

**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 Quarterly Results**

Elizabethtown, Kentucky, July 19, 2007 – First Financial Service Corporation (the Company, Nasdaq: FFKY) today announced diluted net income per share of \$0.59 for the quarter ended June 30, 2007, compared to \$0.62 for the quarter ended June 30, 2006. Return on equity was 14.1% for the quarter ended June 30, 2007 and return on assets was 1.2%. Diluted net income per share for the six months ended June 30, 2007, was \$1.11, compared to \$1.15 for the six months ended June 30, 2006. For the six months ended June 30, 2007, return on equity was 13.5% and return on assets was 1.2%.

During the second quarter, the Company opened its third new full-service retail branch facility in its Louisville metropolitan market of Jefferson County. The retail facility represents the Company's prototype branch with a retail-focused design. The Company also established a commercial private banking center in Louisville during the quarter. This commercial lending facility is designed to serve the personal and business needs for the Company's commercial customer base in the Louisville market.

"We are delighted to offer our customers these commercial and retail facilities in Louisville," noted President and Chief Executive Officer, B. Keith Johnson. "We have over \$177 million in commercial loans and \$51 million in commercial and retail deposits with our customers in this market. We believe these facilities will allow us to more effectively support these relationships and allow us to develop a larger presence within this market. While we fully anticipate these facilities to significantly enhance the value of our franchise in the near future, the additional expense in operating these new facilities along with a contraction in our net interest margin will continue to place pressure on earnings for the next few quarters."

The Company's retail branch network continued to generate encouraging results. Total deposits have grown at a 10% compound annual growth rate over the past three years. Total deposits were \$684 million at June 30, 2007, an increase of \$43.4 million, or 7% from December 31, 2006. The continued development of the retail branch network in the Louisville market also yielded positive results. The Company had a combined \$50.8 million in deposits in its two full-service facilities in the Louisville market experiencing a 30% increase in deposits for the first six months and a 189% increase from December 31, 2004. The Company opened these facilities in the second quarter of 2004 to support its growing customer base in this market. Twenty-four percent of the Company's loan portfolio and 7% of its deposit portfolio reside in the Louisville market.

The Company's emphasis on commercial lending generated an 8% compound annual growth rate in the total loan portfolio and a 16% compound annual growth rate in commercial loans over the past three years. Commercial loans were \$505 million at June 30, 2007, an increase of \$29.0 million, or 6% from December 31, 2006. The growth in the Company's commercial loan portfolio has favorably impacted the level of interest income generated by the Company. Average earning assets increased \$56.8 million for June 30, 2007, compared to the same period in 2006. Despite the increase in earning assets, the Company's net interest margin realized a slight decline. Net interest margin decreased to 3.95% for the six months ended June 30, 2007, compared to 4.07% for the same period a year ago. The increase in the volume of earning assets had a positive impact on net interest margin, which increased \$288,000 and \$629,000 for the three and six months ended June 30, 2007, compared to the respective periods ended June 30, 2006.

The Company's asset quality remains favorable. Annualized net charge-offs as a percent of average total loans were 0.02% for the quarter ended June 30, 2007. The allowance for loan losses as a percent of total loans, decreased to

1.07% at June 30, 2007 compared to 1.09% at December 31, 2006. The percentage of non-performing loans to total loans was 1.04% at June 30, 2007, compared to 0.69% at December 31, 2006.

Provision for loan loss expense increased \$118,000 to \$127,000 for the three months ended June 30, 2007, compared to the same period ended June 30, 2006. For the six months ended June 30, 2007, provision for loan loss expense increased \$111,000 to \$208,000 compared to the six months ended June 30, 2006. The increase in provision for loan loss expense for the respective periods was primarily the result of improvements in the Company's security and position of certain classified loans during 2006, which resulted in a reduction in the reserves allocated to the loans. Therefore the Company recorded a lower provision for loan loss expense during 2006, resulting in an increase in provision for loan loss expense for the three and six month periods ended June 30, 2007.

Non-interest income decreased \$37,000 for the three months ended June 30, 2007, compared to the three months ended June 30, 2006. For the six months ended June 30, 2007 non-interest income increased \$196,000, compared to the six months ended June 30, 2006. The increase for the six months ended was primarily the result of a \$227,000 gain on the sale of real estate held for development. This real estate was held for development through the Company's wholly owned subsidiary, First Federal Office Park, LLC. Only one other property remains for sale in this development.

Non-interest expense increased \$487,000 to \$5.8 million for the three months ended June 30, 2007, compared to the same three months ended June 30, 2006. For the six months ended June 30, 2007, non-interest expense increased \$1.1 million compared to the same six months ended June 30, 2006. Included in the increase for the six months ended was \$229,000 of unamortized issuance cost from redemption of all of its \$10.0 million issuance of cumulative trust preferred securities. Contributing to the increase in non-interest expense for the respective three and six month periods was a \$288,000 increase and a \$435,000 increase in employee compensation expense. Three commercial lending associates and twenty retail associates have been added with our expansion efforts.

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, and personal investment financial counseling services. Today, the Bank serves Central Kentucky through its 15 full-service banking centers and a commercial private banking center.

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:

**Keefe, Bruyette & Woods, Inc.**

**FTN Midwest Securities**

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

**Howe Barnes Investments, Inc.**

**Stifel Nicolaus & Company**

**Knight Securities, LP**

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