



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES SECOND QUARTER LOSS

INDEPENDENCE, KS (April 23, 2010) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported a net loss of \$549,000 for the second quarter of fiscal 2010, compared to net earnings of \$98,000 for the second quarter of fiscal 2009. Diluted loss per share of common stock for the second quarter of fiscal 2010 was \$.66, compared to diluted earnings per share of \$.12 for the second quarter of fiscal 2009. A net loss for the first half of fiscal 2010 was \$571,000, compared to net earnings of \$533,000 for the first half of fiscal 2009. Diluted loss per share for the six months ended March 31, 2010 was \$.68, compared to diluted earnings per share of \$.64 for the six months ended March 31, 2009.

The Company increased allowances for loan losses during the second quarter of fiscal 2010 by \$1.70 million, compared to \$643,000 during the same period last year. The allowances for loan losses for the first half of fiscal 2010 was \$2.32 million, compared to \$788,000 for the first half of fiscal 2009.

Return on average assets for the second quarter of fiscal 2010 was negative 1.11% (annualized), compared to .19% (annualized), for the same period last year. Return on average equity for the second quarter of fiscal 2010 was negative 12.40% (annualized), compared to 2.21% (annualized), in the second quarter of fiscal 2009. Return on average assets for the first half of fiscal 2010 was negative .57% (annualized), compared to .52% (annualized), for the same period last year. Return on average equity for the first six months of fiscal 2010 was negative 6.41% (annualized), compared to 6.02% (annualized), for the first six months of fiscal 2009.

We had \$191.1 million in assets and \$17.2 million in stockholders' equity as of March 31, 2010. At March 31, 2010, 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 March 31, 2010, 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, 2010		September 30, 2009	
Financial Condition Highlights:				
Total assets	\$ 191,078		\$ 202,206	
Loans receivable	147,122		155,973	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	26,034		27,647	
Real estate acquired through foreclosure	5,192		4,273	
Deposits	131,862		132,433	
Borrowed funds	40,529		50,213	
Stockholders' equity	17,247		17,974	
Stockholders' equity per outstanding common share	\$20.65		\$21.52	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	3.61%		5.44%	
Non-performing assets to total assets	5.52%		6.36%	
Allowance for loan losses to non-performing loans	28.66%		22.13%	
Allowance for loan losses to non-performing assets	14.56%		14.78%	
	Three months ended March 31,		Six months ended March 31,	
	2010	2009	2010	2009
Operating Highlights:				
Net interest income	\$ 1,618	\$ 1,687	\$ 3,206	\$ 3,354
Provision for loan losses	1,704	643	2,316	788
Net earnings (loss)	\$(549)	\$98	\$(571)	\$533
Operating Ratios (annualized):				
Return on average assets	(1.11)%	.19%	(.57)%	.52%
Return on average equity	(12.40)%	2.21%	(6.41)%	6.02%
Interest rate spread information:				
Average yield on interest-earning assets	6.03%	6.39%	6.01%	6.44%
Average cost of interest-bearing liabilities	2.58%	3.09%	2.66%	3.18%
Average rate spread during period	3.45%	3.30%	3.35%	3.26%
Net interest margin	3.52%	3.47%	3.43%	3.44%
Ratio of average interest-earning assets to average interest-bearing liabilities	102.72%	105.65%	103.28%	106.10%
Stock price for period:				
High bid	\$8.05	\$11.05	\$9.50	\$14.27
Low bid	\$7.00	\$9.41	\$7.00	\$9.41
Closing bid at 3/31	\$7.80	\$10.50	\$7.80	\$10.50
Net earnings (loss) per share (diluted)	\$(.66)	\$.12	\$(.68)	\$.64
Weighted average shares of common stock and common stock equivalents	835,163	835,040	835,163	834,694

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	March 31, 2010	September 30, 2009
<u>ASSETS</u>		
Cash and due from banks	\$ 1,177,702	\$ 829,585
Federal funds sold	---	3,345,000
Other interest-bearing deposits	267,821	340,815
Cash and cash equivalents	1,445,523	4,515,400
Investment securities held to maturity (fair value: March 31, 2010 - \$12,246,232; September 30, 2009 - \$16,540,780)	12,002,938	16,013,215
Mortgage-backed securities held to maturity (fair value: March 31, 2010 - \$14,436,926; September 30, 2009 - \$11,820,621)	14,031,021	11,634,159
Loans receivable	147,122,310	155,973,316
Loans held for sale	---	---
Premises and equipment	2,220,648	2,283,881
Federal Home Loan Bank Stock, at cost	3,453,100	3,406,800
Accrued interest receivable	980,041	1,034,300
Real estate acquired through foreclosure	5,192,228	4,272,698
Income taxes receivable	450,146	25,163
Deferred income taxes	250,343	---
Other	1,516,880	676,596
Cash value of life insurance	2,413,244	2,370,112
Total assets	\$ 191,078,422	\$ 202,205,640
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 131,862,367	\$ 132,433,425
Advances from borrowers for taxes and insurance	942,677	903,568
Advances from Federal Home Loan Bank	40,528,890	50,212,664
Income taxes payable	---	65,435
Deferred income taxes	---	40,804
Accrued expenses and other	497,882	575,649
Total liabilities	173,831,816	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	18,982,035	19,709,524
Treasury stock at cost, 814,125 shares at March 31, 2010 and 814,125 shares at September 30, 2009	(9,997,297)	(9,997,297)
Total stockholders' equity	17,246,606	17,974,095
Total liabilities and stockholders' equity	\$ 191,078,422	\$ 202,205,640

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended March 31,		Six Months Ended March 31,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest income				
Loans	\$2,510,879	\$2,809,516	\$5,063,697	\$5,639,831
Mortgage-backed securities	83,740	35,706	171,697	74,504
Investment securities	152,280	246,879	327,691	525,651
Interest-bearing deposits and other	<u>25,187</u>	<u>19,558</u>	<u>51,182</u>	<u>38,839</u>
Total interest income	2,772,086	3,111,659	5,614,267	6,278,825
Interest expense				
Deposits	603,218	824,590	1,277,604	1,689,945
Borrowed funds	<u>550,722</u>	<u>600,354</u>	<u>1,131,087</u>	<u>1,234,505</u>
Total interest expense	<u>1,153,940</u>	<u>1,424,944</u>	<u>2,408,691</u>	<u>2,924,450</u>
Net interest income	1,618,146	1,686,715	3,205,576	3,354,375
Provision for loan losses	<u>1,703,940</u>	<u>642,687</u>	<u>2,316,486</u>	<u>787,803</u>
Net interest income (loss) after provision for loan losses	(85,794)	1,044,028	889,090	2,566,572
Noninterest income				
Service charges	241,571	230,143	513,182	499,767
Other	<u>106,519</u>	<u>93,690</u>	<u>209,403</u>	<u>177,206</u>
Total noninterest income	348,090	323,833	722,585	676,973
Noninterest expense				
Employee compensation and benefits	613,667	705,391	1,309,000	1,396,063
Occupancy and equipment	136,828	138,618	269,266	271,806
Foreclosed assets, net	28,240	31,672	164,455	43,561
Data processing fees	103,336	93,881	203,721	189,500
Other operating	<u>405,099</u>	<u>274,831</u>	<u>728,769</u>	<u>534,925</u>
Total noninterest expense	<u>1,287,170</u>	<u>1,244,393</u>	<u>2,675,211</u>	<u>2,435,855</u>
Earnings (loss) before income taxes	(1,024,874)	123,468	(1,063,536)	807,690
Income tax expense (benefit)	<u>(476,306)</u>	<u>25,410</u>	<u>(492,641)</u>	<u>275,060</u>
Net earnings (loss)	<u>\$ (548,568)</u>	<u>\$ 98,058</u>	<u>\$ (570,895)</u>	<u>\$ 532,630</u>
Earnings (loss) per common share				
Basic	<u>\$ (.66)</u>	<u>\$.12</u>	<u>\$ (.68)</u>	<u>\$.64</u>
Diluted	<u>\$ (.66)</u>	<u>\$.12</u>	<u>\$ (.68)</u>	<u>\$.64</u>
Dividends per share	<u>\$.09375</u>	<u>\$.1875</u>	<u>\$.1875</u>	<u>\$.3750</u>
Weighted average shares outstanding				
Basic	<u>835,163</u>	<u>834,855</u>	<u>835,163</u>	<u>834,509</u>
Diluted	<u>835,163</u>	<u>835,040</u>	<u>835,163</u>	<u>834,694</u>