

May 21, 2008

Mr. Gregory Schrecke  
President  
First Financial Service Corporation  
2323 Ring Road  
Elizabethtown, Kentucky 42701

Dear Mr. Schrecke:

The Federal Reserve Bank of St. Louis, having considered the relevant statutory factors, hereby approves the application by First Financial Service Corporation, Elizabethtown, Kentucky ("Applicant"), to acquire, through merger, 100 percent of the outstanding voting shares of FSB Bancshares, Inc., Lanesville, Indiana ("FSB"), and thereby indirectly acquire its subsidiary bank, The Farmers State Bank, Lanesville, Indiana ("Target Bank"). The application was filed pursuant to Section 3(a)(5) of the Bank Holding Company Act of 1956, as amended.

The Reserve Bank's approval is specifically conditioned upon compliance with all representations made by Applicant in connection with this application. These representations are deemed to be conditions imposed in writing in connection with the Federal Reserve System's findings and decision on Applicant's acquisition of FSB, and indirectly Target Bank, and as such, may be enforced in proceedings under applicable laws.

The acquisition may not be consummated before June 5, 2008 or after August 21, 2008, unless such period is extended by the Federal Reserve System. In connection with these provisions, advice of the fact of consummation should be given in writing to this Reserve Bank within three business days.

The following information should be provided to this Reserve Bank within 30 days after consummation:

1. Parent-only and consolidated balance sheets of Applicant as of the close of business on the date of consummation (balance sheets should be prepared in accordance with generally accepted accounting principles);
2. Number and percent of each class of voting shares of FSB acquired by Applicant; and

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3. Completed Form F.R. Y-10 (Report of Changes in Organizational Structure).

Sincerely,

*/s/ Dennis W. Blase*

Dennis W. Blase  
Assistant Vice President

Copy to: Mr. Walter R. Byrne, Jr.  
Stites & Harbison, PLLC  
250 West Main Street, Suite 2300  
Lexington, Kentucky 40507