



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FIRST QUARTER EARNINGS

INDEPENDENCE, KS (January 18, 2007) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$305,000 for the first quarter of fiscal 2007, compared to \$296,000 for the first quarter of fiscal 2006. Diluted earnings per share of common stock for the first quarter of fiscal 2007 were \$.34, compared to diluted earnings per share of \$.33 for the first quarter of fiscal 2006.

Return on average assets for the first quarter of fiscal 2007 was .67% (annualized), compared to .67% (annualized), for the same period last year. Return on average equity for the first quarter of fiscal 2007 was 7.39% (annualized), compared to 7.39% (annualized), in the first quarter of fiscal 2006.

We had \$184.3 million in assets and \$16.6 million in stockholders' equity as of December 31, 2006. At December 31, 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 December 31, 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)

	December 31, 2006	September 30, 2006
Financial Condition Highlights:		
Total assets	\$ 184,302	\$ 180,304
Loans receivable	135,662	133,412
Loan held for sale	---	---
Mortgage-backed and investment securities held to maturity	35,958	37,196
Real estate acquired through foreclosure	357	199
Deposits	117,013	112,961
Borrowed funds	49,487	49,169
Stockholders' equity	16,585	16,423
Stockholders' equity per outstanding common share	\$18.81	\$18.63
Selected Asset Quality Ratios:		
Non-performing loans to total loans	.75%	.55%
Non-performing assets to total assets	.75%	.52%
Allowance for loan losses to non-performing loans	79.56%	110.15%
Allowance for loan losses to non-performing assets	59.05%	86.66%
	Three months ended December 31,	
	2006	2005
Operating Highlights:		
Net interest income	\$ 1,219	\$ 1,244
Provision for loan losses	15	(2)
Net earnings	\$ 305	\$ 296
Operating Ratios (annualized):		
Return on average assets	.67%	.67%
Return on average equity	7.39%	7.39%
Interest rate spread information:		
Average yield on interest-earning assets	6.58%	6.04%
Average cost of interest-bearing liabilities	4.08%	3.34%
Average rate spread during period	2.50%	2.70%
Net interest margin	2.77%	2.93%
Ratio of average interest-earning assets to average interest-bearing liabilities	107.10%	107.34%
Stock price for period:		
High bid	\$18.55	\$18.59
Low bid	\$18.48	\$17.50
Closing bid at 12/31	\$18.48	\$17.50
Net earnings per share (diluted)	\$.34	\$.33
Weighted average shares of common stock and common stock equivalents	885,368	892,143

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31, 2006	September 30, 2006
<u>ASSETS</u>		
Cash and due from banks	\$ 539,116	\$ 435,088
Federal funds sold	---	---
Other interest-bearing deposits	3,061,596	524,867
Cash and cash equivalents	3,600,712	959,955
Investment securities held to maturity (fair value: December 31, 2006 - \$30,809,554; September 30, 2006 - \$31,735,915)	31,037,140	32,021,929
Mortgage-backed securities held to maturity (fair value: December 31, 2006 - \$4,866,155; September 30, 2006 - \$5,107,443)	4,920,502	5,173,617
Loans receivable	135,661,973	133,411,535
Loans held for sale	---	---
Premises and equipment	2,330,146	2,324,434
Federal Home Loan Bank Stock, at cost	3,043,600	2,997,500
Accrued interest receivable	1,077,408	944,255
Real estate acquired through foreclosure	356,596	199,224
Income taxes receivable	---	---
Other	140,893	158,688
Cash value of life insurance	2,133,372	2,113,362
Total assets	\$ 184,302,342	\$ 180,304,499
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 117,012,550	\$ 112,960,760
Advances from borrowers for taxes and insurance	584,330	951,962
Advances from Federal Home Loan Bank	49,486,712	49,168,577
Deferred income taxes	153,871	136,353
Income taxes payable	139,893	16,498
Accrued expenses and other	339,579	647,085
Total liabilities	167,716,935	163,881,235
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	8,231,844
Retained earnings - substantially restricted	17,447,391	17,285,248
Treasury stock at cost, 767,540 shares at December 31, 2006 and September 30, 2006	(9,110,321)	(9,110,321)
Total stockholders' equity	16,585,407	16,423,264
Total liabilities and stockholders' equity	\$ 184,302,342	\$ 180,304,499

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended December 31,	
	<u>2006</u>	<u>2005</u>
Interest income		
Loans	\$2,438,072	\$2,157,355
Mortgage-backed securities	62,577	73,393
Investment securities	342,192	285,421
Interest-bearing deposits and other	<u>53,784</u>	<u>49,984</u>
Total interest income	2,896,625	2,566,153
Interest expense		
Deposits	1,032,765	767,415
Borrowed funds	<u>645,196</u>	<u>554,922</u>
Total interest expense	<u>1,677,961</u>	<u>1,322,337</u>
Net interest income	1,218,664	1,243,816
Provision for loan losses	<u>15,318</u>	<u>(2,442)</u>
Net interest income after provision for loan losses	1,203,346	1,246,258
Noninterest income		
Service charges	243,701	185,256
Other	<u>72,906</u>	<u>69,385</u>
Total noninterest income	316,607	254,641
Noninterest expense		
Employee compensation and benefits	592,935	600,048
Occupancy and equipment	107,964	109,573
Foreclosed assets, net	24,391	24,497
Data processing fees	82,434	71,334
Other operating	<u>230,001</u>	<u>224,801</u>
Total noninterest expense	<u>1,037,725</u>	<u>1,030,253</u>
Earnings before income taxes	482,228	470,646
Income tax expense	<u>176,801</u>	<u>174,940</u>
Net earnings	<u>\$ 305,427</u>	<u>\$ 295,706</u>
Earnings per common share		
Basic	<u>\$.35</u>	<u>\$.33</u>
Diluted	<u>\$.34</u>	<u>\$.33</u>
Dividends per share	<u>\$.1625</u>	<u>\$.1625</u>
Weighted average shares outstanding		
Basic	<u>881,748</u>	<u>888,769</u>
Diluted	<u>885,368</u>	<u>892,143</u>