

Executive photos available upon request.
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PlainsCapital Corporation to Acquire First Southwest Holdings, Inc.
PlainsCapital acts on market opportunity to create the leading independent financial services company in Texas and the Southwest.

DALLAS (November 7, 2008)—PlainsCapital Corporation, holding company for PlainsCapital Bank, has signed a definitive agreement to acquire First Southwest Holdings, Inc., the holding company for Dallas-based financial advisory and investment bank First Southwest Company. The acquisition brings together Texas’ second-largest privately held commercial bank and the second-ranked public finance advisory firm in the United States to create a full-service middle market bank for Texas and the Southwest.

Recent consolidation in the investment banking industry further strengthens the rationale behind this strategically compelling and financially attractive merger. PlainsCapital Bank and First Southwest Company now benefit from fewer competitors in the investment banking landscape.

With \$3.4 billion in assets, 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. The First Southwest Company acquisition adds financial advisory and investment banking expertise to PlainsCapital’s already highly specialized service offering. First Southwest Company is a boutique investment bank specializing in public finance, correspondent clearing, capital markets and asset management.

“An acquisition of this type has been on our agenda for a while, but we were looking for a company that fits our culture and our full-service bank model,” Alan B. White, PlainsCapital Corporation chairman and CEO said. “First Southwest is that company.”

The acquisition is expected to increase deposits by an estimated \$370 million and to increase assets by an estimated \$500 to \$700 million. This transaction is expected to be immediately accretive to PlainsCapital’s earnings. Net income from the First Southwest business is forecast to be 30 to 40 percent of consolidated net income for the 2009 period before including any merger-related synergies.

“The additional capital along with the additional fee income generated by the public finance and investment banking business strengthens our already strong and stable bank,” White said.

“I think it’s a win-win situation for both companies,” White said. “First Southwest Company benefits from our financial strength as a commercial bank. PlainsCapital benefits from First Southwest’s expertise, reputation and national footprint.”

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“Together, we are better able to compete against larger financial institutions,” he said.

Led by Hill A. Feinberg, First Southwest Company is the top public finance advisor in Texas and is ranked second-largest nationwide serving more than 1,500 public entities across the United States. First Southwest Company has \$617 million in assets, equity capital in excess of \$65 million and annual revenues of more than \$100 million. The firm operates 22 offices in 10 states and the District of Columbia.

First Southwest Company employs 368 people, 220 of whom are registered sales representatives. Twenty-five percent of First Southwest Company’s employees have worked for the firm at least 10 years. Some of them have been with the company as long as 40 years.

“When you compare the two companies, PlainsCapital and First Southwest have taken similar paths in terms of measured but deliberate growth,” said Feinberg, who will remain with First Southwest Company as chairman and CEO. “Both companies are highly compatible in that we share a relationship-driven corporate culture.”

PlainsCapital’s acquisition of First Southwest Company was approved by the board of directors of both PlainsCapital Corporation and First Southwest Holdings. The closing of the acquisition is subject to receipt of all regulatory approvals and the approval of the shareholders of First Southwest Holdings.

About PlainsCapital Corporation

Independent financial services company PlainsCapital Corporation offers banking, asset management and residential mortgages to individuals and commercial customers. The company’s cornerstone is PlainsCapital Bank, the second-largest privately held bank in Texas with more than \$3.4 billion in assets. PlainsCapital is also parent company to PrimeLending, the leading mortgage company in the Dallas-Fort Worth area with offices nationwide. PlainsCapital’s 1,800 employees are empowered to deliver highly personalized solutions to ensure their clients’ financial success. Find more information at www.plainscapital.com.

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