



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FOURTH QUARTER EARNINGS AND FISCAL YEAR END RESULTS

INDEPENDENCE, KS (October 21, 2008) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$427,000 for the fourth quarter of fiscal 2008, compared to \$366,000 for the fourth quarter of fiscal 2007. Diluted earnings per share of common stock for the fourth quarter of fiscal 2008 were \$.51, compared to diluted earnings per share of \$.42 for the fourth quarter of fiscal 2007. Net earnings for the 2008 fiscal year were \$1,799,000, compared to \$1,377,000 for the 2007 fiscal year. Diluted earnings per share for the 2008 fiscal year were \$2.12, compared to diluted earnings per share of \$1.57 for the 2007 fiscal year.

Return on average assets for the fourth quarter of fiscal 2008 was .84% (annualized), compared to .76% (annualized), for the same period last year. Return on average equity for the fourth quarter of fiscal 2008 was 9.81% (annualized), compared to 8.65% (annualized), in the fourth quarter of fiscal 2007. Return on average assets for the 2008 fiscal year was .91%, compared to .73% for the same period last year. Return on average equity for the 2008 fiscal year was 10.50%, compared to 8.26%, for fiscal 2007.

We had \$202.2 million in assets and \$17.5 million in stockholders' equity as of September 30, 2008. During this fiscal year, we repurchased 37,621 shares of common stock, at an average cost of \$18.05 per share. At September 30, 2008, total shares outstanding were 834,163.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At September 30, 2008, First Federal exceeded all of its regulatory capital requirements. First Federal has four full-service branch offices primarily serving Montgomery, Wilson, Crawford and Chautauqua Counties in Kansas along with a loan production office in Lawrence, Kansas.

This release contains forward-looking statements as that term is defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those anticipated. These risks and uncertainties include, among others, changes in economic conditions in our market area, changes in policies by regulatory agencies, fluctuations in interest rates, demand for loans in our market area and competition that could cause actual results to differ materially from historical earnings and those presently anticipated or projected. For additional discussion of factors that may affect the Company's performance, refer to those described from time to time in our press releases and other communications.

A consolidated financial summary follows.

FIRST INDEPENDENCE CORPORATION
FINANCIAL HIGHLIGHTS
(Dollars in thousands, except per share data)

	September 30, 2008		September 30, 2007	
Financial Condition Highlights:				
Total assets	\$ 202,244		\$ 191,465	
Loans receivable	162,320		142,485	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	28,446		36,138	
Real estate acquired through foreclosure	604		103	
Deposits	124,492		131,442	
Borrowed funds	58,342		41,382	
Stockholders' equity	17,489		16,972	
Stockholders' equity per outstanding common share	\$20.97		\$19.52	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	2.97%		.87%	
Non-performing assets to total assets	2.70%		.71%	
Allowance for loan losses to non-performing loans	22.95%		68.98%	
Allowance for loan losses to non-performing assets	20.41%		63.73%	
	Three months ended September 30,		Year ended September 30,	
	2008	2007	2008	2007
Operating Highlights:				
Net interest income	\$ 1,586	\$ 1,297	\$ 6,099	\$ 5,101
Provision for loan losses	146	54	413	156
Net earnings	\$427	\$366	\$1,799	\$1,377
Operating Ratios (annualized):				
Return on average assets	.84%	.76%	.91%	.73%
Return on average equity	9.81%	8.65%	10.50%	8.26%
Interest rate spread information:				
Average yield on interest-earning assets	6.57%	6.78%	6.78%	6.71%
Average cost of interest-bearing liabilities	3.54%	4.27%	3.82%	4.17%
Average rate spread during period	3.04%	2.51%	2.95%	2.54%
Net interest margin	3.25%	2.78%	3.19%	2.81%
Ratio of average interest-earning assets to average interest-bearing liabilities	106.52%	106.82%	106.56%	106.84%
Stock price for period:				
High bid	\$16.90	\$18.75	\$19.50	\$18.75
Low bid	\$15.60	\$17.00	\$15.60	\$17.00
Closing bid at 9/30	\$15.60	\$18.50	\$15.60	\$18.50
Net earnings per share (diluted)	\$.51	\$.42	\$2.12	\$1.57
Weighted average shares of common stock and common stock equivalents	836,698	873,375	849,316	878,098

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2008	September 30, 2007
<u>ASSETS</u>		
Cash and due from banks	\$ 844,452	\$ 464,213
Federal funds sold	---	2,400,000
Other interest-bearing deposits	544,868	686,652
Cash and cash equivalents	1,389,320	3,550,865
Investment securities held to maturity (fair value: September 30, 2008 - \$25,532,683; September 30, 2007 - \$32,035,690)	25,037,659	31,992,495
Mortgage-backed securities held to maturity (fair value: September 30, 2008 - \$3,430,199; September 30, 2007 - \$4,076,606)	3,408,134	4,145,282
Loans receivable	162,319,674	142,484,732
Loans held for sale	---	---
Premises and equipment	2,333,374	2,351,313
Federal Home Loan Bank Stock, at cost	3,328,300	3,180,200
Accrued interest receivable	1,219,714	1,178,871
Real estate acquired through foreclosure	604,319	102,879
Income taxes receivable	11,285	1,413
Other	310,624	281,740
Cash value of life insurance	2,282,024	2,194,915
Total assets	\$ 202,244,427	\$ 191,464,705
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 124,492,167	\$ 131,441,603
Advances from borrowers for taxes and insurance	1,008,858	967,198
Advances from Federal Home Loan Bank	58,342,177	41,382,258
Income taxes payable	50,428	15,496
Deferred income taxes	229,731	184,606
Accrued expenses and other	631,967	501,258
Total liabilities	184,755,328	174,492,419
Stockholders' equity		
Preferred stock, \$.01 par value, 500,000 shares authorized, none issued	---	---
Common stock, \$.01 par value, 2,500,000 shares authorized, 1,649,288 shares issued	16,493	16,493
Additional paid-in capital	8,241,812	8,233,875
Retained earnings - substantially restricted	19,234,591	18,060,217
Treasury stock at cost, 815,125 shares at September 30, 2008 and 779,604 shares at September 30, 2007	(10,003,797)	(9,338,299)
Total stockholders' equity	17,489,099	16,972,286
Total liabilities and stockholders' equity	\$ 202,244,427	\$ 191,464,705

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended September 30,		Year Ended September 30,	
	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>
Interest income				
Loans	\$2,819,170	\$2,630,903	\$11,245,878	\$10,230,673
Mortgage-backed securities	43,373	53,797	191,448	231,727
Investment securities	304,218	365,045	1,338,171	1,421,278
Interest-bearing deposits and other	<u>37,786</u>	<u>113,698</u>	<u>182,703</u>	<u>307,212</u>
Total interest income	3,204,547	3,163,443	12,958,200	12,190,890
Interest expense				
Deposits	981,889	1,329,710	4,448,371	4,786,208
Borrowed funds	<u>636,821</u>	<u>536,536</u>	<u>2,411,280</u>	<u>2,303,773</u>
Total interest expense	<u>1,618,710</u>	<u>1,866,246</u>	<u>6,859,651</u>	<u>7,089,981</u>
Net interest income	1,585,837	1,297,197	6,098,549	5,100,909
Provision for loan losses	<u>146,037</u>	<u>54,345</u>	<u>412,503</u>	<u>156,495</u>
Net interest income after provision for loan losses	1,439,800	1,242,852	5,686,046	4,944,414
Noninterest income				
Service charges	284,198	261,094	1,092,388	974,310
Other	<u>85,115</u>	<u>95,358</u>	<u>351,463</u>	<u>346,627</u>
Total noninterest income	369,313	356,452	1,443,851	1,320,937
Noninterest expense				
Employee compensation and benefits	641,480	612,350	2,467,311	2,428,593
Occupancy and equipment	137,338	128,219	511,203	465,231
Foreclosed assets, net	14,304	(27,444)	26,219	(8,560)
Data processing fees	89,245	79,352	340,799	319,054
Other operating	<u>262,832</u>	<u>242,727</u>	<u>987,032</u>	<u>924,315</u>
Total noninterest expense	<u>1,145,199</u>	<u>1,035,204</u>	<u>4,332,564</u>	<u>4,128,633</u>
Earnings before income taxes	663,914	564,100	2,797,333	2,136,718
Income tax expense	<u>237,304</u>	<u>198,556</u>	<u>998,642</u>	<u>759,761</u>
Net earnings	<u>\$ 426,610</u>	<u>\$ 365,544</u>	<u>\$ 1,798,691</u>	<u>\$ 1,376,957</u>
Earnings per common share				
Basic	<u>\$.51</u>	<u>\$.42</u>	<u>\$ 2.13</u>	<u>\$ 1.57</u>
Diluted	<u>\$.51</u>	<u>\$.42</u>	<u>\$ 2.12</u>	<u>\$ 1.57</u>
Dividends per share	<u>\$.1875</u>	<u>\$.1750</u>	<u>\$.7375</u>	<u>\$.6875</u>
Weighted average shares outstanding				
Basic	<u>833,394</u>	<u>869,653</u>	<u>846,011</u>	<u>874,376</u>
Diluted	<u>836,698</u>	<u>873,375</u>	<u>849,316</u>	<u>878,098</u>