



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FOURTH QUARTER EARNINGS AND FISCAL YEAR END RESULTS

INDEPENDENCE, KS (October 27, 2009) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$289,000 for the fourth quarter of fiscal 2009, compared to \$427,000 for the fourth quarter of fiscal 2008. Diluted earnings per share of common stock for the fourth quarter of fiscal 2009 were \$.35, compared to diluted earnings per share of \$.51 for the fourth quarter of fiscal 2008. Net earnings for the 2009 fiscal year were \$1,023,000, compared to \$1,799,000 for the 2008 fiscal year. Diluted earnings per share for the 2009 fiscal year were \$1.23, compared to diluted earnings per share of \$2.12 for the 2008 fiscal year.

Return on average assets for the fourth quarter of fiscal 2009 was .57% (annualized), compared to .84% (annualized), for the same period last year. Return on average equity for the fourth quarter of fiscal 2009 was 6.45% (annualized), compared to 9.81% (annualized), in the fourth quarter of fiscal 2008. Return on average assets for the 2009 fiscal year was .51%, compared to .91% for the same period last year. Return on average equity for the 2009 fiscal year was 5.76%, compared to 10.50%, for fiscal 2008.

We had \$202.2 million in assets and \$18.0 million in stockholders' equity as of September 30, 2009. At September 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 September 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)

	September 30, 2009		September 30, 2008	
Financial Condition Highlights:				
Total assets	\$ 202,206		\$ 202,244	
Loans receivable	155,973		162,320	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	27,647		28,446	
Real estate acquired through foreclosure	4,273		604	
Deposits	132,433		124,492	
Borrowed funds	50,213		58,342	
Stockholders' equity	17,974		17,489	
Stockholders' equity per outstanding common share	\$21.52		\$20.97	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	5.44%		2.97%	
Non-performing assets to total assets	6.36%		2.70%	
Allowance for loan losses to non-performing loans	22.13%		22.95%	
Allowance for loan losses to non-performing assets	14.78%		20.41%	
	Three months ended September 30,		Year ended September 30,	
	2009	2008	2009	2008
Operating Highlights:				
Net interest income	\$ 1,564	\$ 1,586	\$ 6,554	\$ 6,099
Provision for loan losses	283	146	1,513	413
Net earnings	\$289	\$427	\$1,023	\$1,799
Operating Ratios (annualized):				
Return on average assets	.57%	.84%	.51%	.91%
Return on average equity	6.45%	9.81%	5.76%	10.50%
Interest rate spread information:				
Average yield on interest-earning assets	6.01%	6.57%	6.31%	6.78%
Average cost of interest-bearing liabilities	2.88%	3.54%	3.08%	3.82%
Average rate spread during period	3.13%	3.04%	3.24%	2.95%
Net interest margin	3.26%	3.25%	3.40%	3.19%
Ratio of average interest-earning assets to average interest-bearing liabilities	104.85%	106.52%	105.44%	106.56%
Stock price for period:				
High bid	\$10.10	\$16.90	\$14.27	\$19.50
Low bid	\$9.05	\$15.60	\$9.05	\$15.60
Closing bid at 9/30	\$9.50	\$15.60	\$9.50	\$15.60
Net earnings per share (diluted)	\$.35	\$.51	\$1.23	\$2.12
Weighted average shares of common stock and common stock equivalents	835,734	836,698	834,836	849,316

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2009	September 30, 2008
<u>ASSETS</u>		
Cash and due from banks	\$ 829,585	\$ 844,452
Federal funds sold	3,345,000	---
Other interest-bearing deposits	340,815	544,868
Cash and cash equivalents	4,515,400	1,389,320
Investment securities held to maturity (fair value: September 30, 2009 - \$16,540,780; September 30, 2008 - \$25,532,683)	16,013,215	25,037,659
Mortgage-backed securities held to maturity (fair value: September 30, 2009 - \$11,820,621; September 30, 2008 - \$3,430,199)	11,634,159	3,408,134
Loans receivable	155,973,316	162,319,674
Loans held for sale	---	---
Premises and equipment	2,283,881	2,333,374
Federal Home Loan Bank Stock, at cost	3,406,800	3,328,300
Accrued interest receivable	1,034,300	1,219,714
Real estate acquired through foreclosure	4,272,698	604,319
Income taxes receivable	25,163	11,285
Other	676,596	310,624
Cash value of life insurance	2,370,112	2,282,024
Total assets	\$ 202,205,640	\$ 202,244,427
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 132,433,425	\$ 124,492,167
Advances from borrowers for taxes and insurance	903,568	1,008,858
Advances from Federal Home Loan Bank	50,212,664	58,342,177
Income taxes payable	65,435	50,428
Deferred income taxes	40,804	229,731
Accrued expenses and other	575,649	631,967
Total liabilities	184,231,545	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	19,709,524	19,234,591
Treasury stock at cost, 814,125 shares at September 30, 2009 and 815,125 shares at September 30, 2008	(9,997,297)	(10,003,797)
Total stockholders' equity	17,974,095	17,489,099
Total liabilities and stockholders' equity	\$ 202,205,640	\$ 202,244,427

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended September 30,		Year Ended September 30,	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Interest income				
Loans	\$2,606,772	\$2,819,170	\$11,008,598	\$11,245,878
Mortgage-backed securities	52,144	43,373	162,233	191,448
Investment securities	192,190	304,218	931,571	1,338,171
Interest-bearing deposits and other	<u>27,587</u>	<u>37,786</u>	<u>86,811</u>	<u>182,703</u>
Total interest income	2,878,693	3,204,547	12,189,213	12,958,200
Interest expense				
Deposits	733,350	981,889	3,202,082	4,448,371
Borrowed funds	<u>580,905</u>	<u>636,821</u>	<u>2,432,852</u>	<u>2,411,280</u>
Total interest expense	<u>1,314,255</u>	<u>1,618,710</u>	<u>5,634,934</u>	<u>6,859,651</u>
Net interest income	1,564,438	1,585,837	6,554,279	6,098,549
Provision for loan losses	<u>283,044</u>	<u>146,037</u>	<u>1,513,353</u>	<u>412,503</u>
Net interest income after provision for loan losses	1,281,394	1,439,800	5,040,926	5,686,046
Noninterest income				
Service charges	272,368	284,198	1,033,960	1,092,388
Other	<u>91,868</u>	<u>85,115</u>	<u>357,738</u>	<u>351,463</u>
Total noninterest income	364,236	369,313	1,391,698	1,443,851
Noninterest expense				
Employee compensation and benefits	675,359	641,480	2,729,788	2,467,311
Occupancy and equipment	139,374	137,338	546,337	511,203
Foreclosed assets, net	(52,219)	14,304	(17,048)	26,219
Data processing fees	101,359	89,245	385,430	340,799
Other operating	<u>333,401</u>	<u>262,832</u>	<u>1,222,265</u>	<u>987,032</u>
Total noninterest expense	<u>1,197,274</u>	<u>1,145,199</u>	<u>4,866,772</u>	<u>4,332,564</u>
Earnings before income taxes	448,356	663,914	1,565,852	2,797,333
Income tax expense	<u>159,766</u>	<u>237,304</u>	<u>543,030</u>	<u>998,642</u>
Net earnings	<u>\$ 288,590</u>	<u>\$ 426,610</u>	<u>\$ 1,022,822</u>	<u>\$ 1,798,691</u>
Earnings per common share				
Basic	<u>\$.35</u>	<u>\$.51</u>	<u>\$ 1.23</u>	<u>\$ 2.13</u>
Diluted	<u>\$.35</u>	<u>\$.51</u>	<u>\$ 1.23</u>	<u>\$ 2.12</u>
Dividends per share	<u>\$.0938</u>	<u>\$.1875</u>	<u>\$.6563</u>	<u>\$.7375</u>
Weighted average shares outstanding				
Basic	<u>835,163</u>	<u>833,394</u>	<u>834,836</u>	<u>846,011</u>
Diluted	<u>835,734</u>	<u>836,698</u>	<u>834,836</u>	<u>849,316</u>