter of 2011 to \$50.0 million in the second quarter of 2012, and \$11.6 million for the six months ended June 30, 2012, from \$87.6 million in the first half of 2011 to \$99.2 million in the first half of 2012. The increase for both periods was due to increases in average loan volumes within PlainsCapital's banking segment and decreases in market interest rates paid on deposits.

The provision for loan losses was \$3.4 million and \$5.6 million for the three and six months ended June 30, 2012, respectively. Provision for loan losses decreased by \$3.8 million for the second quarter of 2012 and \$8.1 million for the six months ended June 30, 2012 compared with the corresponding periods in 2011. The decrease was primarily a result of a decrease in non-performing loans during the first half of 2012 compared with the first half of 2011 resulting from the improving economic and financial environment for banking in Texas.

Noninterest income was \$168.4 million for the second quarter of 2012 compared with \$107.6 million for the second quarter of 2011, an increase of \$60.8 million. Noninterest income was \$318.5 million for the six months ended June 30, 2012 compared with \$192.9 million for the six months ended June 30, 2011, an increase of \$125.6 million. The increase for both periods was primarily due to

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increased mortgage loan origination volume, which increased 58% during the second quarter of 2012 and 67% during the six months ended June 30, 2012 compared with the corresponding periods in 2011. The increased mortgage loan origination volume resulted from PrimeLending's efforts to add staff and open mortgage banking offices in recent years, in addition to a more favorable interest rate environment in the first half of 2012, compared to the same period in 2011. The increased mortgage origination volume led to higher combined net gains on the sale of mortgage loans and mortgage loan origination fees during the first half of 2012. PrimeLending expects its rate of mortgage loan origination volume growth to moderate throughout the remainder of 2012.

Noninterest expense was \$172.8 million for the second quarter of 2012 compared with \$121.9 million for the second quarter of 2011, an increase of \$50.9 million. Noninterest expense was \$336.9 million for the six months ended June 30, 2012, compared with \$231.0 million for the same period in 2011, an increase of \$105.9 million. The largest component of the increase was employees' compensation and benefits, which increased primarily due to higher variable costs for commissions incurred by the mortgage origination segment as a result of an increase in the volume of mortgage loan originations during the first half of 2012 compared with the first half of 2011.

The following table presents certain balance sheet data for PlainsCapital as of June 30, 2012 and December 31, 2011 (in millions):

| | June 30, 2012 | December 31, 2011 |
|--|------------------|----------------------|
| Total assets | \$ 5,846 | \$ 5,700 |
| Loans, including loans held for sale | 4,272 | 4,127 |
| Deposits | 3,953 | 4,246 |
| PlainsCapital Corporation shareholders' equity | 562 | 517 |

As of June 30, 2012, on a consolidated basis, PlainsCapital had total assets of approximately \$5.8 billion, total loans, including loans held for sale, of approximately \$4.3 billion, and shareholders' equity of approximately \$0.6 billion. PlainsCapital had deposits of \$4.0 billion at June 30, 2012, a decrease of \$293 million compared with December 31, 2011. The decrease in deposits was due primarily to PlainsCapital's decision to replace certain maturing time deposits with lower cost sources of funding, including advances from the Federal Home Loan Bank.

As of June 30, 2012, PlainsCapital exceeded all regulatory capital requirements with a total capital to risk weighted assets ratio of 14.34%, Tier 1 capital to risk weighted assets ratio of 12.87% and a Tier 1 capital to average assets, or leverage, ratio of 10.17%.

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RISK FACTORS

In addition to the other information included and incorporated by reference in this document, Hilltop shareholders should consider the matters described below in determining whether to approve the issuance of Hilltop common stock to PlainsCapital shareholders as contemplated by the merger agreement and PlainsCapital shareholders should consider the matters described below in determining whether to adopt and approve the merger agreement.

Risk Factors Relating to the Merger

Because the market price of Hilltop common stock will fluctuate and the per share merger consideration may be adjusted, PlainsCapital shareholders cannot be sure of the value of the merger consideration they will receive.

Upon completion of the merger, each share of PlainsCapital common stock will be converted into merger consideration consisting of \$9.00 in cash and 0.776 of a share of Hilltop common stock, subject to certain adjustments. The market value of the merger consideration may vary from the closing price of Hilltop common stock on the date we announced the merger, on the date that this document was mailed to PlainsCapital shareholders, on the date of the special meeting of the PlainsCapital shareholders and on the date we complete the merger and thereafter. Any change in the market price of Hilltop common stock prior to completion of the merger will affect the market value of the merger consideration that PlainsCapital shareholders will receive upon completion of the merger. In addition, the aggregate merger consideration payable by Hilltop will not increase in the event that additional shares of PlainsCapital common stock are issued or become outstanding following the execution of the merger agreement, other than in connection with certain equity awards. As a result, if additional shares of PlainsCapital common stock are issued or become outstanding other than as permitted in the merger agreement, the per share merger consideration will decrease. Accordingly, at the time of the special meeting, PlainsCapital shareholders will not know or be able to calculate the value of the merger consideration they would receive upon completion of the merger. Neither company is permitted to terminate the merger agreement or resolicit the vote of its shareholders solely because of changes in the market price of Hilltop's common stock, and there will be no adjustment to the merger consideration for changes in such market price. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in our respective businesses, operations and prospects, and regulatory considerations. Many of these factors are beyond our control. We urge you to obtain current market quotations for shares of Hilltop common stock before you vote your shares at the PlainsCapital special meeting.

We may fail to re