



First Independence Corporation

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

FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES SECOND QUARTER EARNINGS

INDEPENDENCE, KS (April 21, 2009) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$98,000 for the second quarter of fiscal 2009, compared to \$451,000 for the second quarter of fiscal 2008. Diluted earnings per share of common stock for the second quarter of fiscal 2009 were \$.12, compared to diluted earnings per share of \$.53 for the second quarter of fiscal 2008. Net earnings for the first half of fiscal 2009 were \$533,000, compared to \$863,000 for the first half of fiscal 2008. Diluted earnings per share for the six months ended March 31, 2009 were \$.64, compared to diluted earnings per share of \$1.00 for the six months ended March 31, 2008.

The Company increased provision for loan losses during the second quarter of fiscal 2009 by \$643,000, compared to \$110,000 during the same period last year. The provision for loan losses for the first half of fiscal 2009 was \$788,000, compared to \$131,000 for the first half of fiscal 2008.

Return on average assets for the second quarter of fiscal 2009 was .19% (annualized), compared to .92% (annualized), for the same period last year. Return on average equity for the second quarter of fiscal 2009 was 2.21% (annualized), compared to 10.64% (annualized), in the second quarter of fiscal 2008. Return on average assets for the first half of fiscal 2009 was .52% (annualized), compared to .89% (annualized), for the same period last year. Return on average equity for the first six months of fiscal 2009 was 6.02% (annualized), compared to 10.15% (annualized), for the first six months of fiscal 2008.

We had \$203.9 million in assets and \$17.7 million in stockholders' equity as of March 31, 2009. At March 31, 2009, total shares outstanding were 835,163.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At March 31, 2009, 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, 2009		September 30, 2008	
Financial Condition Highlights:				
Total assets	\$ 203,938		\$ 202,244	
Loans receivable	162,837		162,320	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	22,903		28,446	
Real estate acquired through foreclosure	2,532		604	
Deposits	131,638		124,492	
Borrowed funds	53,039		58,342	
Stockholders' equity	17,719		17,489	
Stockholders' equity per outstanding common share	\$21.22		\$20.97	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	2.26%		2.97%	
Non-performing assets to total assets	3.06%		2.70%	
Allowance for loan losses to non-performing loans	40.43%		22.95%	
Allowance for loan losses to non-performing assets	24.03%		20.41%	
	Three months ended March 31,		Six months ended March 31,	
	2009	2008	2009	2008
Operating Highlights:				
Net interest income	\$ 1,687	\$ 1,503	\$ 3,354	\$ 2,901
Provision for loan losses	643	110	788	131
Net earnings	\$98	\$451	\$533	\$863
Operating Ratios (annualized):				
Return on average assets	.19%	.92%	.52%	.89%
Return on average equity	2.21%	10.64%	6.02%	10.15%
Interest rate spread information:				
Average yield on interest-earning assets	6.39%	6.91%	6.44%	6.90%
Average cost of interest-bearing liabilities	3.09%	3.95%	3.18%	4.06%
Average rate spread during period	3.30%	2.95%	3.26%	2.84%
Net interest margin	3.47%	3.19%	3.44%	3.09%
Ratio of average interest-earning assets to average interest-bearing liabilities	105.65%	106.53%	106.10%	106.62%
Stock price for period:				
High bid	\$11.05	\$19.76	\$14.27	\$21.03
Low bid	\$9.41	\$19.00	\$9.41	\$19.00
Closing bid at 3/31	\$10.50	\$19.76	\$10.50	\$19.76
Net earnings per share (diluted)	\$.12	\$.53	\$.64	\$1.00
Weighted average shares of common stock and common stock equivalents	835,040	854,635	834,694	862,027

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2009	September 30, 2008
<u>ASSETS</u>		
Cash and due from banks	\$ 873,837	\$ 844,452
Federal funds sold	4,520,000	---
Other interest-bearing deposits	371,414	544,868
Cash and cash equivalents	5,765,251	1,389,320
Investment securities held to maturity (fair value: March 31, 2009 - \$20,708,891; September 30, 2008 - \$25,532,683)	20,021,958	25,037,659
Mortgage-backed securities held to maturity (fair value: March 31, 2009 - \$2,967,169; September 30, 2008 - \$3,430,199)	2,880,789	3,408,134
Loans receivable	162,836,747	162,319,674
Loans held for sale	---	---
Premises and equipment	2,335,037	2,333,374
Federal Home Loan Bank Stock, at cost	3,365,000	3,328,300
Accrued interest receivable	1,070,105	1,219,714
Real estate acquired through foreclosure	2,531,665	604,319
Income taxes receivable	75,133	11,285
Deferred income taxes	79,852	---
Other	649,679	310,624
Cash value of life insurance	2,327,197	2,282,024
Total assets	\$ 203,938,413	\$ 202,244,427
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 131,638,150	\$ 124,492,167
Advances from borrowers for taxes and insurance	1,024,006	1,008,858
Advances from Federal Home Loan Bank	53,038,519	58,342,177
Income taxes payable	---	50,428
Deferred income taxes	---	229,731
Accrued expenses and other	518,945	631,967
Total liabilities	186,219,620	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	8,245,375	8,241,812
Retained earnings - substantially restricted	19,454,222	19,234,591
Treasury stock at cost, 814,125 shares at March 31, 2009 and 815,125 shares at September 30, 2008	(9,997,297)	(10,003,797)
Total stockholders' equity	17,718,793	17,489,099
Total liabilities and stockholders' equity	\$ 203,938,413	\$ 202,244,427

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended March 31,		Six Months Ended March 31,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Interest income				
Loans	\$2,809,516	\$2,801,278	\$5,639,831	\$5,548,965
Mortgage-backed securities	35,706	50,070	74,504	102,285
Investment securities	246,879	350,080	525,651	717,683
Interest-bearing deposits and other	<u>19,558</u>	<u>48,260</u>	<u>38,839</u>	<u>102,787</u>
Total interest income	3,111,659	3,249,688	6,278,825	6,471,720
Interest expense				
Deposits	824,590	1,162,761	1,689,945	2,391,141
Borrowed funds	<u>600,354</u>	<u>584,084</u>	<u>1,234,505</u>	<u>1,179,965</u>
Total interest expense	<u>1,424,944</u>	<u>1,746,845</u>	<u>2,924,450</u>	<u>3,571,106</u>
Net interest income	1,686,715	1,502,843	3,354,375	2,900,614
Provision for loan losses	<u>642,687</u>	<u>109,980</u>	<u>787,803</u>	<u>130,518</u>
Net interest income after provision for loan losses	1,044,028	1,392,863	2,566,572	2,770,096
Noninterest income				
Service charges	230,143	261,839	499,767	532,735
Other	<u>93,690</u>	<u>88,748</u>	<u>177,206</u>	<u>163,427</u>
Total noninterest income	323,833	350,587	676,973	696,162
Noninterest expense				
Employee compensation and benefits	705,391	590,349	1,396,063	1,208,052
Occupancy and equipment	138,618	124,398	271,806	243,972
Foreclosed assets, net	31,672	9,131	43,561	10,151
Data processing fees	93,881	82,883	189,500	167,576
Other operating	<u>274,831</u>	<u>248,846</u>	<u>534,925</u>	<u>500,015</u>
Total noninterest expense	<u>1,244,393</u>	<u>1,055,607</u>	<u>2,435,855</u>	<u>2,129,766</u>
Earnings before income taxes	123,468	687,843	807,690	1,336,492
Income tax expense	<u>25,410</u>	<u>236,909</u>	<u>275,060</u>	<u>473,113</u>
Net earnings	<u>\$ 98,058</u>	<u>\$ 450,934</u>	<u>\$ 532,630</u>	<u>\$ 863,379</u>
Earnings per common share				
Basic	<u>\$.12</u>	<u>\$.54</u>	<u>\$.64</u>	<u>\$ 1.04</u>
Diluted	<u>\$.12</u>	<u>\$.53</u>	<u>\$.64</u>	<u>\$ 1.00</u>
Dividends per share	<u>\$.1875</u>	<u>\$.1875</u>	<u>\$.3750</u>	<u>\$.3625</u>
Weighted average shares outstanding				
Basic	<u>834,855</u>	<u>833,163</u>	<u>834,509</u>	<u>833,163</u>
Diluted	<u>835,040</u>	<u>854,635</u>	<u>834,694</u>	<u>862,027</u>