



First Independence Corporation

For Further Information, Call
James B. Mitchell, Vice President & CFO
(620) 331-1660

FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FIRST QUARTER EARNINGS

INDEPENDENCE, KS (January 18, 2006) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$296,000 for the first quarter of fiscal 2006, compared to \$331,000 for the first quarter of fiscal 2005. Diluted earnings per share of common stock for the first quarter of fiscal 2006 were \$.33, compared to diluted earnings per share of \$.37 for the first quarter of fiscal 2005.

Return on average assets for the first quarter of fiscal 2006 was .67% (annualized), compared to .78% (annualized), for the same period last year. Return on average equity for the first quarter of fiscal 2006 was 7.39% (annualized), compared to 8.55% (annualized), in the first quarter of fiscal 2005.

We had \$179.6 million in assets and \$16.1 million in stockholders' equity as of December 31, 2005. At December 31, 2005, total shares outstanding were 889,039.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At December 31, 2005, 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, 2005	September 30, 2005
Financial Condition Highlights:		
Total assets	\$ 179,562	\$ 171,933
Loans receivable	131,611	124,465
Loan held for sale	---	---
Mortgage-backed and investment securities held to maturity	38,231	36,814
Real estate acquired through foreclosure	277	419
Deposits	110,223	111,928
Borrowed funds	52,181	42,652
Stockholders' equity	16,066	15,905
Stockholders' equity per outstanding common share	\$18.07	\$17.89
Selected Asset Quality Ratios:		
Non-performing loans to total loans	.81%	.62%
Non-performing assets to total assets	.75%	.70%
Allowance for loan losses to non-performing loans	70.51%	100.14%
Allowance for loan losses to non-performing assets	56.09%	65.00%
	Three months ended December 31,	
	2005	2004
Operating Highlights:		
Net interest income	\$ 1,244	\$ 1,291
Provision for loan losses	(2)	3
Net earnings	\$ 296	\$ 331
Operating Ratios (annualized):		
Return on average assets	.67%	.78%
Return on average equity	7.39%	8.55%
Interest rate spread information:		
Average yield on interest-earning assets	6.04%	5.58%
Average cost of interest-bearing liabilities	3.34%	2.64%
Average rate spread during period	2.70%	2.94%
Net interest margin	2.93%	3.14%
Ratio of average interest-earning assets to average interest-bearing liabilities	107.34%	107.96%
Stock price for period:		
High bid	\$18.59	\$18.75
Low bid	\$17.50	\$16.01
Closing bid at 12/31	\$17.50	\$18.75
Net earnings per share (diluted)	\$.33	\$.37
Weighted average shares of common stock and common stock equivalents	892,143	895,965

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31, 2005	September 30, 2005
<u>ASSETS</u>		
Cash and due from banks	\$ 540,993	\$ 462,955
Federal funds sold	100,000	600,000
Other interest-bearing deposits	826,000	1,450,223
Cash and cash equivalents	1,466,993	2,513,178
Investment securities held to maturity (fair value: December 31, 2005 - \$31,669,193; September 30, 2005 - \$29,803,100)	32,004,096	30,065,772
Mortgage-backed securities held to maturity (fair value: December 31, 2005 - \$6,173,613; September 30, 2005 - \$6,736,488)	6,227,356	6,748,179
Loans receivable	131,610,867	124,465,274
Loans held for sale	---	---
Premises and equipment	2,017,930	2,051,507
Federal Home Loan Bank Stock, at cost	2,836,300	2,629,700
Accrued interest receivable	987,305	880,355
Real estate acquired through foreclosure	276,897	419,359
Income taxes receivable	---	3,189
Other	2,134,431	2,156,703
Total assets	\$ 179,562,175	\$ 171,933,216
 <u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 110,223,366	\$ 111,927,882
Advances from borrowers for taxes and insurance	558,109	885,033
Advances from Federal Home Loan Bank	52,181,026	42,651,640
Deferred income taxes	89,651	69,636
Income taxes payable	157,450	5,714
Accrued expenses and other	286,698	488,540
Total liabilities	163,496,300	156,028,445
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	8,229,013	8,224,311
Retained earnings - substantially restricted	16,781,411	16,630,086
Treasury stock at cost, 760,249 shares at December 31, 2005 and September 30, 2005	(8,961,042)	(8,961,042)
Required contributions for shares acquired by ESOP	---	(5,077)
Total stockholders' equity	16,065,875	15,904,771
Total liabilities and stockholders' equity	\$ 179,562,175	\$ 171,933,216

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended December 31,	
	<u>2005</u>	<u>2004</u>
Interest income		
Loans	\$2,157,355	\$1,969,651
Mortgage-backed securities	73,393	97,519
Investment securities	285,421	184,534
Interest-bearing deposits and other	<u>49,984</u>	<u>45,923</u>
Total interest income	2,566,153	2,297,627
Interest expense		
Deposits	767,415	517,828
Borrowed funds	<u>554,922</u>	<u>488,635</u>
Total interest expense	<u>1,322,337</u>	<u>1,006,463</u>
Net interest income	1,243,816	1,291,164
Provision for loan losses	<u>(2,442)</u>	<u>3,438</u>
Net interest income after provision for loan losses	1,246,258	1,287,726
Noninterest income		
Service charges	185,256	87,859
Other	<u>69,385</u>	<u>58,146</u>
Total noninterest income	254,641	146,005
Noninterest expense		
Employee compensation and benefits	600,048	558,495
Occupancy and equipment	109,573	107,961
Foreclosed assets, net	24,497	1,565
Data processing fees	71,334	63,645
Other operating	<u>224,801</u>	<u>164,311</u>
Total noninterest expense	<u>1,030,253</u>	<u>895,977</u>
Earnings before income taxes	470,646	537,754
Income tax expense	<u>174,940</u>	<u>206,487</u>
Net earnings	<u>\$ 295,706</u>	<u>\$ 331,267</u>
Earnings per common share		
Basic	<u>\$.33</u>	<u>\$.37</u>
Diluted	<u>\$.33</u>	<u>\$.37</u>
Dividends per share	<u>\$.1625</u>	<u>\$.1500</u>
Weighted average shares outstanding		
Basic	<u>888,769</u>	<u>891,613</u>
Diluted	<u>892,143</u>	<u>895,965</u>