



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FOURTH QUARTER EARNINGS AND FISCAL YEAR END RESULTS

INDEPENDENCE, KS (October 20, 2006) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$299,000 for the fourth quarter of fiscal 2006, compared to \$240,000 for the fourth quarter of fiscal 2005. Diluted earnings per share of common stock for the fourth quarter of fiscal 2006 were \$.34, compared to diluted earnings per share of \$.27 for the fourth quarter of fiscal 2005. Net earnings for the 2006 fiscal year were \$1,229,000, compared to \$1,163,000 for the 2005 fiscal year. Diluted earnings per share for the 2006 fiscal year were \$1.39, compared to diluted earnings per share of \$1.30 for the 2005 fiscal year.

Return on average assets for the fourth quarter of fiscal 2006 was .66% (annualized), compared to .56% (annualized), for the same period last year. Return on average equity for the fourth quarter of fiscal 2006 was 7.30% (annualized), compared to 6.06% (annualized), in the fourth quarter of fiscal 2005. Return on average assets for the 2006 fiscal year was .68%, compared to .68% for the same period last year. Return on average equity for the 2006 fiscal year was 7.61%, compared to 7.42%, for fiscal 2005.

We had \$180.3 million in assets and \$16.4 million in stockholders' equity as of September 30, 2006. During this fiscal year, we repurchased 7,800 shares of common stock, at an average cost of \$19.56 per share. At September 30, 2006, total shares outstanding were 881,748.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At September 30, 2006, 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, 2006		September 30, 2005	
Financial Condition Highlights:				
Total assets	\$ 180,304		\$ 171,933	
Loans receivable	133,412		124,465	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	37,196		36,814	
Real estate acquired through foreclosure	199		419	
Deposits	112,961		111,928	
Borrowed funds	49,169		42,652	
Stockholders' equity	16,423		15,905	
Stockholders' equity per outstanding common share	\$18.63		\$17.89	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	.55%		.62%	
Non-performing assets to total assets	.52%		.70%	
Allowance for loan losses to non-performing loans	110.15%		100.14%	
Allowance for loan losses to non-performing assets	86.66%		65.00%	
	Three months ended September 30,		Year ended September 30,	
	2006	2005	2006	2005
Operating Highlights:				
Net interest income	\$ 1,230	\$ 1,236	\$ 5,042	\$ 5,043
Provision for loan losses	39	88	96	120
Net earnings	\$299	\$240	\$1,229	\$1,163
Operating Ratios (annualized):				
Return on average assets	.66%	.56%	.68%	.68%
Return on average equity	7.30%	6.06%	7.61%	7.42%
Interest rate spread information:				
Average yield on interest-earning assets	6.48%	5.94%	6.27%	5.73%
Average cost of interest-bearing liabilities	3.92%	3.18%	3.59%	2.88%
Average rate spread during period	2.56%	2.76%	2.68%	2.85%
Net interest margin	2.82%	2.97%	2.91%	3.05%
Ratio of average interest-earning assets to average interest-bearing liabilities	107.18%	107.11%	107.00%	107.36%
Stock price for period:				
High bid	\$19.13	\$19.12	\$19.71	\$19.12
Low bid	\$17.26	\$18.66	\$17.22	\$16.01
Closing bid at 9/30	\$19.13	\$18.66	\$19.13	\$18.66
Net earnings per share (diluted)	\$.34	\$.27	\$1.39	\$1.30
Weighted average shares of common stock and common stock equivalents	885,314	892,057	887,000	892,754

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2006	September 30, 2005
<u>ASSETS</u>		
Cash and due from banks	\$ 435,088	\$ 462,955
Federal funds sold	---	600,000
Other interest-bearing deposits	524,867	1,450,223
Cash and cash equivalents	959,955	2,513,178
Investment securities held to maturity (fair value: September 30, 2006 - \$31,735,915; September 30, 2005 - \$29,803,100)	32,021,929	30,065,772
Mortgage-backed securities held to maturity (fair value: September 30, 2006 - \$5,107,443; September 30, 2005 - \$6,736,488)	5,173,617	6,748,179
Loans receivable	133,411,535	124,465,274
Loans held for sale	---	---
Premises and equipment	2,324,434	2,051,507
Federal Home Loan Bank Stock, at cost	2,997,500	2,629,700
Accrued interest receivable	944,255	880,355
Real estate acquired through foreclosure	199,224	419,359
Income taxes receivable	---	3,189
Other	2,272,050	2,156,703
Total assets	\$ 180,304,499	\$ 171,933,216
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 112,960,760	\$ 111,927,882
Advances from borrowers for taxes and insurance	951,962	885,033
Advances from Federal Home Loan Bank	49,168,577	42,651,640
Income taxes payable	16,498	5,714
Deferred income taxes	136,353	69,636
Accrued expenses and other	647,085	488,540
Total liabilities	163,881,235	156,028,445
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	8,231,844	8,224,311
Retained earnings - substantially restricted	17,285,248	16,630,086
Treasury stock at cost, 767,540 shares at September 30, 2006 and 760,249 shares at September 30, 2005	(9,110,321)	(8,961,042)
Required contributions for shares acquired by ESOP	---	(5,077)
Total stockholders' equity	16,423,264	15,904,771
Total liabilities and stockholders' equity	\$ 180,304,499	\$ 171,933,216

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended September 30,		Year Ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
Interest income				
Loans	\$2,371,370	\$2,111,538	\$9,083,026	\$8,125,678
Mortgage-backed securities	64,635	78,883	276,088	346,636
Investment securities	336,861	242,711	1,271,405	854,019
Interest-bearing deposits and other	<u>52,460</u>	<u>38,990</u>	<u>226,165</u>	<u>160,853</u>
Total interest income	2,825,326	2,472,122	10,856,684	9,487,186
Interest expense				
Deposits	961,705	687,178	3,414,485	2,366,861
Borrowed funds	<u>633,504</u>	<u>549,301</u>	<u>2,399,743</u>	<u>2,077,132</u>
Total interest expense	<u>1,595,209</u>	<u>1,236,479</u>	<u>5,814,228</u>	<u>4,443,993</u>
Net interest income	1,230,117	1,235,643	5,042,456	5,043,193
Provision for loan losses	<u>38,901</u>	<u>87,534</u>	<u>96,078</u>	<u>120,252</u>
Net interest income after provision for loan losses	1,191,216	1,148,109	4,946,378	4,922,941
Noninterest income				
Service charges	237,920	153,225	822,188	468,957
Other	<u>79,769</u>	<u>92,789</u>	<u>319,063</u>	<u>301,825</u>
Total noninterest income	317,689	246,014	1,141,251	770,782
Noninterest expense				
Employee compensation and benefits	616,948	583,552	2,448,393	2,309,859
Occupancy and equipment	113,364	112,495	453,046	447,089
Foreclosed assets, net	(8,852)	(5,646)	40,972	22,446
Data processing fees	82,312	68,453	313,037	265,247
Other operating	<u>239,241</u>	<u>262,740</u>	<u>919,359</u>	<u>804,770</u>
Total noninterest expense	<u>1,043,013</u>	<u>1,021,594</u>	<u>4,174,807</u>	<u>3,849,411</u>
Earnings before income taxes	465,892	372,529	1,912,822	1,844,312
Income tax expense	<u>166,992</u>	<u>132,317</u>	<u>683,591</u>	<u>681,739</u>
Net earnings	<u>\$ 298,900</u>	<u>\$ 240,212</u>	<u>\$ 1,229,231</u>	<u>\$ 1,162,573</u>
Earnings per common share				
Basic	<u>\$.34</u>	<u>\$.27</u>	<u>\$ 1.39</u>	<u>\$ 1.31</u>
Diluted	<u>\$.34</u>	<u>\$.27</u>	<u>\$ 1.39</u>	<u>\$ 1.30</u>
Dividends per share	<u>\$.1625</u>	<u>\$.1625</u>	<u>\$.6500</u>	<u>\$.6375</u>
Weighted average shares outstanding				
Basic	<u>881,733</u>	<u>888,187</u>	<u>883,419</u>	<u>888,884</u>
Diluted	<u>885,314</u>	<u>892,057</u>	<u>887,000</u>	<u>892,754</u>