

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

(Dollars in thousands, except share data)	March 31, <u>2007</u>	December 31, <u>2006</u>
<b>ASSETS</b>		
Cash and due from banks	\$ 15,049	\$ 19,082
Securities available-for-sale	27,133	28,223
Securities held-to-maturity, fair value of \$23,683 Mar (2007) and \$23,817 Dec (2006)	<u>24,016</u>	<u>24,224</u>
Total securities	<u>51,149</u>	<u>52,447</u>
Loans held for sale	1,300	673
Loans, net of unearned fees	728,412	705,037
Allowance for loan losses	<u>(7,730)</u>	<u>(7,684)</u>
Net loans receivable	<u>721,982</u>	<u>698,026</u>
Federal Home Loan Bank stock	7,621	7,621
Cash surrender value of life insurance	8,030	7,947
Premises and equipment, net	23,041	22,500
Real estate owned:		
Acquired through foreclosure	716	918
Held for development	91	337
Other repossessed assets	73	82
Goodwill	8,384	8,384
Accrued interest receivable	3,999	4,094
Other assets	<u>1,941</u>	<u>1,388</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 842,076</u></b>	<b><u>\$ 822,826</u></b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
<b>LIABILITIES:</b>		
Deposits:		
Non-interest bearing	\$ 45,242	\$ 40,349
Interest bearing	<u>649,941</u>	<u>600,688</u>
Total deposits	<u>695,183</u>	<u>641,037</u>
Short-term borrowings	32,700	68,500
Advances from Federal Home Loan Bank	28,187	28,224
Subordinated debentures	10,000	10,000
Accrued interest payable	246	273
Accounts payable and other liabilities	2,498	1,321
Deferred income taxes	<u>1,370</u>	<u>1,373</u>
<b>TOTAL LIABILITIES</b>	<b><u>770,184</u></b>	<b><u>750,728</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, 4,327,484 shares Mar (2007), and 4,384,088 shares Dec (2006)	4,327	4,384
Additional paid-in capital	25,789	27,419
Retained earnings	41,697	40,210
Accumulated other comprehensive income	<u>79</u>	<u>85</u>
<b>TOTAL STOCKHOLDERS' EQUITY</b>	<b><u>71,892</u></b>	<b><u>72,098</u></b>
<b>TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY</b>	<b><u>\$ 842,076</u></b>	<b><u>\$ 822,826</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	
	March 31,	
	<u>2007</u>	<u>2006</u>
<b>Interest and Dividend Income:</b>		
Loans, including fees	\$ 13,941	\$ 11,716
Taxable securities	612	714
Tax exempt securities	108	62
Total interest income	14,661	12,492
<b>Interest Expense:</b>		
Deposits	5,946	4,044
Short-term borrowings	575	74
Federal Home Loan Bank advances	336	931
Subordinated debentures	228	207
Total interest expense	7,085	5,256
Net interest income	7,576	7,236
Provision for loan losses	81	89
Net interest income after provision for loan losses	7,495	7,147
<b>Non-interest Income:</b>		
Customer service fees on deposit accounts	1,273	1,232
Gain on sale of mortgage loans	126	163
Gain on sale of real estate held for development	227	-
Brokerage commissions	97	82
Other income	222	235
Total non-interest income	1,945	1,712
<b>Non-interest Expense:</b>		
Employee compensation and benefits	3,124	2,977
Office occupancy expense and equipment	566	552
Marketing and advertising	271	206
Outside services and data processing	666	616
Bank franchise tax	231	219
TRUPS Issuance Cost	229	-
Other expense	928	839
Total non-interest expense	6,015	5,409
Income before income taxes	3,425	3,450
Income taxes	1,108	1,112
<b>Net Income</b>	<b>\$ 2,317</b>	<b>\$ 2,338</b>
Shares applicable to basic income per share	4,361,304	4,381,883
<b>Basic income per share</b>	<b>\$ 0.53</b>	<b>\$ 0.53</b>
Shares applicable to diluted income per share	4,407,919	4,417,573
<b>Diluted income per share</b>	<b>\$ 0.53</b>	<b>\$ 0.53</b>

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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 March 31,	
	<u>2007</u>	<u>2006</u>
<b>Performance Ratios</b>		
Return on average assets	1.13%	1.23%
Return on average equity	12.99%	14.36%
Average equity to average assets	8.67%	8.55%
Net interest margin	3.96%	4.09%
Efficiency ratio from continuing operations	63.18%	60.45%
Book value per share	\$ 16.61	\$ 15.12
<b>Average Balance Sheet Data</b>		
Average total assets	\$ 834,582	\$ 772,061
Average interest earning assets	781,448	720,930
Average loans	719,783	644,079
Average interest-bearing deposits	631,332	564,039
Average total deposits	674,530	606,457
Average total stockholders' equity	72,344	66,048
<b>Asset Quality Ratios</b>		
Non-performing loans as a percent of total loans (1)	0.81%	1.09%
Non-performing assets as a percent of total loans (1)	0.91%	1.23%
Allowance for loan losses as a percent of total loans (1)	1.06%	1.14%
Allowance for loan losses as a percent of non-performing loans	132%	104%
Annualized net charge-offs to total loans (1)	0.02%	0.03%

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(1) Excludes loans held for sale.