

Report of Organizational Actions Affecting Basis of Securities

OMB No. 1545-2224

► See separate instructions.

Part I Reporting Issuer

1 Issuer's name		2 Issuer's employer identification number (EIN)	
Hilltop Holdings, Inc.		84-1477939	
3 Name of contact for additional information	4 Telephone No. of contact	5 Email address of contact	
PlainsCapital Investor Relations	214-252-4155	investor.relations.plainscapital.com	
6 Number and street (or P.O. box if mail is not delivered to street address) of contact		7 City, town, or post office, state, and Zip code of contact	
200 Crescent Court, Suite 1330		Dallas, TX 75201	
8 Date of action	9 Classification and description		
November 30, 2012	See Attachment		
10 CUSIP number	11 Serial number(s)	12 Ticker symbol	13 Account number(s)
432748101		HTH	

Part II Organizational Action

Attach additional statements if needed. See back of form for additional questions.

- 14 Describe the organizational action and, if applicable, the date of the action or the date against which shareholders' ownership is measured for the action ► See Attachment

- 15 Describe the quantitative effect of the organizational action on the basis of the security in the hands of a U.S. taxpayer as an adjustment per share or as a percentage of old basis ► See Attachment

- 16 Describe the calculation of the change in basis and the data that supports the calculation, such as the market values of securities and the valuation dates ► See Attachment

Part II Organizational Action (continued)**17** List the applicable Internal Revenue Code section(s) and subsection(s) upon which the tax treatment is based ►

IRC Sections 354, 356, 358 and 1001

18 Can any resulting loss be recognized? ► No loss can be recognized upon the exchange of the PCC common shares for shares of HTH common stock and cash. If a taxable loss is calculated on the deemed sale of a fractional share of HTH common stock deemed to have been received in the exchange, this loss can be recognized.

19 Provide any other information necessary to implement the adjustment, such as the reportable tax year ►

The transaction was consummated on November 30, 2012. Consequently, the reportable tax year of the PCC shareholders for reporting the tax effect of the share exchange is the tax year that includes the November 30, 2012 date. This is the 2012 calendar year for those shareholders who report taxable income on the basis of a calendar year.

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

Signature ►

Date ►

Print your name ►

Title ►

Paid Preparer Use Only

Print/Type preparer's name

Preparer's signature

Date

Check ☐ if self-employed

PTIN

Firm's name ►

Firm's EIN ►

Firm's address ►

Phone no.

Hilltop Holdings, Inc.
84-1477939
Attachment to Form 8937

REPORT OF ORGANIZATINAL ACTIONS AFFECTING BASIS OF SECURITIES

Form 8937 Part I, Box 9:

The securities subject to reporting include all shares of Hilltop Holdings, Inc. ("HTH") common stock issued in exchange for the outstanding common stock of PlainsCapital Corporation ("PCC") as a result of the merger of PCC with and into a subsidiary of HTH on November 30, 2012.

Form 8937 Part II, Box 14:

The reportable organizational action involves the merger of PCC with and into a subsidiary of HTH on November 30, 2012. As a result of this merger, each share of PCC common stock was exchanged for 0.776 shares of HTH common stock and \$9 in cash. To the extent that the exchange would have resulted in the issuance of a fractional share of HTH common stock to a PCC shareholder, a cash payment equal to the market value equivalent of the fractional share was paid in lieu of issuing a fractional share of HTH common stock.

Form 8937 Part II, Box 15:

The merger of PCC with and into a subsidiary of HTH qualifies as a tax-free reorganization within the meaning of Section 368(a) of the Internal Revenue Code of 1986, as amended. As a result, each PCC shareholder will recognize a taxable gain, but not a loss, equal to the lesser of:

- The amount of cash received in the exchange; or
- The amount, if any, by which the sum of the cash received plus the fair market value of the shares of HTH common stock received in the exchange (measured at the time of the exchange) exceeds the PCC shareholder's tax basis in the PCC shares surrendered in the exchange.

For purposes of calculating this taxable gain, the amount of cash received in the exchange does not include cash received in lieu of fractional shares of HTH common stock (see discussion of cash received in lieu of fractional shares below).

Gain or loss must be calculated separately for each identifiable block of PCC common shares surrendered in the exchange having a common tax basis. A loss realized on one block of PCC common shares may not be used to offset a gain realized on another block of PCC common shares. Each PCC shareholder is encouraged to consult their own personal tax advisor regarding the determination of this realized gain or loss on the exchange.

Each PCC shareholder is required to determine the tax basis of the shares of HTH stock received in the exchange by performing the following calculations separately for each identifiable block of PCC common shares surrendered in the exchange having a common tax basis:

- Begin with the aggregate tax basis of the PCC common shares surrendered in the exchange
- Add the amount of taxable gain, if any, determined from the above calculation (excluding any gain or loss resulting from the deemed receipt and sale of fractional shares described below)
- Subtract the total amount of cash received (excluding any cash received in lieu of fractional shares described below)
- Subtract the tax basis in any fractional shares of HTH common stock that were deemed to have been received in the exchange and immediately sold (see the treatment of fractional shares described below)

The resulting figure represents the aggregate tax basis of the shares of HTH common stock received in the exchange for that identifiable block of PCC common shares transferred. The tax basis of each individual share of HTH common stock within this identifiable block is determined by dividing this aggregate tax basis by the number of HTH common shares that comprise this identifiable block.

PCC shareholders who receive cash in lieu of a fractional share of HTH common stock are, for purposes of determining the taxability of that cash, deemed to have received the fractional share in the exchange and then as having sold the fractional share for cash. These PCC shareholders will generally recognize a taxable gain or loss equal to the difference between the tax basis of the PCC common shares deemed to have been exchanged for the fractional share and the amount of cash received.

Form 8937 Part II, Box 16:

Refer to the description of the basis calculation in Part II, Box 15 above. The November 30, 2012 closing price of a single share of HTH common stock on the New York Stock Exchange was \$14.29.