

NEWS RELEASE

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FirstCity Financial Corporation Announces the Election of William P. Hendry, Jr. to its Board of Directors

Waco, Texas, August 18, 2010..... FirstCity Financial Corporation is pleased to announce the election of William P. Hendry, Jr. to its Board of Directors. Mr. Hendry was elected at the Company's 2010 Annual Meeting held on August 16, 2010.

Mr. Hendry has more than 30 years experience in the banking industry and headed Bank of Scotland's operations in the United States before it was acquired in 2009 by Lloyds Banking Group. He launched W.P. Hendry and Associates in February 2009, a bank consulting firm that handles complex business and lending issues. Mr. Hendry holds an MBA from the University of Strathclyde and completed advanced management programs at Wharton Business School and Harvard Business School. Amongst his other endeavors, Bill works tirelessly for many charities including the Salvation Army.

William Hendry commented, "Having known this company for years I can not think of a more exciting time to be associated with FirstCity Financial and join its Board of Directors. I am pleased to have the opportunity to contribute to its success."

Richard Bean, Chairman of the Board of FirstCity commented, "We are very pleased to have Mr. Hendry join our board. Bill is a highly-respected executive, with extensive experience and associations in the banking industry. His skills will benefit FirstCity as we continue our drive to grow the company by taking advantage of the numerous opportunities which currently exist in the markets we serve."

FirstCity Financial Corporation is a diversified financial services company with operations dedicated primarily to distressed asset acquisitions and special situations investments and servicing of distressed assets. FirstCity has offices in the U.S. and affiliate organizations in Europe and Latin America. FirstCity common stock is listed on the NASDAQ Global Select Market (NASDAQ:FCFC).