



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES SECOND QUARTER LOSS

INDEPENDENCE, KS (April 28, 2011) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported a net loss of \$286,000 for the second quarter of fiscal 2011, compared to a net loss of \$549,000 for the second quarter of fiscal 2010. Diluted loss per share of common stock for the second quarter of fiscal 2011 was \$.34, compared to diluted loss per share of \$.66 for the second quarter of fiscal 2010. A net loss for the first half of fiscal 2011 was \$500,000, compared to a net loss of \$571,000 for the first half of fiscal 2010. Diluted loss per share for the six months ended March 31, 2011 was \$.60, compared to diluted loss per share of \$.68 for the six months ended March 31, 2010.

The Company expensed \$946,000 through provision for loan losses during the second quarter of fiscal 2011, compared to \$1.70 million during the same period last year. The expense for provision for loan losses for the first half of fiscal 2011 was \$1.96 million, compared to \$2.32 million for the first half of fiscal 2010. These expenses included increases to the allowance for loan losses and specific reserves, as well as write-downs to fair market value of real estate owned.

Return on average assets for the second quarter of fiscal 2011 was negative .63% (annualized), compared to negative 1.11% (annualized), for the same period last year. Return on average equity for the second quarter of fiscal 2011 was negative 7.10% (annualized), compared to negative 12.40% (annualized), in the second quarter of fiscal 2010. Return on average assets for the first half of fiscal 2011 was negative .55% (annualized), compared to negative .57% (annualized), for the same period last year. Return on average equity for the first six months of fiscal 2011 was negative 6.15% (annualized), compared to negative 6.41% (annualized), for the first six months of fiscal 2010.

We had \$179.0 million in assets and \$15.9 million in stockholders' equity as of March 31, 2011. At March 31, 2011, total shares outstanding were 835,163.

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The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At March 31, 2011, 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, 2011		September 30, 2010	
Financial Condition Highlights:				
Total assets	\$ 179,032		\$ 183,459	
Loans receivable	121,988		136,210	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	10,601		17,945	
Real estate acquired through foreclosure	7,887		4,842	
Deposits	126,841		130,724	
Borrowed funds	34,952		35,042	
Stockholders' equity	15,873		16,373	
Stockholders' equity per outstanding common share	\$19.01		\$19.60	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	4.58%		5.29%	
Non-performing assets to total assets	7.59%		6.63%	
Allowance for loan losses to non-performing loans	41.69%		29.78%	
Allowance for loan losses to non-performing assets	17.47%		17.92%	
	Three months ended March 31,		Six months ended March 31,	
	2011	2010	2011	2010
Operating Highlights:				
Net interest income	\$ 1,434	\$ 1,618	\$ 2,927	\$ 3,206
Provision for loan losses	946	1,704	1,962	2,316
Net earnings (loss)	\$(286)	\$(549)	\$(500)	\$(571)
Operating Ratios (annualized):				
Return on average assets	(.63)%	(1.11)%	(.55)%	(.57)%
Return on average equity	(7.10)%	(12.40)%	(6.15)%	(6.41)%
Interest rate spread information:				
Average yield on interest-earning assets	5.44%	6.03%	5.52%	6.01%
Average cost of interest-bearing liabilities	1.95%	2.58%	2.01%	2.66%
Average rate spread during period	3.49%	3.45%	3.50%	3.35%
Net interest margin	3.50%	3.52%	3.53%	3.43%
Ratio of average interest-earning assets to average interest-bearing liabilities	100.45%	102.72%	101.26%	103.28%
Stock price for period:				
High bid	\$5.50	\$8.05	\$6.50	\$9.50
Low bid	\$4.40	\$7.00	\$4.40	\$7.00
Closing bid at 3/31	\$4.75	\$7.80	\$4.75	\$7.80
Net earnings (loss) per share (diluted)	\$(.34)	\$(.66)	\$(.60)	\$(.68)
Weighted average shares of common stock and common stock equivalents	835,163	835,163	835,163	835,163

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	<u>March 31,</u> 2011	<u>September 30,</u> 2010
<u>ASSETS</u>		
Cash and due from banks	\$ 817,810	\$ 979,523
Federal funds sold	24,960,000	11,205,000
Other interest-bearing deposits	<u>788,301</u>	<u>514,726</u>
Cash and cash equivalents	26,566,111	12,699,249
Investment securities held to maturity (fair value: March 31, 2011 - \$1,008,183; September 30, 2010 - \$6,066,769)	998,746	5,995,369
Mortgage-backed securities held to maturity (fair value: March 31, 2011 - \$9,916,229; September 30, 2010 - \$12,336,365)	9,602,491	11,949,922
Loans receivable	121,988,324	136,210,205
Loans held for sale	---	---
Premises and equipment	2,149,095	2,155,985
Federal Home Loan Bank Stock, at cost	3,523,700	3,496,400
Accrued interest receivable	647,039	827,434
Real estate acquired through foreclosure	7,887,249	4,842,137
Income taxes receivable	370,018	332,781
Deferred income taxes	1,469,181	1,174,795
Other	1,333,794	1,319,838
Cash value of life insurance	<u>2,496,101</u>	<u>2,454,945</u>
Total assets	<u>\$ 179,031,849</u>	<u>\$ 183,459,060</u>
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 126,840,824	\$ 130,724,445
Advances from borrowers for taxes and insurance	946,777	876,495
Advances from Federal Home Loan Bank	34,951,651	35,041,927
Accrued expenses and other	<u>419,793</u>	<u>443,090</u>
Total liabilities	163,159,045	167,085,957
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	8,245,375
Retained earnings - substantially restricted	17,608,233	18,108,532
Treasury stock at cost, 814,125 shares at March 31, 2011 and 814,125 shares at September 30, 2010	<u>(9,997,297)</u>	<u>(9,997,297)</u>
Total stockholders' equity	<u>15,872,804</u>	<u>16,373,103</u>
Total liabilities and stockholders' equity	<u>\$ 179,031,849</u>	<u>\$ 183,459,060</u>

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended March 31,		Six Months Ended March 31,	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Interest income				
Loans	\$2,119,065	\$2,510,879	\$4,339,922	\$5,063,697
Mortgage-backed securities	62,214	83,740	122,091	171,697
Investment securities	19,292	152,280	64,314	327,691
Interest-bearing deposits and other	<u>25,875</u>	<u>25,187</u>	<u>49,199</u>	<u>51,182</u>
Total interest income	2,226,446	2,772,086	4,575,526	5,614,267
Interest expense				
Deposits	455,683	603,218	966,719	1,277,604
Borrowed funds	<u>337,100</u>	<u>550,722</u>	<u>682,275</u>	<u>1,131,087</u>
Total interest expense	<u>792,783</u>	<u>1,153,940</u>	<u>1,648,994</u>	<u>2,408,691</u>
Net interest income	1,433,663	1,618,146	2,926,532	3,205,576
Provision for loan losses	<u>946,442</u>	<u>1,703,940</u>	<u>1,961,809</u>	<u>2,316,486</u>
Net interest income (loss) after provision for loan losses	(487,221)	(85,794)	964,723	889,090
Noninterest income				
Service charges	268,558	241,571	560,601	513,182
Other	<u>110,117</u>	<u>106,519</u>	<u>237,633</u>	<u>209,403</u>
Total noninterest income	378,675	348,090	798,234	722,585
Noninterest expense				
Employee compensation and benefits	647,427	613,667	1,282,487	1,309,000
Occupancy and equipment	125,832	136,828	248,335	269,266
Foreclosed assets, net	56,883	28,240	48,820	164,455
Data processing fees	103,262	103,336	212,411	203,721
Other operating	<u>357,058</u>	<u>405,099</u>	<u>737,068</u>	<u>728,769</u>
Total noninterest expense	<u>1,290,462</u>	<u>1,287,170</u>	<u>2,529,121</u>	<u>2,675,211</u>
Earnings (loss) before income taxes	(424,566)	(1,024,874)	(766,164)	(1,063,536)
Income tax expense (benefit)	<u>(138,722)</u>	<u>(476,306)</u>	<u>(265,865)</u>	<u>(492,641)</u>
Net earnings (loss)	<u>\$ (285,844)</u>	<u>\$ (548,568)</u>	<u>\$ (500,299)</u>	<u>\$ (570,895)</u>
Earnings (loss) per common share				
Basic	<u>\$ (.34)</u>	<u>\$ (.66)</u>	<u>\$ (.60)</u>	<u>\$ (.68)</u>
Diluted	<u>\$ (.34)</u>	<u>\$ (.66)</u>	<u>\$ (.60)</u>	<u>\$ (.68)</u>
Dividends per share	<u>\$ ---</u>	<u>\$.09375</u>	<u>\$ ---</u>	<u>\$.1875</u>
Weighted average shares outstanding				
Basic	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>
Diluted	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>