

FOR IMMEDIATE RELEASE
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For More Information Contact:
Gregory Schreacke
Chief Financial Officer
First Financial Service Corporation
(270) 765-2131

First Financial Service Corporation
Announces Third Quarter Results

Elizabethtown, Kentucky, October 19, 2006 – First Financial Service Corporation (the Company, Nasdaq: FFKY) today announced diluted net income per share of \$0.58 for the quarter ended September 30, 2006, an increase of 11% from \$0.52 for the quarter ended September 30, 2005. Return on equity was 14.7% for the quarter and return on assets was 1.3%.

Diluted net income per share for the nine months ended September 30, 2006 was \$1.73, an increase of 13% from \$1.53 for the nine months ended September 30, 2005. For the nine months ended September 30, 2006, return on equity was 15.1% and return on assets was 1.3%.

On August 15, 2006, the Company declared a 10% stock dividend payable on September 14, 2006 to shareholders of record at the close of business on August 29, 2006. All per share information has been restated to reflect the 10% stock dividend.

“We are pleased to report another solid quarter of earnings per share for the Company,” commented President and Chief Executive Officer, B. Keith Johnson. “The commitment of our associates to providing superior customer service contributed to the continued growth in our balance sheet to over \$800 million in total assets during the quarter. This growth included a \$43 million increase in loans and a \$38 million increase in retail and commercial deposits for the year. We were also able to reward our shareholders with a 10% stock dividend in addition to our regular quarterly cash dividend during the quarter. We remain committed to enhancing the value of our shareholders’ investment in our Company.”

The Company’s retail branch network continues to generate encouraging results. Total deposits have grown at a 6% compound annual growth rate over the past three years. Total deposits were \$613 million at September 30, 2006, which included an increase of \$38.0 million in commercial and retail deposits for the first nine months this year. The development of the retail branch network into the Metro Louisville market also yielded positive results. The Company has a combined \$41.7 million in deposits in its two full-service facilities in the Metro Louisville market experiencing a 39% increase in deposits for the first nine months of 2006 following a 71% increase in deposits for the year of 2005. The Company opened these facilities in the second quarter of 2004 to support its growing customer base in this market. Twenty-one percent of the Company’s loan portfolio resides in the Metro Louisville market.

The Company’s emphasis on commercial lending generated an 8% compound annual growth rate in the total loan portfolio and a 20% compound annual growth rate in commercial loans over the past three years. Commercial loans were \$451 million at September 30, 2006, an increase of 12%, or \$48.2 million from December 31, 2005.

The growth in the Company’s commercial loan portfolio, coupled with the rising interest rate environment, has favorably impacted the level of interest income generated by the Company. Net interest margin increased to 4.05% for the nine months ended September 30, 2006, compared to 3.90% for the same period a year ago. This has resulted in a \$522,000 increase in net interest income to \$7.5 million for the three months ended September 30, 2006, and a \$1.7 million increase in net interest income to \$22.1 million for the nine months ended September 30, 2006, compared to the respective three and nine month periods in 2005. The increasing short-term interest rate environment positively impacted net interest margin due to the adjustable rate commercial loans in the Company’s loan portfolio. However, the net interest margin is likely to compress in future quarters as short-term interest rates

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peak and the cost of deposits continue to rise. The cost of deposits typically lag the increase in adjustable loan rates due to certificates of deposit which mature over a longer period of time than immediately adjustable loan rates.

Net interest margin was also impacted during the quarter by the conversion of a fixed rate Federal Home Loan Bank Advance (FHLB). During January 2001, the Company entered into a \$50.0 million convertible fixed rate advance with a maturity of ten years. This advance was fixed for a period of two years. At the end of the fixed rate term and quarterly thereafter, the FHLB had the right to convert this advance to a variable rate advance tied to the three-month LIBOR index. Upon conversion, the Company could prepay the advance at no penalty. This advance, fixed at a rate of 4.86%, was converted and prepaid in July 2006 without penalty. The Company replaced this fixed rate borrowing with overnight short-term borrowings, which averaged a rate of 5.32% during the quarter. These borrowings will continue to float at an overnight rate until the Company replaces the borrowings with deposits or other fixed rate and term borrowings. For the next several quarters, the Company anticipates maintaining the borrowings at a floating rate. This floating rate will better match the variable rate commercial loans in the Company's loan portfolio and therefore reduce the volatility of net interest margin with future interest rate movements.

The Company's asset quality remains favorable. Net charge-offs as a percent of average total loans were 0.03% for the nine months ended September 30, 2006 and September 30, 2005. The allowance for loan losses as a percent of total loans, decreased to 1.10% at September 30, 2006 compared to 1.15% at December 31, 2005. The percentage of non-performing loans to total loans was 0.78% at September 30, 2006, compared to 0.97% at December 31, 2005.

Provision for loan loss expense decreased \$191,000 to \$249,000 for the three months ended September 30, 2006, and \$410,000 to \$346,000 for the nine months ended September 30, 2006 compared to the same periods ended September 30, 2005. The decrease in provision for loan loss expense for the periods was due to higher provisions during the first nine months of 2005 resulting from loan downgrades during the first quarter of 2005. In addition, improvements in the Company's security and position of certain classified loans during 2006, resulted in a reduction in the reserve allocated to the loans, which decreased provision for loan loss expense for the three and nine month periods ended September 30, 2006.

Non-interest income decreased \$28,000 to \$2.0 million for the three months ended September 30, 2006. Non-interest income decreased \$237,000 to \$5.8 million for the nine months ended September 30, 2006. During the first nine months ended September 30, 2005, a \$381,000 gain was recorded on the sale of investment securities and a \$143,000 gain was recorded on the sale of lots. No gains on the sale of investments or lots were recorded for the nine months ended September 30, 2006. Customer service fees on deposit accounts increased \$110,000 and \$298,000 for the respective three and nine months ended September 30, 2006, compared to the respective periods during 2005.

Non-interest expense increased \$281,000 to \$5.4 million for the quarter ended September 30, 2006, compared to the same quarter ended September 30, 2005. For the nine months ended September 30, 2006, non-interest expense increased \$583,000 to \$16.2 million, compared to the nine months ended September 30, 2005. The primary contributing factors to this increase were the additional operating and employee compensation expenses related to the recent expansion efforts. The Company's efficiency ratio was 58% for the nine months ended September 30, 2006, compared to 59% for the nine months ended September 30, 2005.

First Financial Service Corporation is the parent bank holding company of First Federal Savings Bank of Elizabethtown, which was chartered in 1923. The Bank serves the needs and caters to the economic strengths of the local communities in which it operates and strives to provide a high level of personal and professional customer service. The Bank offers a variety of financial services to its retail and commercial banking customers. These services include personal and corporate banking services, trust and estate planning, and personal investment financial counseling services. Today, the Bank serves Central Kentucky through its 14 full-service banking centers.

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This press release contains forward-looking statements under the Private Securities Litigation Reform Act of 1995 that are subject to certain risks and uncertainties that could cause actual results to differ materially from historical income and those presently anticipated or projected. The Company cautions readers not to place undue reliance on any such forward-looking statements, which speak only as of the date of this release. Such risks and uncertainties include those detailed in the Company's filings with the Securities and Exchange Commission, risks of adversely changing results of operations, risks related to the Company's acquisition strategy, risk of loans and investments, including the effect of the change of the local economic conditions, risks associated with the adverse effects of the changes in interest rates, and competition for the Company's customers by other providers of financial services, all of which are difficult to predict and many of which are beyond the control of the Company.

First Financial Service Corporation's stock is traded on the Nasdaq Global Market under the symbol "FFKY." Market makers for the stock are:

J.J.B. Hilliard, W.L. Lyons Company, Inc.

Keefe, Bruyette & Woods, Inc.

Stifel Nicolaus & Company

Goldman, Sachs & Company

First Tennessee Securities

Knight Securities, LP

Spear, Leeds & Kellogg

Sandler O'Neill

Howe Barnes Investments, Inc.