

FIRST FINANCIAL SERVICE CORPORATION
Consolidated Balance Sheets
(Unaudited)

(Dollars in thousands, except share data)	December 31,	
	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and due from banks	\$ 14,948	\$ 19,082
Securities available-for-sale	22,004	28,223
Securities held-to-maturity, fair value of \$17,624 (2007) and \$23,817 (2006)	17,681	24,224
Total securities	<u>39,685</u>	<u>52,447</u>
Loans held for sale	780	673
Loans, net of unearned fees	767,256	705,037
Allowance for loan losses	(7,922)	(7,684)
Net loans	<u>760,114</u>	<u>698,026</u>
Federal Home Loan Bank stock	7,621	7,621
Cash surrender value of life insurance	8,290	7,947
Premises and equipment, net	26,335	22,500
Real estate owned:		
Acquired through foreclosure	1,749	918
Held for development	45	337
Other repossessed assets	52	82
Goodwill	8,384	8,384
Accrued interest receivable	4,324	4,094
Other assets	1,144	1,388
	<u>1,144</u>	<u>1,388</u>
TOTAL ASSETS	<u>\$ 872,691</u>	<u>\$ 822,826</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES:		
Deposits:		
Non-interest bearing	\$ 46,978	\$ 40,349
Interest bearing	642,265	600,688
Total deposits	<u>689,243</u>	<u>641,037</u>
Short-term borrowings	42,800	68,500
Advances from Federal Home Loan Bank	53,083	28,224
Subordinated debentures	10,000	10,000
Accrued interest payable	1,093	273
Accounts payable and other liabilities	3,012	2,694
	<u>3,012</u>	<u>2,694</u>
TOTAL LIABILITIES	<u>799,231</u>	<u>750,728</u>
Commitments and contingent liabilities	-	-
STOCKHOLDERS' EQUITY:		
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, 4,661,083 shares (2007), and 4,384,088 shares (2006)	4,661	4,384
Additional paid-in capital	33,886	27,419
Retained earnings	35,225	40,210
Accumulated other comprehensive income/(loss)	(312)	85
	<u>(312)</u>	<u>85</u>
TOTAL STOCKHOLDERS' EQUITY	<u>73,460</u>	<u>72,098</u>
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	<u>\$ 872,691</u>	<u>\$ 822,826</u>

FIRST FINANCIAL SERVICE CORPORATION
Consolidated Statements of Income
(Unaudited)

(Dollars in thousands, except per share data)	Three Months Ended December 31,		Year Ended December 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Interest and Dividend Income:				
Loans, including fees	\$ 14,954	\$ 13,696	\$ 58,019	\$ 50,803
Taxable securities	470	616	2,108	2,726
Tax exempt securities	101	95	418	303
Total interest income	<u>15,525</u>	<u>14,407</u>	<u>60,545</u>	<u>53,832</u>
Interest Expense:				
Deposits	6,438	5,185	25,519	18,688
Short-term borrowings	483	1,015	1,935	1,904
Federal Home Loan Bank advances	558	341	1,580	2,621
Subordinated debentures	167	230	717	895
Total interest expense	<u>7,646</u>	<u>6,771</u>	<u>29,751</u>	<u>24,108</u>
Net interest income	7,879	7,636	30,794	29,724
Provision for loan losses	261	193	1,209	540
Net interest income after provision for loan losses	<u>7,618</u>	<u>7,443</u>	<u>29,585</u>	<u>29,184</u>
Non-interest Income:				
Customer service fees on deposit accounts	1,518	1,352	5,792	5,460
Gain on sale of mortgage loans	134	175	569	783
Gain on sale of real estate held for development	-	-	227	-
Brokerage commissions	116	96	424	346
Other income	246	293	1,191	1,150
Total non-interest income	<u>2,014</u>	<u>1,916</u>	<u>8,203</u>	<u>7,739</u>
Non-interest Expense:				
Employee compensation and benefits	3,227	3,140	12,593	11,903
Office occupancy expense and equipment	607	516	2,373	2,106
Marketing and advertising	237	231	914	859
Outside services and data processing	658	657	2,632	2,567
Bank franchise tax	224	204	923	871
Write off of issuance cost of Trust Preferred Securities	-	-	229	-
Other expense	1,014	1,043	4,126	3,646
Total non-interest expense	<u>5,967</u>	<u>5,791</u>	<u>23,790</u>	<u>21,952</u>
Income before income taxes	3,665	3,568	13,998	14,971
Income taxes	1,304	896	4,646	4,634
Net Income	<u>\$ 2,361</u>	<u>\$ 2,672</u>	<u>\$ 9,352</u>	<u>\$ 10,337</u>
(1) Shares applicable to basic income per share	4,662,833	4,822,693	4,721,559	4,821,472
(1) Basic income per share	<u>\$ 0.51</u>	<u>\$ 0.55</u>	<u>\$ 1.98</u>	<u>\$ 2.14</u>
(1) Shares applicable to diluted income per share	4,710,352	4,879,222	4,774,361	4,869,558
(1) Diluted income per share	<u>\$ 0.50</u>	<u>\$ 0.55</u>	<u>\$ 1.96</u>	<u>\$ 2.12</u>
Cash dividends declared per share	<u>\$ 0.190</u>	<u>\$ 0.173</u>	<u>\$ 0.726</u>	<u>\$ 0.660</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>Selected Data</u>	As of and For the Three Months Ended December 31,		As of and For the Year Ended December 31,	
	<u>2007</u>	<u>2006</u>	<u>2007</u>	<u>2006</u>
Performance Ratios				
Return on average assets	1.07%	1.31%	1.10%	1.31%
Return on average equity	12.74%	14.81%	12.88%	15.03%
Average equity to average assets	8.40%	8.85%	8.54%	8.71%
Net interest margin	3.84%	4.02%	3.89%	4.04%
Efficiency ratio from continuing operations	60.32%	60.63%	61.00%	58.60%
Book value per share			\$ 15.76	\$ 14.95
Average Balance Sheet Data				
Average total assets	\$ 874,919	\$ 808,744	\$ 850,221	\$ 788,986
Average interest earning assets	820,011	757,920	796,275	739,215
Average loans	771,267	694,841	741,274	667,793
Average interest-bearing deposits	646,622	577,201	644,231	572,845
Average total deposits	695,184	617,951	690,574	615,134
Average total stockholders' equity	73,506	71,581	72,624	68,755
Asset Quality Ratios				
Non-performing loans as a percent of total loans (1)			1.16%	0.69%
Non-performing assets as a percent of total loans (1)			1.39%	0.83%
Allowance for loan losses as a percent of total loans (1)			1.03%	1.09%
Allowance for loan losses as a percent of non-performing loans			89%	159%
Net charge-offs to total loans (1)			0.13%	0.03%

(1) Excludes loans held for sale.