

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

(Dollars in thousands, except share data)	March 31, <u>2008</u>	December 31, <u>2007</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 18,304	\$ 14,948
Securities available-for-sale	21,701	22,004
Securities held-to-maturity, fair value of \$6,496 Mar (2008) and \$17,624 Dec (2007)	<u>6,418</u>	<u>17,681</u>
Total securities	<u>28,119</u>	<u>39,685</u>
Loans held for sale	4,923	780
Loans, net of unearned fees	777,968	767,256
Allowance for loan losses	<u>(8,395)</u>	<u>(7,922)</u>
Net loans receivable	<u>774,496</u>	<u>760,114</u>
Federal Home Loan Bank stock	7,721	7,621
Cash surrender value of life insurance	8,381	8,290
Premises and equipment, net	27,306	26,335
Real estate owned:		
Acquired through foreclosure	3,021	1,749
Held for development	45	45
Other repossessed assets	74	52
Goodwill	8,384	8,384
Accrued interest receivable	3,886	4,324
Other assets	<u>1,894</u>	<u>1,144</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 881,631</u></b>	<b><u>\$ 872,691</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$ 58,062	\$ 46,978
Interest bearing	<u>646,943</u>	<u>642,265</u>
Total deposits	<u>705,005</u>	<u>689,243</u>
Short-term borrowings	34,400	42,800
Advances from Federal Home Loan Bank	53,049	53,083
Subordinated debentures	10,000	10,000
Accrued interest payable	654	1,093
Accounts payable and other liabilities	2,557	1,789
Deferred income taxes	<u>1,285</u>	<u>1,223</u>
<b>TOTAL LIABILITIES</b>	<b><u>806,950</u></b>	<b><u>799,231</u></b>
Commitments and contingent liabilities	-	-
<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, 4,664,235 shares Mar (2008), and 4,661,083 shares Dec (2007)	4,664	4,661
Additional paid-in capital	33,987	33,886
Retained earnings	36,222	35,225
Accumulated other comprehensive (loss)	<u>(192)</u>	<u>(312)</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>74,681</u></b>	<b><u>73,460</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 881,631</u></b>	<b><u>\$ 872,691</u></b>

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

(Dollars in thousands, except per share data)	Three Months Ended	
	March 31,	
	<u>2008</u>	<u>2007</u>
<b>Interest and Dividend Income:</b>		
Loans, including fees	\$ 14,032	\$ 13,941
Taxable securities	384	612
Tax exempt securities	100	108
Total interest income	<u>14,516</u>	<u>14,661</u>
<b>Interest Expense:</b>		
Deposits	5,686	5,946
Short-term borrowings	322	575
Federal Home Loan Bank advances	596	336
Subordinated debentures	167	228
Total interest expense	<u>6,771</u>	<u>7,085</u>
Net interest income	7,745	7,576
Provision for loan losses	584	81
Net interest income after provision for loan losses	<u>7,161</u>	<u>7,495</u>
<b>Non-interest Income:</b>		
Customer service fees on deposit accounts	1,416	1,273
Gain on sale of mortgage loans	148	126
Gain on sale of real estate held for development	-	227
Brokerage commissions	118	97
Other income	272	222
Total non-interest income	<u>1,954</u>	<u>1,945</u>
<b>Non-interest Expense:</b>		
Employee compensation and benefits	3,418	3,124
Office occupancy expense and equipment	653	566
Marketing and advertising	214	271
Outside services and data processing	717	666
Bank franchise tax	250	231
Write off of issuance cost of Trust Preferred Securities	-	229
Other expense	1,083	928
Total non-interest expense	<u>6,335</u>	<u>6,015</u>
Income before income taxes	2,780	3,425
Income taxes	897	1,108
<b>Net Income</b>	<u>\$ 1,883</u>	<u>\$ 2,317</u>
(1) Shares applicable to basic income per share	4,663,447	4,797,434
<b>(1) Basic income per share</b>	<u>\$ 0.40</u>	<u>\$ 0.48</u>
(1) Shares applicable to diluted income per share	4,697,876	4,848,711
<b>(1) Diluted income per share</b>	<u>\$ 0.40</u>	<u>\$ 0.48</u>
<b>Cash dividends declared per share</b>	<u>\$ 0.190</u>	<u>\$ 0.173</u>

(1) Adjusted to reflect the impact of the 10% stock dividend declared August 16, 2007.



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

<u><b>Selected Data</b></u>	<b>As of and For the Three Months Ended March 31,</b>	
	<u><b>2008</b></u>	<u><b>2007</b></u>
<b>Performance Ratios</b>		
Return on average assets	0.87%	1.13%
Return on average equity	10.16%	12.99%
Average equity to average assets	8.52%	8.67%
Net interest margin	3.83%	3.96%
Efficiency ratio from continuing operations	65.31%	63.18%
Book value per share	\$ 16.01	\$ 15.10
<b>Average Balance Sheet Data</b>		
Average total assets	\$ 875,286	\$ 834,582
Average interest earning assets	818,565	781,448
Average loans	774,443	719,783
Average interest-bearing deposits	639,274	631,332
Average total deposits	693,609	674,530
Average total stockholders' equity	74,547	72,344
<b>Asset Quality Ratios</b>		
Non-performing loans as a percent of total loans (1)	0.71%	0.81%
Non-performing assets as a percent of total loans (1)	1.11%	0.91%
Allowance for loan losses as a percent of total loans (1)	1.08%	1.06%
Allowance for loan losses as a percent of non-performing loans	151%	132%
Annualized net charge-offs to total loans (1)	0.06%	0.02%

---

(1) Excludes loans held for sale.