



First Independence Corporation

For Further Information, Call
Anne M. Bertie, Vice President & CFO
(620) 331-1660

FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FOURTH QUARTER LOSS AND FISCAL YEAR END RESULTS

INDEPENDENCE, KS (October 29, 2010) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported a net loss of \$170,000 for the fourth quarter of fiscal 2010, compared to net earnings of \$289,000 for the fourth quarter of fiscal 2009. Diluted loss per share of common stock for the fourth quarter of fiscal 2010 was \$.20, compared to diluted earnings per share of \$.35 for the fourth quarter of fiscal 2009. A net loss for the 2010 fiscal year was \$1,424,000, compared to net earnings of \$1,023,000 for the 2009 fiscal year. Diluted loss per share for the 2010 fiscal year was \$1.70, compared to diluted earnings per share of \$1.23 for the 2009 fiscal year.

The Company increased allowances for loan losses during the fourth quarter of fiscal 2010 by \$1.08 million, compared to \$283,000 during the same period last year. The allowances for loan losses for the 2010 fiscal year were \$5.45 million, compared to \$1.51 million for the 2009 fiscal year.

Return on average assets for the fourth quarter of fiscal 2010 was negative .37% (annualized), compared to .57% (annualized), for the same period last year. Return on average equity for the fourth quarter of fiscal 2010 was negative 4.08% (annualized), compared to 6.45% (annualized), in the fourth quarter of fiscal 2009. Return on average assets for the 2010 fiscal year was negative .74%, compared to .51% for the same period last year. Return on average equity for the 2010 fiscal year was negative 8.21%, compared to 5.76%, for fiscal 2009.

We had \$183.5 million in assets and \$16.4 million in stockholders' equity as of September 30, 2010. At September 30, 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 September 30, 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)

	September 30, 2010		September 30, 2009	
Financial Condition Highlights:				
Total assets	\$ 183,459		\$ 202,206	
Loans receivable	136,210		155,973	
Loans held for sale	---		---	
Mortgage-backed and investment securities held to maturity	17,945		27,647	
Real estate acquired through foreclosure	4,842		4,273	
Deposits	130,724		132,433	
Borrowed funds	35,042		50,213	
Stockholders' equity	16,373		17,974	
Stockholders' equity per outstanding common share	\$19.60		\$21.52	
Selected Asset Quality Ratios:				
Non-performing loans to total loans	5.29%		5.44%	
Non-performing assets to total assets	6.63%		6.36%	
Allowance for loan losses to non-performing loans	29.78%		22.13%	
Allowance for loan losses to non-performing assets	17.92%		14.78%	
	Three months ended September 30,		Year ended September 30,	
	2010	2009	2010	2009
Operating Highlights:				
Net interest income	\$ 1,632	\$ 1,564	\$ 6,528	\$ 6,554
Provision for loan losses	1,081	283	5,449	1,513
Net earnings (loss)	\$(170)	\$289	\$(1,424)	\$1,023
Operating Ratios (annualized):				
Return on average assets	(.37)%	.57%	(.74)%	.51%
Return on average equity	(4.08)%	6.45%	(8.21)%	5.76%
Interest rate spread information:				
Average yield on interest-earning assets	5.97%	6.01%	6.03%	6.31%
Average cost of interest-bearing liabilities	2.17%	2.88%	2.45%	3.08%
Average rate spread during period	3.80%	3.13%	3.58%	3.24%
Net interest margin	3.86%	3.26%	3.65%	3.40%
Ratio of average interest-earning assets to average interest-bearing liabilities	102.73%	104.85%	103.02%	105.44%
Stock price for period:				
High bid	\$8.00	\$10.10	\$9.50	\$14.27
Low bid	\$6.50	\$9.05	\$6.00	\$9.05
Closing bid at 9/30	\$6.50	\$9.50	\$6.50	\$9.50
Net earnings (loss) per share (diluted)	\$(.20)	\$.35	\$(1.70)	\$1.23
Weighted average shares of common stock and common stock equivalents	835,163	835,163	835,163	834,836

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	September 30, 2010	September 30, 2009
<u>ASSETS</u>		
Cash and due from banks	\$ 979,523	\$ 829,585
Federal funds sold	11,205,000	3,345,000
Other interest-bearing deposits	514,726	340,815
Cash and cash equivalents	12,699,249	4,515,400
Investment securities held to maturity (fair value: September 30, 2010 - \$6,066,769; September 30, 2009 - \$16,540,780)	5,995,369	16,013,215
Mortgage-backed securities held to maturity (fair value: September 30, 2010 - \$12,336,365; September 30, 2009 - \$11,820,621)	11,949,922	11,634,159
Loans receivable	136,210,205	155,973,316
Loans held for sale	---	---
Premises and equipment	2,155,985	2,283,881
Federal Home Loan Bank Stock, at cost	3,496,400	3,406,800
Accrued interest receivable	827,434	1,034,300
Real estate acquired through foreclosure	4,842,137	4,272,698
Income taxes receivable	332,781	25,163
Deferred income taxes	1,174,795	---
Other	1,319,838	676,596
Cash value of life insurance	2,454,945	2,370,112
Total assets	\$ 183,459,060	\$ 202,205,640
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 130,724,445	\$ 132,433,425
Advances from borrowers for taxes and insurance	876,495	903,568
Advances from Federal Home Loan Bank	35,041,927	50,212,664
Income taxes payable	---	65,435
Deferred income taxes	---	40,804
Accrued expenses and other	443,090	575,649
Total liabilities	167,085,957	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	18,108,532	19,709,524
Treasury stock at cost, 814,125 shares at September 30, 2010 and 814,125 shares at September 30, 2009	(9,997,297)	(9,997,297)
Total stockholders' equity	16,373,103	17,974,095
Total liabilities and stockholders' equity	\$ 183,459,060	\$ 202,205,640

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended September 30,		Year Ended September 30,	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Interest income				
Loans	\$2,344,475	\$2,606,772	\$9,830,966	\$11,008,598
Mortgage-backed securities	80,401	52,144	338,995	162,233
Investment securities	78,332	192,190	520,397	931,571
Interest-bearing deposits and other	<u>22,828</u>	<u>27,587</u>	<u>98,057</u>	<u>86,811</u>
Total interest income	2,526,036	2,878,693	10,788,415	12,189,213
Interest expense				
Deposits	548,020	733,350	2,400,031	3,202,082
Borrowed funds	<u>345,770</u>	<u>580,905</u>	<u>1,860,139</u>	<u>2,432,852</u>
Total interest expense	<u>893,790</u>	<u>1,314,255</u>	<u>4,260,170</u>	<u>5,634,934</u>
Net interest income	1,632,246	1,564,438	6,528,245	6,554,279
Provision for loan losses	<u>1,081,483</u>	<u>283,044</u>	<u>5,449,484</u>	<u>1,513,353</u>
Net interest income after provision for loan losses	550,763	1,281,394	1,078,761	5,040,926
Noninterest income				
Service charges	311,975	272,368	1,143,144	1,033,960
Other	<u>145,981</u>	<u>91,868</u>	<u>472,600</u>	<u>357,738</u>
Total noninterest income	457,956	364,236	1,615,744	1,391,698
Noninterest expense				
Employee compensation and benefits	627,761	675,359	2,563,045	2,729,788
Occupancy and equipment	126,115	139,374	530,519	546,337
Foreclosed assets, net	18,774	(52,219)	190,897	(17,048)
Data processing fees	105,779	101,359	410,071	385,430
Other operating	<u>412,179</u>	<u>333,401</u>	<u>1,625,449</u>	<u>1,222,265</u>
Total noninterest expense	<u>1,290,608</u>	<u>1,197,274</u>	<u>5,319,981</u>	<u>4,866,772</u>
Earnings (loss) before income taxes	(281,889)	448,356	(2,625,476)	1,565,852
Income tax expense (benefit)	<u>(112,148)</u>	<u>159,766</u>	<u>(1,201,957)</u>	<u>543,030</u>
Net earnings (loss)	<u>\$ (169,741)</u>	<u>\$ 288,590</u>	<u>\$ (1,423,519)</u>	<u>\$ 1,022,822</u>
Earnings (loss) per common share				
Basic	<u>\$ (.20)</u>	<u>\$.35</u>	<u>\$ (1.70)</u>	<u>\$ 1.23</u>
Diluted	<u>\$ (.20)</u>	<u>\$.35</u>	<u>\$ (1.70)</u>	<u>\$ 1.23</u>
Dividends per share	<u>\$ ---</u>	<u>\$.0938</u>	<u>\$.2125</u>	<u>\$.6563</u>
Weighted average shares outstanding				
Basic	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>	<u>834,836</u>
Diluted	<u>835,163</u>	<u>835,163</u>	<u>835,163</u>	<u>834,836</u>