



First Independence Corporation

For Further Information, Call
Anne M. Bertie, Vice President & CFO
(620) 331-1660

FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FIRST QUARTER EARNINGS

INDEPENDENCE, KS (January 21, 2009) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$435,000 for the first quarter of fiscal 2009, compared to \$412,000 for the first quarter of fiscal 2008. Diluted earnings per share of common stock for the first quarter of fiscal 2009 were \$.52, compared to diluted earnings per share of \$.47 for the first quarter of fiscal 2008.

Return on average assets for the first quarter of fiscal 2009 was .86% (annualized), compared to .85% (annualized), for the same period last year. Return on average equity for the first quarter of fiscal 2009 was 9.83% (annualized), compared to 9.66% (annualized), in the first quarter of fiscal 2008.

We had \$203.3 million in assets and \$17.8 million in stockholders' equity as of December 31, 2008. At December 31, 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 December 31, 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)

	December 31, 2008	September 30, 2008
Financial Condition Highlights:		
Total assets	\$ 203,290	\$ 202,244
Loans receivable	164,352	162,320
Loan held for sale	---	---
Mortgage-backed and investment securities held to maturity	26,139	28,446
Real estate acquired through foreclosure	1,243	604
Deposits	124,040	124,492
Borrowed funds	60,019	58,342
Stockholders' equity	17,767	17,489
Stockholders' equity per outstanding common share	\$21.30	\$20.97
Selected Asset Quality Ratios:		
Non-performing loans to total loans	3.29%	2.97%
Non-performing assets to total assets	3.29%	2.70%
Allowance for loan losses to non-performing loans	18.74%	22.95%
Allowance for loan losses to non-performing assets	15.26%	20.41%
	Three months ended December 31,	
	2008	2007
Operating Highlights:		
Net interest income	\$ 1,668	\$ 1,398
Provision for loan losses	145	21
Net earnings	\$ 435	\$ 412
Operating Ratios (annualized):		
Return on average assets	.86%	.85%
Return on average equity	9.83%	9.66%
Interest rate spread information:		
Average yield on interest-earning assets	6.49%	6.90%
Average cost of interest-bearing liabilities	3.28%	4.17%
Average rate spread during period	3.21%	2.73%
Net interest margin	3.42%	3.00%
Ratio of average interest-earning assets to average interest-bearing liabilities	106.55%	106.71%
Stock price for period:		
High bid	\$14.27	\$21.03
Low bid	\$10.81	\$20.20
Closing bid at 12/31	\$10.81	\$21.03
Net earnings per share (diluted)	\$.52	\$.47
Weighted average shares of common stock and common stock equivalents	837,578	869,635

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31, 2008	September 30, 2008
<u>ASSETS</u>		
Cash and due from banks	\$ 778,630	\$ 844,452
Federal funds sold	---	---
Other interest-bearing deposits	1,075,576	544,868
Cash and cash equivalents	1,854,206	1,389,320
Investment securities held to maturity (fair value: December 31, 2008 - \$23,900,901; September 30, 2008 - \$25,532,683)	23,026,828	25,037,659
Mortgage-backed securities held to maturity (fair value: December 31, 2008 - \$3,161,403; September 30, 2008 - \$3,430,199)	3,111,962	3,408,134
Loans receivable	164,351,548	162,319,674
Loans held for sale	---	---
Premises and equipment	2,342,214	2,333,374
Federal Home Loan Bank Stock, at cost	3,347,100	3,328,300
Accrued interest receivable	1,120,625	1,219,714
Real estate acquired through foreclosure	1,243,029	604,319
Income taxes receivable	42,887	11,285
Other	545,613	310,624
Cash value of life insurance	2,304,004	2,282,024
Total assets	\$ 203,290,016	\$ 202,244,427
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 124,040,483	\$ 124,492,167
Advances from borrowers for taxes and insurance	587,243	1,008,858
Advances from Federal Home Loan Bank	60,018,843	58,342,177
Income taxes payable	201,351	50,428
Deferred income taxes	236,875	229,731
Accrued expenses and other	437,956	631,967
Total liabilities	185,522,751	184,755,328
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	8,241,812
Retained earnings - substantially restricted	19,512,757	19,234,591
Treasury stock at cost, 815,125 shares at December 31, 2008 and 815,125 shares at September 30, 2008	(10,003,797)	(10,003,797)
Total stockholders' equity	17,767,265	17,489,099
Total liabilities and stockholders' equity	\$ 203,290,016	\$ 202,244,427

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended December 31,	
	<u>2008</u>	<u>2007</u>
Interest income		
Loans	\$2,830,315	\$2,747,687
Mortgage-backed securities	38,798	52,215
Investment securities	278,772	367,603
Interest-bearing deposits and other	<u>19,281</u>	<u>54,527</u>
Total interest income	3,167,166	3,222,032
Interest expense		
Deposits	865,355	1,228,380
Borrowed funds	<u>634,151</u>	<u>595,881</u>
Total interest expense	1,499,506	1,824,261
Net interest income	1,667,660	1,397,771
Provision for loan losses	<u>145,116</u>	<u>20,538</u>
Net interest income after provision for loan losses	1,522,544	1,377,233
Noninterest income		
Service charges	269,624	270,896
Other	<u>83,516</u>	<u>74,679</u>
Total noninterest income	353,140	345,575
Noninterest expense		
Employee compensation and benefits	690,672	617,703
Occupancy and equipment	133,188	119,574
Foreclosed assets, net	11,889	1,020
Data processing fees	95,619	84,693
Other operating	<u>260,094</u>	<u>251,169</u>
Total noninterest expense	1,191,462	1,074,159
Earnings before income taxes	684,222	648,649
Income tax expense	<u>249,650</u>	<u>236,204</u>
Net earnings	<u>\$ 434,572</u>	<u>\$ 412,445</u>
Earnings per common share		
Basic	<u>\$.52</u>	<u>\$.48</u>
Diluted	<u>\$.52</u>	<u>\$.47</u>
Dividends per share	<u>\$.1875</u>	<u>\$.1750</u>
Weighted average shares outstanding		
Basic	<u>834,163</u>	<u>863,723</u>
Diluted	<u>837,578</u>	<u>869,635</u>