

**FIRST FINANCIAL SERVICE CORPORATION**  
**Consolidated Balance Sheets (Unaudited)**

<b>(Dollars in thousands, except share data)</b>	<b>September 30,</b> <b><u>2006</u></b>	<b>December 31,</b> <b><u>2005</u></b>
<b>ASSETS</b>		
Cash and due from banks	\$ 15,570	\$ 20,451
Securities available-for-sale	27,938	28,324
Securities held-to-maturity, fair value of \$25,894 Sep (2006) and \$32,434 Dec (2005)	<u>26,453</u>	<u>33,231</u>
Total securities	<u>54,391</u>	<u>61,555</u>
Loans held for sale	1,733	597
Loans, net of unearned fees	685,715	642,520
Allowance for loan losses	<u>(7,577)</u>	<u>(7,377)</u>
Net loans receivable	<u>679,871</u>	<u>635,740</u>
Federal Home Loan Bank stock	7,508	7,194
Cash surrender value of life insurance	7,858	7,637
Premises and equipment, net	21,037	19,134
Real estate owned:		
Acquired through foreclosure	789	1,022
Held for development	337	337
Other repossessed assets	117	119
Goodwill	8,384	8,384
Accrued interest receivable	3,633	3,051
Other assets	<u>1,601</u>	<u>1,889</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 801,096</u></b>	<b><u>\$ 766,513</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$ 41,171	\$ 39,145
NOW demand	71,126	76,848
Savings	83,176	99,879
Money market	56,547	66,175
Certificates of deposit	<u>361,196</u>	<u>309,059</u>
Total deposits	<u>613,216</u>	<u>591,106</u>
Short-term borrowings	76,000	19,500
Advances from Federal Home Loan Bank	28,261	78,375
Subordinated debentures	10,000	10,000
Accrued interest payable	377	389
Accounts payable and other liabilities	1,854	1,023
Deferred income taxes	<u>1,325</u>	<u>1,379</u>
<b>TOTAL LIABILITIES</b>	<b><u>731,033</u></b>	<b><u>701,772</u></b>
<b>STOCKHOLDERS' EQUITY:</b>		
Serial preferred stock, 5,000,000 shares authorized and unissued	-	-
Common stock, \$1 par value per share; authorized 10,000,000 shares; issued and outstanding, 4,384,443 shares Sep (2006), and 3,983,530 shares Dec (2005)	4,384	3,984
Additional paid-in capital	27,356	16,409
Retained earnings	38,371	44,291
Accumulated other comprehensive income, net of tax	<u>(48)</u>	<u>57</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>70,063</u></b>	<b><u>64,741</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 801,096</u></b>	<b><u>\$ 766,513</u></b>

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**FIRST FINANCIAL SERVICE CORPORATION**  
**Consolidated Statements of Income (Unaudited)**

(Dollars in thousands, except per share data)	Three Months Ended September 30,		Nine Months Ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Interest Income:</b>				
Interest and fees on loans	\$ 13,104	\$ 10,839	\$ 37,106	\$ 31,065
Interest and dividends on investments and deposits	718	754	2,319	2,185
Total interest income	<u>13,822</u>	<u>11,593</u>	<u>39,425</u>	<u>33,250</u>
<b>Interest Expense:</b>				
Deposits	4,898	3,482	13,503	9,519
Federal funds purchased	801	12	889	12
Federal Home Loan Bank advances	407	956	2,280	2,851
Subordinated debentures	235	184	665	517
Total interest expense	<u>6,341</u>	<u>4,634</u>	<u>17,337</u>	<u>12,899</u>
Net interest income	7,481	6,959	22,088	20,351
Provision for loan losses	249	440	346	756
Net interest income after provision for loan losses	<u>7,232</u>	<u>6,519</u>	<u>21,742</u>	<u>19,595</u>
<b>Non-interest Income:</b>				
Customer service fees on deposit accounts	1,481	1,371	4,108	3,810
Gain on sale of mortgage loans	204	251	608	602
Brokerage commissions	79	79	250	236
Gain on sale of real estate held for development	-	-	-	143
Gain on sale of investments	-	-	-	381
Other income	269	360	856	887
Total non-interest income	<u>2,033</u>	<u>2,061</u>	<u>5,822</u>	<u>6,059</u>
<b>Non-interest Expense:</b>				
Employee compensation and benefits	2,968	2,769	8,763	8,403
Office occupancy expense and equipment	523	519	1,589	1,517
Marketing and advertising	209	197	628	580
Outside services and data processing	650	609	1,907	1,837
Bank franchise tax	224	195	667	593
Other expense	863	867	2,607	2,648
Total non-interest expense	<u>5,437</u>	<u>5,156</u>	<u>16,161</u>	<u>15,578</u>
Income before income taxes	3,828	3,424	11,403	10,076
Income taxes	1,257	1,113	3,738	3,285
<b>Net Income</b>	<u>\$ 2,571</u>	<u>\$ 2,311</u>	<u>\$ 7,665</u>	<u>\$ 6,791</u>
(1) Shares applicable to basic income per share	4,384,084	4,387,687	4,382,840	4,402,842
<b>(1) Basic income per share</b>	<u>\$ 0.59</u>	<u>\$ 0.53</u>	<u>\$ 1.75</u>	<u>\$ 1.54</u>
(1) Shares applicable to diluted income per share	4,430,204	4,429,998	4,423,118	4,439,211
<b>(1) Diluted income per share</b>	<u>\$ 0.58</u>	<u>\$ 0.52</u>	<u>\$ 1.73</u>	<u>\$ 1.53</u>

(1) Adjusted to reflect the impact of the stock dividend declared August 15, 2006.

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**FIRST FINANCIAL SERVICE CORPORATION**  
**Unaudited Selected Ratios and Other Data**

<u>Selected Data</u>	As of and For the Three Months Ended September 30,		As of and For the Nine Months Ended September 30,	
	<u>2006</u>	<u>2005</u>	<u>2006</u>	<u>2005</u>
<b>Performance Ratios</b>				
Return on average assets	1.29%	1.22%	1.31%	1.21%
Return on average equity	14.65%	14.53%	15.11%	14.64%
Average equity to average assets	8.79%	8.39%	8.67%	8.27%
Net interest margin	4.02%	3.95%	4.05%	3.90%
Efficiency ratio from continuing operations	57.15%	57.16%	57.90%	58.99%
Book value per share			\$ 15.98	\$ 14.45
<b>Average Balance Sheet Data</b>				
Average total assets	\$ 792,661	\$ 752,306	\$ 782,400	\$ 749,361
Average interest earning assets	743,117	701,541	732,759	698,572
Average loans	677,359	614,116	658,777	606,838
Average interest-bearing deposits	573,089	552,394	571,394	553,419
Average total deposits	615,180	595,338	614,196	594,478
Average total stockholders' equity	69,640	63,082	67,813	62,009
<b>Asset Quality Ratios</b>				
Non-performing loans as a percent of total loans (1)			0.78%	1.03%
Non-performing assets as a percent of total loans (1)			0.91%	1.19%
Allowance for loan losses as a percent of total loans (1)			1.10%	1.13%
Allowance for loan losses as a percent of non-performing loans			141%	110%
Annualized net charge-offs to total loans (1)			0.03%	0.03%

(1) Excludes loans held for sale.

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