



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES THIRD QUARTER EARNINGS

INDEPENDENCE, KS (July 21, 2009) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$202,000 for the third quarter of fiscal 2009, compared to \$509,000 for the third quarter of fiscal 2008. Diluted earnings per share of common stock for the third quarter of fiscal 2009 were \$.24, compared to diluted earnings per share of \$.61 for the third quarter of fiscal 2008. Net earnings for the first nine months of fiscal 2009 were \$734,000, compared to \$1,372,000 for the first nine months of fiscal 2008. Diluted earnings per share for the nine months ended June 30, 2009 were \$.88, compared to diluted earnings per share of \$1.61 for the nine months ended June 30, 2008.

The Company increased provision for loan losses during the third quarter of fiscal 2009 by \$443,000, compared to \$136,000 during the same period last year. The provision for loan losses for the nine months of fiscal 2009 was \$1,230,000, compared to \$266,000 for the nine months ended June 30, 2008. Additionally, earnings were also impacted by higher FDIC costs which include both quarterly premiums and a special assessment.

Return on average assets for the third quarter of fiscal 2009 was .40% (annualized), compared to 1.01% (annualized), for the same period last year. Return on average equity for the third quarter of fiscal 2009 was 4.54% (annualized), compared to 11.91% (annualized), in the third quarter of fiscal 2008. Return on average assets for the first nine months of fiscal 2009 was .48% (annualized), compared to .93% (annualized), for the same period last year. Return on average equity for the first nine months of fiscal 2009 was 5.52% (annualized), compared to 10.74% (annualized), for the first nine months of fiscal 2008.

We had \$201.2 million in assets and \$17.8 million in stockholders' equity as of June 30, 2009. At June 30, 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 June 30, 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)

	June 30, 2009		September 30, 2008	
Financial Condition Highlights:				
Total assets	\$ 201,187		\$ 202,244	
Loans receivable	159,259		162,320	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	21,528		28,446	
Real estate acquired through foreclosure	3,145		604	
Deposits	132,058		124,492	
Borrowed funds	50,253		58,342	
Stockholders' equity	17,764		17,489	
Stockholders' equity per outstanding common share	\$21.27		\$20.97	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	3.11%		2.97%	
Non-performing assets to total assets	4.05%		2.70%	
Allowance for loan losses to non-performing loans	35.13%		22.95%	
Allowance for loan losses to non-performing assets	21.58%		20.41%	
	Three months ended June 30,		Nine months ended June 30,	
	2009	2008	2009	2008
Operating Highlights:				
Net interest income	\$ 1,635	\$ 1,612	\$ 4,990	\$ 4,513
Provision for loan losses	443	136	1,230	266
Net earnings	\$202	\$509	\$734	\$1,372
Operating Ratios (annualized):				
Return on average assets	.40%	1.01%	.48%	.93%
Return on average equity	4.54%	11.91%	5.52%	10.74%
Interest rate spread information:				
Average yield on interest-earning assets	6.36%	6.74%	6.42%	6.85%
Average cost of interest-bearing liabilities	3.07%	3.65%	3.15%	3.92%
Average rate spread during period	3.29%	3.09%	3.27%	2.93%
Net interest margin	3.43%	3.31%	3.44%	3.17%
Ratio of average interest-earning assets to average interest-bearing liabilities	104.69%	106.50%	105.63%	106.58%
Stock price for period:				
High bid	\$10.50	\$18.20	\$14.27	\$19.50
Low bid	\$9.40	\$16.60	\$9.40	\$16.60
Closing bid at 6/30	\$10.05	\$16.60	\$10.05	\$16.60
Net earnings per share (diluted)	\$.24	\$.61	\$.88	\$1.61
Weighted average shares of common stock and common stock equivalents	835,185	836,766	834,749	853,819

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	June 30, 2009	September 30, 2008
<u>ASSETS</u>		
Cash and due from banks	\$ 1,072,869	\$ 844,452
Federal funds sold	5,645,000	---
Other interest-bearing deposits	726,131	544,868
Cash and cash equivalents	7,444,000	1,389,320
Investment securities held to maturity (fair value: June 30, 2009 - \$17,676,889; September 30, 2008 - \$25,532,683)	17,017,872	25,037,659
Mortgage-backed securities held to maturity (fair value: June 30, 2009 - \$4,605,113; September 30, 2007 - \$4,076,606)	4,510,483	3,408,134
Loans receivable	159,258,800	162,319,674
Loans held for sale	---	---
Premises and equipment	2,309,223	2,333,374
Federal Home Loan Bank Stock, at cost	3,383,600	3,328,300
Accrued interest receivable	1,026,756	1,219,714
Real estate acquired through foreclosure	3,145,295	604,319
Income taxes receivable	110,678	11,285
Other	631,618	310,624
Cash value of life insurance	2,348,615	2,282,024
Total assets	\$ 201,186,940	\$ 202,244,427
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 132,058,420	\$ 124,492,167
Advances from borrowers for taxes and insurance	545,822	1,008,858
Advances from Federal Home Loan Bank	50,253,390	58,342,177
Income taxes payable	---	50,428
Deferred income taxes	31,988	229,731
Accrued expenses and other	533,519	631,967
Total liabilities	183,423,139	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	19,499,230	19,234,591
Treasury stock at cost, 814,125 shares at June 30, 2009 and 815,125 shares at September 30, 2008	(9,997,297)	(10,003,797)
Total stockholders' equity	17,763,801	17,489,099
Total liabilities and stockholders' equity	\$ 201,186,940	\$ 202,244,427

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Interest income				
Loans	\$2,761,995	\$2,877,743	\$8,401,826	\$8,426,708
Mortgage-backed securities	35,585	45,790	110,089	148,075
Investment securities	213,730	316,270	739,381	1,033,953
Interest-bearing deposits and other	<u>20,385</u>	<u>42,130</u>	<u>59,224</u>	<u>144,917</u>
Total interest income	3,031,695	3,281,933	9,310,520	9,753,653
Interest expense				
Deposits	778,787	1,075,341	2,468,732	3,466,482
Borrowed funds	<u>617,442</u>	<u>594,494</u>	<u>1,851,947</u>	<u>1,774,459</u>
Total interest expense	<u>1,396,229</u>	<u>1,669,835</u>	<u>4,320,679</u>	<u>5,240,941</u>
Net interest income	1,635,466	1,612,098	4,989,841	4,512,712
Provision for loan losses	<u>442,506</u>	<u>135,948</u>	<u>1,230,309</u>	<u>266,466</u>
Net interest income after provision for loan losses	1,192,960	1,476,150	3,759,532	4,246,246
Noninterest income				
Service charges	261,825	275,455	761,592	808,190
Other	<u>88,664</u>	<u>102,921</u>	<u>265,870</u>	<u>266,348</u>
Total noninterest income	350,489	378,376	1,027,462	1,074,538
Noninterest expense				
Employee compensation and benefits	658,366	617,779	2,054,429	1,825,831
Occupancy and equipment	135,157	129,893	406,963	373,865
Foreclosed assets, net	(8,390)	1,764	35,171	11,915
Data processing fees	94,571	83,978	284,071	251,554
Other operating	<u>353,939</u>	<u>224,185</u>	<u>888,864</u>	<u>724,200</u>
Total noninterest expense	<u>1,233,643</u>	<u>1,057,599</u>	<u>3,669,498</u>	<u>3,187,365</u>
Earnings before income taxes	309,806	796,927	1,117,496	2,133,419
Income tax expense	<u>108,204</u>	<u>288,225</u>	<u>383,264</u>	<u>761,338</u>
Net earnings	<u>\$ 201,602</u>	<u>\$ 508,702</u>	<u>\$ 734,232</u>	<u>\$ 1,372,081</u>
Earnings per common share				
Basic	<u>\$.24</u>	<u>\$.61</u>	<u>\$.88</u>	<u>\$ 1.61</u>
Diluted	<u>\$.24</u>	<u>\$.61</u>	<u>\$.88</u>	<u>\$ 1.61</u>
Dividends per share	<u>\$.1875</u>	<u>\$.1875</u>	<u>\$.5625</u>	<u>\$.5500</u>
Weighted average shares outstanding				
Basic	<u>835,163</u>	<u>833,163</u>	<u>834,727</u>	<u>850,216</u>
Diluted	<u>835,185</u>	<u>836,766</u>	<u>834,749</u>	<u>853,819</u>