



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES SECOND QUARTER EARNINGS

INDEPENDENCE, KS (April 15, 2005) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$274,000 for the second quarter of fiscal 2005, compared to \$277,000 for the second quarter of fiscal 2004. Diluted earnings per share of common stock for the second quarter of fiscal 2005 were \$.31, compared to diluted earnings per share of \$.30 for the second quarter of fiscal 2004. Net earnings for the first half of fiscal 2005 were \$605,000, compared to \$537,000 for the first half of fiscal 2004. Diluted earnings per share for the six months ended March 31, 2005 were \$.68, compared to diluted earnings per share of \$.59 for the six months ended March 31, 2004.

Return on average assets for the second quarter of fiscal 2005 was .65% (annualized), compared to .67% (annualized), for the same period last year. Return on average equity for the second quarter of fiscal 2005 was 7.05% (annualized), compared to 7.19% (annualized), in the second quarter of fiscal 2004. Return on average assets for the first half of fiscal 2005 was .71% (annualized), compared to .66% (annualized) for the same period last year. Return on average equity for the first six months of fiscal 2005 was 7.80% (annualized), compared to 7.03% (annualized), for the first six months of fiscal 2004.

We had \$169.5 million in assets and \$15.6 million in stockholders' equity as of March 31, 2005. During this second quarter, we repurchased 6,200 shares of common stock, at an average cost of \$19.06 per share. At March 31, 2005, total shares outstanding were 888,589.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At March 31, 2005, 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)

	March 31, 2005		September 30, 2004	
Financial Condition Highlights:				
Total assets	\$ 169,513		\$ 164,843	
Loans receivable	122,154		113,318	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	38,062		40,501	
Real estate acquired through foreclosure	1,006		1,032	
Deposits	108,334		107,109	
Borrowed funds	44,400		41,179	
Stockholders' equity	15,609		15,372	
Stockholders' equity per outstanding common share	\$17.57		\$17.19	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	.46%		.76%	
Non-performing assets to total assets	.93%		1.15%	
Allowance for loan losses to non-performing loans	144.06%		90.05%	
Allowance for loan losses to non-performing assets	51.89%		41.18%	
	Three months ended March 31,		Six months ended March 31,	
	2005	2004	2005	2004
Operating Highlights:				
Net interest income	\$ 1,263	\$ 1,239	\$ 2,554	\$ 2,426
Provision for loan losses	29	29	32	50
Net earnings	\$274	\$277	\$605	\$537
Operating Ratios (annualized):				
Return on average assets	.65%	.67%	.71%	.66%
Return on average equity	7.05%	7.19%	7.80%	7.03%
Interest rate spread information:				
Average yield on interest-earning assets	5.59%	5.53%	5.59%	5.60%
Average cost of interest-bearing liabilities	2.73%	2.65%	2.68%	2.74%
Average rate spread during period	2.86%	2.88%	2.91%	2.86%
Net interest margin	3.07%	3.08%	3.10%	3.07%
Ratio of average interest-earning assets to average interest-bearing liabilities	107.86%	108.23%	107.91%	108.38%
Stock price for period:				
High bid	\$18.98	\$15.44	\$18.98	\$15.93
Low bid	\$18.91	\$15.29	\$16.01	\$15.29
Closing bid at 3/31	\$18.98	\$15.29	\$18.98	\$15.29
Net earnings per share (diluted)	\$.31	\$.30	\$.68	\$.59
Weighted average shares of common stock and common stock equivalents	892,164	918,847	894,075	918,354

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2005	September 30, 2004
<u>ASSETS</u>		
Cash and due from banks	\$ 746,365	\$ 719,559
Federal funds sold	800,000	100,000
Other interest-bearing deposits	1,216,403	831,961
Cash and cash equivalents	2,762,768	1,651,520
Interest-earning deposits in financial institutions (cost approximates market value)	---	2,970,000
Investment securities held to maturity (fair value: March 31, 2005 - \$29,810,800; September 30, 2004 - \$31,148,000)	30,095,424	31,132,095
Mortgage-backed securities held to maturity (fair value: March 31, 2005 - \$7,965,790; September 30, 2004 - \$9,522,678)	7,966,980	9,368,974
Loans receivable	122,154,163	113,318,298
Loans held for sale	---	---
Premises and equipment	2,099,640	2,128,332
Federal Home Loan Bank Stock, at cost	2,481,200	2,325,200
Accrued interest receivable	847,408	793,439
Real estate acquired through foreclosure	1,005,581	1,032,131
Income taxes receivable	18,935	5,478
Deferred income taxes	---	11,501
Other	81,182	106,036
Total assets	\$ 169,513,281	\$ 164,843,004
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 108,334,146	\$ 107,108,952
Advances from borrowers for taxes and insurance	922,297	777,277
Advances from Federal Home Loan Bank	44,400,201	41,178,632
Income taxes payable	8,990	3,355
Deferred income taxes	46,760	---
Accrued expenses and other	191,802	402,456
Total liabilities	153,904,196	149,470,672
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	8,210,404	8,198,153
Retained earnings - substantially restricted	16,361,388	16,033,728
Treasury stock at cost, 760,699 shares at March 31, 2005 and 755,249 shares at September 30, 2004	(8,963,967)	(8,850,654)
Required contributions for shares acquired by ESOP	(15,233)	(25,388)
Total stockholders' equity	15,609,085	15,372,332
Total liabilities and stockholders' equity	\$ 169,513,281	\$ 164,843,004

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended March 31,		Six Months Ended March 31,	
	2005	2004	2005	2004
Interest income				
Loans	\$1,975,524	\$1,904,978	\$3,945,175	\$3,813,186
Mortgage-backed securities	87,930	111,165	185,449	216,401
Investment securities	202,152	174,087	386,686	331,189
Interest-bearing deposits and other	<u>38,470</u>	<u>33,914</u>	<u>84,393</u>	<u>62,164</u>
Total interest income	2,304,076	2,224,144	4,601,703	4,422,940
Interest expense				
Deposits	544,415	510,868	1,062,243	1,059,341
Borrowed funds	<u>496,595</u>	<u>474,415</u>	<u>985,230</u>	<u>937,694</u>
Total interest expense	<u>1,041,010</u>	<u>985,283</u>	<u>2,047,473</u>	<u>1,997,035</u>
Net interest income	1,263,066	1,238,861	2,554,230	2,425,905
Provision for loan losses	<u>28,875</u>	<u>29,073</u>	<u>32,313</u>	<u>49,851</u>
Net interest income after provision for loan losses	1,234,191	1,209,788	2,521,917	2,376,054
Noninterest income				
Service charges	84,344	71,033	172,203	150,837
Other	<u>61,070</u>	<u>45,943</u>	<u>119,216</u>	<u>82,211</u>
Total noninterest income	145,414	116,976	291,419	233,048
Noninterest expense				
Employee compensation and benefits	593,387	544,630	1,151,882	1,034,525
Occupancy and equipment	112,405	120,953	220,366	233,203
Foreclosed assets, net	6,511	31,887	8,076	68,585
Data processing fees	67,628	59,342	131,273	121,766
Other operating	<u>162,148</u>	<u>150,897</u>	<u>326,459</u>	<u>309,836</u>
Total noninterest expense	<u>942,079</u>	<u>907,709</u>	<u>1,838,056</u>	<u>1,767,915</u>
Earnings before income taxes	437,526	419,055	975,280	841,187
Income tax expense	<u>163,386</u>	<u>142,316</u>	<u>369,873</u>	<u>303,699</u>
Net earnings	<u>\$ 274,140</u>	<u>\$ 276,739</u>	<u>\$ 605,407</u>	<u>\$ 537,488</u>
Earnings per common share				
Basic	<u>\$.31</u>	<u>\$.30</u>	<u>\$.68</u>	<u>\$.59</u>
Diluted	<u>\$.31</u>	<u>\$.30</u>	<u>\$.68</u>	<u>\$.59</u>
Dividends per share	<u>\$.1625</u>	<u>\$.1500</u>	<u>\$.3125</u>	<u>\$.2875</u>
Weighted average shares outstanding				
Basic	<u>888,065</u>	<u>916,319</u>	<u>889,975</u>	<u>915,827</u>
Diluted	<u>892,164</u>	<u>918,847</u>	<u>894,075</u>	<u>918,354</u>