

NEWS RELEASE

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William P. Hendry Elected Chairman of the Board of Directors of FirstCity Financial Corporation

Waco, Texas, August 17, 2011.....The Board of Directors of FirstCity Financial Corporation (NASDAQ:FCFC), announced that William P. Hendry has been elected as the company's Non-Executive Chairman of the Board. Mr. Hendry succeeds Richard E. Bean who has served as Non-Executive Chairman since 2005. Mr. Bean, who announced that he would not stand for reelection as Non-Executive Chairman at the company's Annual meeting on Monday, will continue to serve on the Board as Chairman of the Audit Committee and as a member of the Executive Committee.

Mr. Hendry has served on FirstCity's Board since August 2010 and 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 has held senior banking positions in Scotland, Northern Ireland, Canada, the Middle East, Africa and the United States, having gained extensive experience in mergers and acquisitions, most notably at Drive Financial Services (a national subprime auto lender) where he led HBOS plc's investment analysis group in 2000, then becoming Chairman of the Board until the business was sold to Banco Santander in 2006. Mr. Hendry holds an MBA from the University of Strathclyde and completed an advanced management program at Harvard Business School. Mr. Hendry is an experienced leader whose numerous management positions and global experiences in the financial services sector have provided him with an abundance of skills and valuable insight in handling complex financial transactions and issues.

James T. Sartain, CEO of FirstCity said, "I want to thank Richard for serving as Chairman for the last six years. His guidance and expertise in financial matters has been an invaluable asset to the company. We welcome Bill in his new role as Chairman and anticipate continued great leadership and foresight into today's global market as he leads the Board and provides his unique insight gained through his depth of experiences in global business and banking."

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).