

PlainsCapital Corporation receives proceeds from \$87.6 million investment by U.S. Treasury

DALLAS (December 31, 2008)—PlainsCapital Corporation announced today that it has completed the sale and issuance of \$87.6 million in preferred stock to the United States Department of the Treasury as part of its Capital Purchase Program. PlainsCapital, who exceeded regulatory requirements for being well-capitalized before its participation in the Capital Purchase Program, will use this capital for general corporate purposes, to expand its lending efforts and to position PlainsCapital for future growth opportunities.

On Dec. 23, the U.S. Treasury Department announced a \$2.8 billion investment in 49 banks including PlainsCapital Corporation, the holding company for PlainsCapital Bank. The capital purchase program was launched by Treasury on Oct. 14 in response to the financial crisis. According to Secretary Henry M. Paulson, Jr., the capital purchase program is designed to: attract broad participation by healthy institutions; stabilize the financial system; and increase lending for the benefit of the U.S. economy and the American people. More information about the program can be found at www.treasury.gov.

“We were asked to participate in this program and it is a great opportunity for PlainsCapital,” PlainsCapital Corporation Chairman and CEO Alan B. White said. “This program is only available to the strongest financial institutions who are in the absolute best position to loan money to businesses and consumers.”

PlainsCapital’s participation in the Capital Purchase Program further strengthens the company’s already strong capital position. PlainsCapital is very well capitalized and, in every category, exceeds regulatory requirements for “well-capitalized” banks.

	At 11/30/2008	Pro-forma 11/30/2008
Leverage Capital Ratio	9.4%	12%
Tier 1 Risk-Based Capital Ratio	11%	14%
Total Risk-Based Capital Ratio	11.5%	14.5%

“We’ve been very fortunate but it’s also our responsibility as a strong and stable financial institution to contribute to the financial strength of the people, businesses and communities we serve,” White said. White said the additional capital will also aid the bank in growing its relationship-based banking concept.

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.

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