



First Independence Corporation

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FOR IMMEDIATE RELEASE

FIRST INDEPENDENCE ANNOUNCES FIRST QUARTER EARNINGS

INDEPENDENCE, KS (January 14, 2005) -- First Independence Corporation (OTC Bulletin Board: FFSL.OB) (the "Company"), reported net earnings of \$331,000 for the first quarter of fiscal 2005, compared to \$261,000 for the first quarter of fiscal 2004. Diluted earnings per share of common stock for the first quarter of fiscal 2005 were \$.37, compared to diluted earnings per share of \$.28 for the first quarter of fiscal 2004.

Return on average assets for the first quarter of fiscal 2005 was .78% (annualized), compared to .65% (annualized), for the same period last year. Return on average equity for the first quarter of fiscal 2005 was 8.55% (annualized), compared to 6.86% (annualized), in the first quarter of fiscal 2004.

We had \$170.5 million in assets and \$15.6 million in stockholders' equity as of December 31, 2004. At December 31, 2004, total shares outstanding were 894,039.

The Company is the parent corporation for First Federal Savings and Loan Association of Independence, Kansas ("First Federal"). At December 31, 2004, 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, 2004	September 30, 2004
Financial Condition Highlights:		
Total assets	\$ 170,540	\$ 164,843
Loans receivable	119,041	113,318
Loan held for sale	---	---
Mortgage-backed and investment securities held to maturity	39,732	40,501
Real estate acquired through foreclosure	959	1,032
Deposits	107,191	107,109
Borrowed funds	46,839	41,179
Stockholders' equity	15,579	15,372
Stockholders' equity per outstanding common share	\$17.43	\$17.19
Selected Asset Quality Ratios:		
Non-performing loans to total loans	.61%	.76%
Non-performing assets to total assets	.99%	1.15%
Allowance for loan losses to non-performing loans	107.37%	90.05%
Allowance for loan losses to non-performing assets	46.51%	41.18%
	Three months ended December 31,	
	2004	2003
Operating Highlights:		
Net interest income	\$ 1,291	\$ 1,187
Provision for loan losses	3	21
Net earnings	\$ 331	\$ 261
Operating Ratios (annualized):		
Return on average assets	.78%	.65%
Return on average equity	8.55%	6.86%
Interest rate spread information:		
Average yield on interest-earning assets	5.58%	5.66%
Average cost of interest-bearing liabilities	2.64%	2.83%
Average rate spread during period	2.94%	2.83%
Net interest margin	3.14%	3.06%
Ratio of average interest-earning assets to average interest-bearing liabilities	107.96%	108.53%
Stock price for period:		
High bid	\$18.75	\$15.93
Low bid	\$16.01	\$15.41
Closing bid at 12/31	\$18.75	\$15.41
Net earnings per share (diluted)	\$.37	\$.28
Weighted average shares of common stock and common stock equivalents	895,965	918,179

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS

	December 31, 2004	September 30, 2004
<u>ASSETS</u>		
Cash and due from banks	\$ 746,873	\$ 719,559
Federal funds sold	600,000	100,000
Other interest-bearing deposits	971,381	831,961
Cash and cash equivalents	2,318,254	1,651,520
Interest-earning deposits in financial institutions (cost approximates market value)	2,970,000	2,970,000
Investment securities held to maturity (fair value: December 31, 2004 - \$30,958,200; September 30, 2004 - \$31,148,000)	31,063,369	31,132,095
Mortgage-backed securities held to maturity (fair value: December 31, 2004 - \$8,775,048; September 30, 2004 - \$9,522,678)	8,668,879	9,368,974
Loans receivable	119,041,373	113,318,298
Loans held for sale	---	---
Premises and equipment	2,107,570	2,128,332
Federal Home Loan Bank Stock, at cost	2,454,900	2,325,200
Accrued interest receivable	875,378	793,439
Real estate acquired through foreclosure	958,531	1,032,131
Income taxes receivable	---	5,478
Deferred taxes	2,305	11,501
Other	79,609	106,036
Total assets	\$ 170,540,168	\$ 164,843,004
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities		
Deposits	\$ 107,191,163	\$ 107,108,952
Advances from borrowers for taxes and insurance	475,873	777,277
Advances from Federal Home Loan Bank	46,838,797	41,178,632
Income taxes payable	195,168	3,355
Accrued expenses and other	259,747	402,456
Total liabilities	154,960,748	149,470,672
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	8,202,598	8,198,153
Retained earnings - substantially restricted	16,231,294	16,033,728
Treasury stock at cost, 755,249 shares at December 31, 2004 and September 30, 2004	(8,850,654)	(8,850,654)
Required contributions for shares acquired by ESOP	(20,311)	(25,388)
Total stockholders' equity	15,579,420	15,372,332
Total liabilities and stockholders' equity	\$ 170,540,168	\$ 164,843,004

FIRST INDEPENDENCE CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF EARNINGS

	Three Months Ended December 31,	
	<u>2004</u>	<u>2003</u>
Interest income		
Loans	\$1,969,651	\$1,908,208
Mortgage-backed securities	97,519	105,236
Investment securities	184,534	157,102
Interest-bearing deposits and other	<u>45,923</u>	<u>28,250</u>
Total interest income	2,297,627	2,198,796
Interest expense		
Deposits	517,828	548,473
Borrowed funds	<u>488,635</u>	<u>463,279</u>
Total interest expense	<u>1,006,463</u>	<u>1,011,752</u>
Net interest income	1,291,164	1,187,044
Provision for loan losses	<u>3,438</u>	<u>20,778</u>
Net interest income after provision for loan losses	1,287,726	1,166,266
Noninterest income		
Service charges	87,859	79,804
Other	<u>58,146</u>	<u>36,268</u>
Total noninterest income	146,005	116,072
Noninterest expense		
Employee compensation and benefits	558,495	489,895
Occupancy and equipment	107,961	112,250
Foreclosed assets, net	1,565	36,698
Data processing fees	63,645	62,424
Other operating	<u>164,311</u>	<u>158,939</u>
Total noninterest expense	<u>895,977</u>	<u>860,206</u>
Earnings before income taxes	537,754	422,132
Income tax expense	<u>206,487</u>	<u>161,383</u>
Net earnings	<u>\$ 331,267</u>	<u>\$ 260,749</u>
Earnings per common share		
Basic	<u>\$.37</u>	<u>\$.28</u>
Diluted	<u>\$.37</u>	<u>\$.28</u>
Dividends per share	<u>\$.1500</u>	<u>\$.1375</u>
Weighted average shares outstanding		
Basic	<u>891,613</u>	<u>915,334</u>
Diluted	<u>895,965</u>	<u>918,179</u>