



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FIRST QUARTER LOSS

INDEPENDENCE, KS (January 21, 2010) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported a net loss of \$22,000 for the first quarter of fiscal 2010, compared to net earnings of \$435,000 for the first quarter of fiscal 2009. Diluted loss per share of common stock for the first quarter of fiscal 2010 were \$.03, compared to diluted earnings per share of \$.52 for the first quarter of fiscal 2009.

Return on average assets for the first quarter of fiscal 2010 was negative .04% (annualized), compared to .86% (annualized), for the same period last year. Return on average equity for the first quarter of fiscal 2010 was negative .50% (annualized), compared to 9.83% (annualized), in the first quarter of fiscal 2009.

We had \$200.6 million in assets and \$17.9 million in stockholders' equity as of December 31, 2009. At December 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 December 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)

	December 31, 2009	September 30, 2009
Financial Condition Highlights:		
Total assets	\$ 200,625	\$ 202,206
Loans receivable	150,924	155,973
Loan held for sale	---	---
Mortgage-backed and investment securities held to maturity	29,143	27,647
Real estate acquired through foreclosure	6,146	4,273
Deposits	131,622	132,433
Borrowed funds	50,171	50,213
Stockholders' equity	17,873	17,974
Stockholders' equity per outstanding common share	\$21.40	\$21.52
Selected Asset Quality Ratios:		
Non-performing loans to total loans	5.19%	5.44%
Non-performing assets to total assets	7.02%	6.36%
Allowance for loan losses to non-performing loans	24.66%	22.13%
Allowance for loan losses to non-performing assets	13.90%	14.78%
	Three months ended December 31,	
	2009	2008
Operating Highlights:		
Net interest income	\$ 1,587	\$ 1,668
Provision for loan losses	613	145
Net earnings (loss)	\$ (22)	\$ 435
Operating Ratios (annualized):		
Return on average assets	(.04)%	.86%
Return on average equity	(.50)%	9.83%
Interest rate spread information:		
Average yield on interest-earning assets	6.00%	6.49%
Average cost of interest-bearing liabilities	2.75%	3.28%
Average rate spread during period	3.25%	3.21%
Net interest margin	3.35%	3.42%
Ratio of average interest-earning assets to average interest-bearing liabilities	103.84%	106.55%
Stock price for period:		
High bid	\$9.50	\$14.27
Low bid	\$8.05	\$10.81
Closing bid at 12/31	\$8.05	\$10.81
Net earnings (loss) per share (diluted)	\$ (.03)	\$.52
Weighted average shares of common stock and common stock equivalents	835,163	837,578

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31, 2009	September 30, 2009
<u>ASSETS</u>		
Cash and due from banks	\$ 696,119	\$ 829,585
Federal funds sold	2,030,000	3,345,000
Other interest-bearing deposits	1,040,078	340,815
Cash and cash equivalents	3,766,197	4,515,400
Investment securities held to maturity (fair value: December 31, 2009 - \$14,385,271; September 30, 2009 - \$16,540,780)	14,008,299	16,013,215
Mortgage-backed securities held to maturity (fair value: December 31, 2009 - \$15,199,069; September 30, 2009 - \$11,820,621)	15,134,924	11,634,159
Loans receivable	150,924,325	155,973,316
Loans held for sale	---	---
Premises and equipment	2,250,299	2,283,881
Federal Home Loan Bank Stock, at cost	3,430,100	3,406,800
Accrued interest receivable	946,760	1,034,300
Real estate acquired through foreclosure	6,146,086	4,272,698
Income taxes receivable	26,198	25,163
Other	1,599,360	676,596
Cash value of life insurance	2,392,051	2,370,112
Total assets	\$ 200,624,599	\$ 202,205,640
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 131,622,462	\$ 132,433,425
Advances from borrowers for taxes and insurance	431,488	903,568
Advances from Federal Home Loan Bank	50,171,168	50,212,664
Income taxes payable	41,282	65,435
Deferred income taxes	49,658	40,804
Accrued expenses and other	435,070	575,649
Total liabilities	182,751,128	184,231,545
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	19,608,900	19,709,524
Treasury stock at cost, 814,125 shares at December 31, 2009 and 814,125 shares at September 30, 2009	(9,997,297)	(9,997,297)
Total stockholders' equity	17,873,471	17,974,095
Total liabilities and stockholders' equity	\$ 200,624,599	\$ 202,205,640

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended December 31,	
	<u>2009</u>	<u>2008</u>
Interest income		
Loans	\$2,552,818	\$2,830,315
Mortgage-backed securities	87,957	38,798
Investment securities	175,411	278,772
Interest-bearing deposits and other	<u>25,995</u>	<u>19,281</u>
Total interest income	2,842,181	3,167,166
Interest expense		
Deposits	674,386	865,355
Borrowed funds	<u>580,365</u>	<u>634,151</u>
Total interest expense	1,254,751	1,499,506
Net interest income	1,587,430	1,667,660
Provision for loan losses	<u>612,546</u>	<u>145,116</u>
Net interest income after provision for loan losses	974,884	1,522,544
Noninterest income		
Service charges	271,611	269,624
Other	<u>102,884</u>	<u>83,516</u>
Total noninterest income	374,495	353,140
Noninterest expense		
Employee compensation and benefits	695,333	690,672
Occupancy and equipment	132,438	133,188
Foreclosed assets, net	136,215	11,889
Data processing fees	100,385	95,619
Other operating	<u>323,670</u>	<u>260,094</u>
Total noninterest expense	1,388,041	1,191,462
Earnings (loss) before income taxes	(38,662)	684,222
Income tax expense (benefit)	<u>(16,335)</u>	<u>249,650</u>
Net earnings (loss)	<u>\$ (22,327)</u>	<u>\$ 434,572</u>
Earnings (loss) per common share		
Basic	<u>\$ (.03)</u>	<u>\$.52</u>
Diluted	<u>\$ (.03)</u>	<u>\$.52</u>
Dividends per share	<u>\$.09375</u>	<u>\$.1875</u>
Weighted average shares outstanding		
Basic	<u>835,163</u>	<u>834,163</u>
Diluted	<u>835,163</u>	<u>837,578</u>