

Hilltop Holdings Inc.
Form 10-Q
July 30, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, DC 20549

FORM 10-Q

- x QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended June 30, 2014

- o TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Commission File Number: 1-31987

Hilltop Holdings Inc.

(Exact name of registrant as specified in its charter)

Maryland
(State or other jurisdiction of incorporation or organization)

84-1477939
(I.R.S. Employer Identification No.)

200 Crescent Court, Suite 1330
Dallas, TX

75201

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(Address of principal executive offices)

(Zip Code)

(214) 855-2177

(Registrant's telephone number, including area code)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input checked="" type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/> (Do not check if a smaller reporting company)	Smaller reporting company	<input type="checkbox"/>

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes No

The number of shares of the registrant's common stock outstanding at July 29, 2014 was 90,182,915.

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HILLTOP HOLDINGS INC.
FORM 10-Q
FOR THE QUARTER ENDED JUNE 30, 2014

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(in thousands, except share and per share data)

	June 30, 2014 (Unaudited)	December 31, 2013
Assets		
Cash and due from banks	\$ 673,972	\$ 713,099
Federal funds sold and securities purchased under agreements to resell	14,813	32,924
Securities:		
Trading, at fair value	61,663	58,846
Available for sale, at fair value (amortized cost of \$1,205,912 and \$1,256,862, respectively)	1,201,778	1,203,143
Held to maturity, at amortized cost (fair value of \$65,631)	65,275	
	1,328,716	1,261,989
Loans held for sale	1,410,873	1,089,039
Non-covered loans, net of unearned income	3,714,837	3,514,646
Allowance for non-covered loan losses	(36,431)	(33,241)
Non-covered loans, net	3,678,406	3,481,405
Covered loans, net of allowance of \$4,115 and \$1,061, respectively	840,898	1,005,308
Broker-dealer and clearing organization receivables	190,764	119,317
Insurance premiums receivable	27,957	25,597
Deferred policy acquisition costs	22,027	20,991
Premises and equipment, net	201,545	200,706
FDIC indemnification asset	175,114	188,291
Covered other real estate owned	142,174	142,833
Mortgage servicing rights	35,877	20,149
Other assets	336,199	279,745
Goodwill	251,808	251,808
Other intangible assets, net	65,305	70,921
Total assets	\$ 9,396,448	\$ 8,904,122
Liabilities and Stockholders Equity		
Deposits:		
Noninterest-bearing	\$ 1,829,072	\$ 1,773,749
Interest-bearing	4,326,238	4,949,169
Total deposits	6,155,310	6,722,918
Broker-dealer and clearing organization payables	227,891	129,678
Reserve for losses and loss adjustment expenses	35,146	27,468
Unearned insurance premiums	94,611	88,422
Short-term borrowings	1,187,193	342,087
Notes payable	55,584	56,327
Junior subordinated debentures	67,012	67,012
Other liabilities	176,539	158,288
Total liabilities	7,999,286	7,592,200
Commitments and contingencies (see Notes 11 and 12)		
Stockholders equity:		
Hilltop stockholders equity:		
	114,068	114,068

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Preferred stock, \$0.01 par value, 10,000,000 shares authorized; Series B, liquidation value per share of \$1,000; 114,068 shares issued and outstanding			
Common stock, \$0.01 par value, 125,000,000 and 100,000,000 shares authorized; 90,180,699 and 90,175,688 shares issued and outstanding, respectively	902		902
Additional paid-in capital	1,387,883		1,388,641
Accumulated other comprehensive loss	(2,501)		(34,863)
Accumulated deficit	(103,910)		(157,607)
Total Hilltop stockholders' equity	1,396,442		1,311,141
Noncontrolling interest	720		781
Total stockholders' equity	1,397,162		1,311,922
Total liabilities and stockholders' equity	\$ 9,396,448	\$	8,904,122

See accompanying notes.

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HILLTOP HOLDINGS INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(Unaudited)

**Three Months Ended June 30,
2014**

Six Months Ended June 30,