

FOR IMMEDIATE RELEASE
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First Financial Service Corporation
Announces Annual and Quarterly Results

Elizabethtown, Kentucky, January 24, 2008 – First Financial Service Corporation (the Company, Nasdaq: FFKY) today announced diluted net income per share of \$0.50 for the quarter ended December 31, 2007, compared to \$0.55 for the quarter ended December 31, 2006. Return on equity was 12.7% for the quarter ended December 31, 2007 and return on assets was 1.07%. Diluted net income per share for the year ended December 31, 2007, was \$1.96, compared to \$2.12 for the year ended December 31, 2006. For the year ended December 31, 2007, return on equity was 12.9% and return on assets was 1.10%.

On August 16, 2007, the Company declared a 10% stock dividend payable on September 14, 2007 to shareholders of record at the close of business on August 29, 2007. All per share information has been restated to reflect the 10% stock dividend.

“We finished the year with diluted earnings per share of \$1.96, an 8% decline from \$2.12 last year,” noted President and Chief Executive Officer, B. Keith Johnson. “Our provision for loan losses increased \$669,000 to \$1.2 million for the year, as our provision increased to levels experienced during 2005 and 2004. This is an increase from the favorable low level of provision for loan loss experienced during 2006. Our non-interest expense was higher for the year increasing our efficiency ratio to 61% for 2007 from 59% for 2006 as we continue to invest in our retail and commercial franchise. We opened a new full-service banking center on Taylorsville Road in Louisville in the second quarter of 2007 and plan construction on two new full service banking centers during 2008 in our current footprint of Hardin and Bullitt County, Kentucky. We are encouraged by the success in our retail and commercial franchise and continue to anticipate returns from our continued investment in this area.”

The Company’s retail branch network continued to generate positive results. Total deposits have grown at an 8% compound annual growth rate over the past three years. Total deposits were \$689 million at December 31, 2007, an increase of \$48.2 million, or 8% for the year. The continued development of the retail branch network in the Louisville market also yielded positive results. The Company had a combined \$54.2 million in deposits in its three full-service facilities in the Louisville market experiencing a 39% increase in deposits for the year and a 208% 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 8% 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 \$544.9 million at December 31, 2007, an increase of \$69.9 million, or 15% for the year. 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 \$54.0 million for December 31, 2007, compared to December 31, 2006. Despite the increase in earning assets, the Company’s net interest margin realized a decline. Net interest margin decreased to 3.89% for the year ended December 31, 2007, compared to 4.04% for the year ended December 31, 2006. The increase in the volume of earning assets had a positive impact on net interest income, which increased \$243,000 and \$1.1 million for the three months and year ended December 31, 2007, compared to the respective periods ended December 31, 2006.

The percentage of non-performing loans to total loans increased to 1.16% at December 31, 2007, compared to 0.69% at December 31, 2006. Annualized net charge-offs as a percent of average total loans were 0.13% for the year ended December 31, 2007, compared to 0.03% for December 31, 2006. During the fourth quarter ended

December 31, 2007, the Company charged off \$880,000, which was primarily the result of a \$751,000 charge off on a commercial loan. The loan was fully reserved for in a prior quarter. The \$751,000 reduction in the allowance for loan loss related to this credit resulted in a decrease in the allowance for loan loss as a percent of total loans ratio, which decreased to 1.03% at December 31, 2007 compared to 1.09% at December 31, 2006.

Provision for loan loss expense increased \$68,000 to \$261,000 for the three months ended December 31, 2007, compared to the same period ended September 30, 2006. For the year ended December 31, 2007, provision for loan loss expense increased \$669,000 to \$1.2 million compared to the year ended December 31, 2006. The increase in provision for loan loss expense for the respective periods was largely related to growth in the loan portfolio for the year as well as the specific reserve set aside for a loan classified during the third quarter ended September 30, 2007. In addition, improvements in the Company's security and position of certain classified loans during 2006, 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 a higher increase in the provision for loan loss expense for the year ended December 31, 2007.

Non-interest income increased \$98,000 for the three months ended December 31, 2007, compared to the three months ended December 31, 2006. For the year ended December 31, 2007 non-interest income increased \$464,000, compared to the year ended December 31, 2006. Contributing to the increase for the year was 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. Also contributing to the increase in non-interest income for the year was a \$332,000 increase in customer service fees on deposit accounts. Gain on the sale of mortgage loans declined \$214,000 for the year ended December 31, 2007.

Non-interest expense increased \$176,000 to \$6.0 million for the three months ended December 31, 2007, compared to the same three months ended December 31, 2006. For the year ended December 31, 2007, non-interest expense increased \$1.8 million compared to the year ended December 31, 2006. Included in the increase for the year 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 further quarter and annual periods for 2007 was an \$87,000 increase and a \$690,000 increase in employee compensation expense. Three commercial lending associates and twenty-one retail associates have been added with our expansion efforts.

Income tax expense increased \$408,000 or \$0.09 diluted earnings per share for the quarter ended December 31, 2007, compared to the quarter ended December 31, 2006. During the fourth quarter the Company accrued \$151,000 in Indiana state income tax for the years 2007, 2006, and 2005. The Company's level of interest income generated from properties financed in Indiana increased to a level which required the Company to pay Indiana state income tax. The Company accrued for this liability during the fourth quarter, resulting in a tax rate of 34% for the quarter ended December 31, 2007. Also contributing to the increase in income tax was a \$281,000 reduction of federal income tax during the fourth quarter ended December 31, 2006. During the fourth quarter ended December 31, 2006 the Company re-evaluated its tax contingency reserves and determined that approximately \$281,000 was no longer required. As a result, tax expense was reduced by this amount, resulting in an effective tax rate of 25% in the fourth quarter of 2006.

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