

NEWS RELEASE

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FirstCity Financial Corporation Announces Executive Officer Stock Option Exercises

Waco, Texas, December 9, 2009..... FirstCity Financial Corporation (NASDAQ: FCFC) today announced that certain of its executive officers have, and will be, exercising stock options that expire December 20, 2009 to purchase 131,000 shares of the Company's common stock. Certain of the executive officers will either tender existing shares or sell shares in the market to pay the exercise price of the stock options and related taxes associated with the transaction at their own discretion. The effect of exercising these options will increase the net holdings of the Company's common stock held by the executive officers by approximately 84,000 shares as follows:

Executive Officer	Options Exercisable	Shares Tendered/Sold	Net Share Increase
James T. Sartain – President and CEO	50,000	20,731	29,269
Terry R. DeWitt – Senior Vice President	25,000	10,072	14,928
James C. Holmes – Senior Vice President	11,000	4,560	6,440
Joe S. Greak – Senior Vice President	25,000	–	25,000
J. Bryan Baker – Senior Vice President and CFO	20,000	11,630	8,370
Totals	131,000	46,993	84,007

These stock options were awarded to the executive officers under a shareholder-approved stock option plan in December 2001. The stock options were granted with an 8-year term and expire December 20, 2009. The options were granted with an exercise price of \$3.06 per share, which was the prevailing market price of the Company's stock on the grant date.

Form 4 reports for these transactions will be filed with the Securities and Exchange Commission by each executive officer as the transactions occur.

FirstCity Financial Corporation is a diversified financial services company with operations dedicated primarily to distressed asset acquisitions and special situations investments. 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).

Forward-Looking Statements

Certain statements in this press release including, but not limited to, the timing of stock option exercises to be made by the executive officers, the number of shares to be sold or tendered by the executive officers, and filings to be made with the Securities and Exchange Commission ("SEC") are forward-looking statements that are subject to risks and uncertainties that could cause results to be materially different than expectations. Such risks and uncertainties include, but are not limited to, changes the executive officers may make to their stock option exercise plans (and payment method of the stock option exercise price), and other risks that are described from time to time in the Company's filings with the SEC, including but not limited to, its annual reports on Form 10-K, its quarterly reports on Form 10-Q, and its current reports on Form 8-K. Due to such uncertainties and risks, readers are cautioned not to place undue reliance on such forward-looking statements, which speak only as of the date hereof. Information in this press release may be superseded by more recent information or statements, which may be disclosed in later press releases, subsequent filings with the SEC or otherwise. The Company expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or to reflect any change in events, conditions or circumstances on which any such forward-looking statements are based, in whole or in part.