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**PlainsCapital Corporation and First Southwest Holdings Complete Merger**  
*Transaction expected to enhance equity, funding and profitability for both companies.*

DALLAS (January 2, 2009)—PlainsCapital Corporation, holding company of PlainsCapital Bank, has completed its acquisition of First Southwest Holdings, Inc., the holding company of Dallas-based financial advisory and investment bank First Southwest in a stock-for-stock merger. The merger unites Texas' second-largest privately held commercial bank and the nation's third-ranked public finance advisory firm. The transaction is expected to enhance equity, funding and profitability for both companies and to be immediately accretive to PlainsCapital's earnings.

The merger of PlainsCapital Corporation and First Southwest brings together an array of complementary services and creates a diversified, independent financial services company with assets of \$4 billion. The transaction also gives PlainsCapital Bank a national platform for future growth. For First Southwest, the merger provides even more financial strength to one of the nation's most respected public finance advisory firms and investment banks.

PlainsCapital Corporation announced on November 11, 2008 that it had signed a definitive agreement and plan of merger with First Southwest Holdings, Inc.

"For strong and stable companies such as PlainsCapital and First Southwest, tremendous opportunities for growth often present themselves," PlainsCapital Corporation Chairman and CEO Alan B. White said. "Together, we can act on those opportunities and create more value for our shareholders, customers and employees."

PlainsCapital Bank is a commercial and private bank that specializes in serving middle market companies and high net worth individuals. PlainsCapital Bank operates locations in Austin, Dallas, Fort Worth, Lubbock and San Antonio. PlainsCapital is also parent company to subsidiaries PrimeLending and Hester Capital Management. PrimeLending is a residential mortgage company with more than 80 locations nationwide. Hester Capital is an Austin-based asset management firm. Like PlainsCapital's other subsidiaries, First Southwest will operate as if it were an independent company.

"It will be business as usual for both our employees and clients," said Hill A. Feinberg who will remain as chairman and CEO of First Southwest.

First Southwest is an investment bank specializing in public finance, correspondent clearing, capital markets and asset management. First Southwest is the top public finance advisor in Texas and third nationwide, serving more than 1,500 public entities. The firm employs 368 people and operates 22 offices in 10 states and the District of Columbia.

**About PlainsCapital Corporation**

PlainsCapital Corporation is the 21st largest privately held financial services company in the U.S. with 137 locations in 23 states and 2,170 employees. PlainsCapital Corporation is parent company to PlainsCapital Bank with \$4 billion in assets; First Southwest, the third-ranked public finance advisory firm and investment bank in the U.S.; national mortgage company PrimeLending; and Hester Capital Management, an Austin-based asset management firm. Find more information at [plainscapital.com](http://plainscapital.com).

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