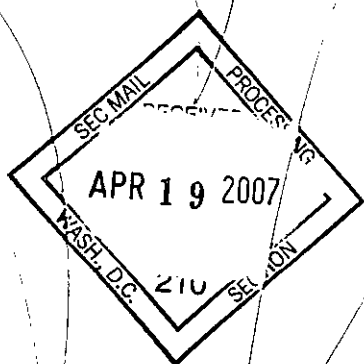


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THOMSON
FINANCIAL

Greenville First Bancshares, Inc.

100 Verdae Boulevard, Suite 100

(864) 679-9000

www.GreenvilleFirst.com

*Welcome to
Greenville First Bank*

*Corporate Headquarters
and Retail Office
at 100 Verdae Boulevard,
Greenville, South Carolina*

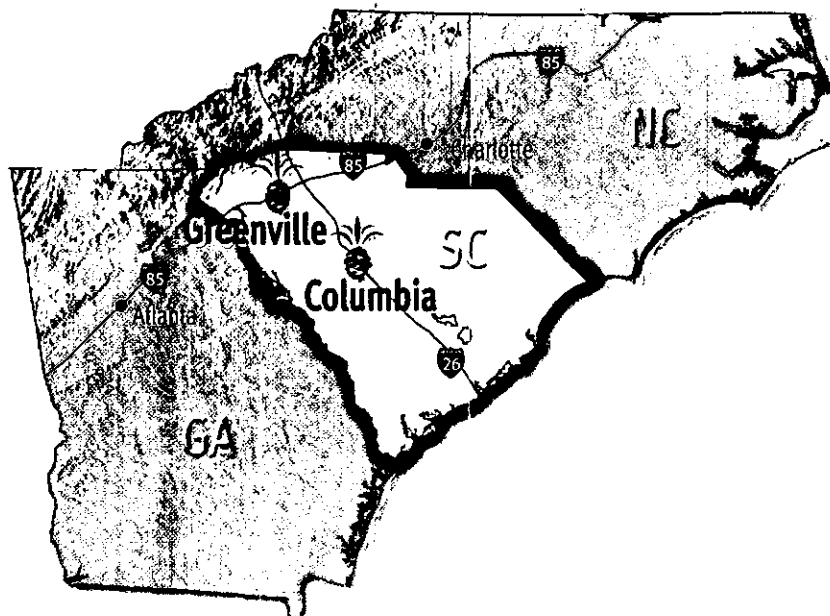


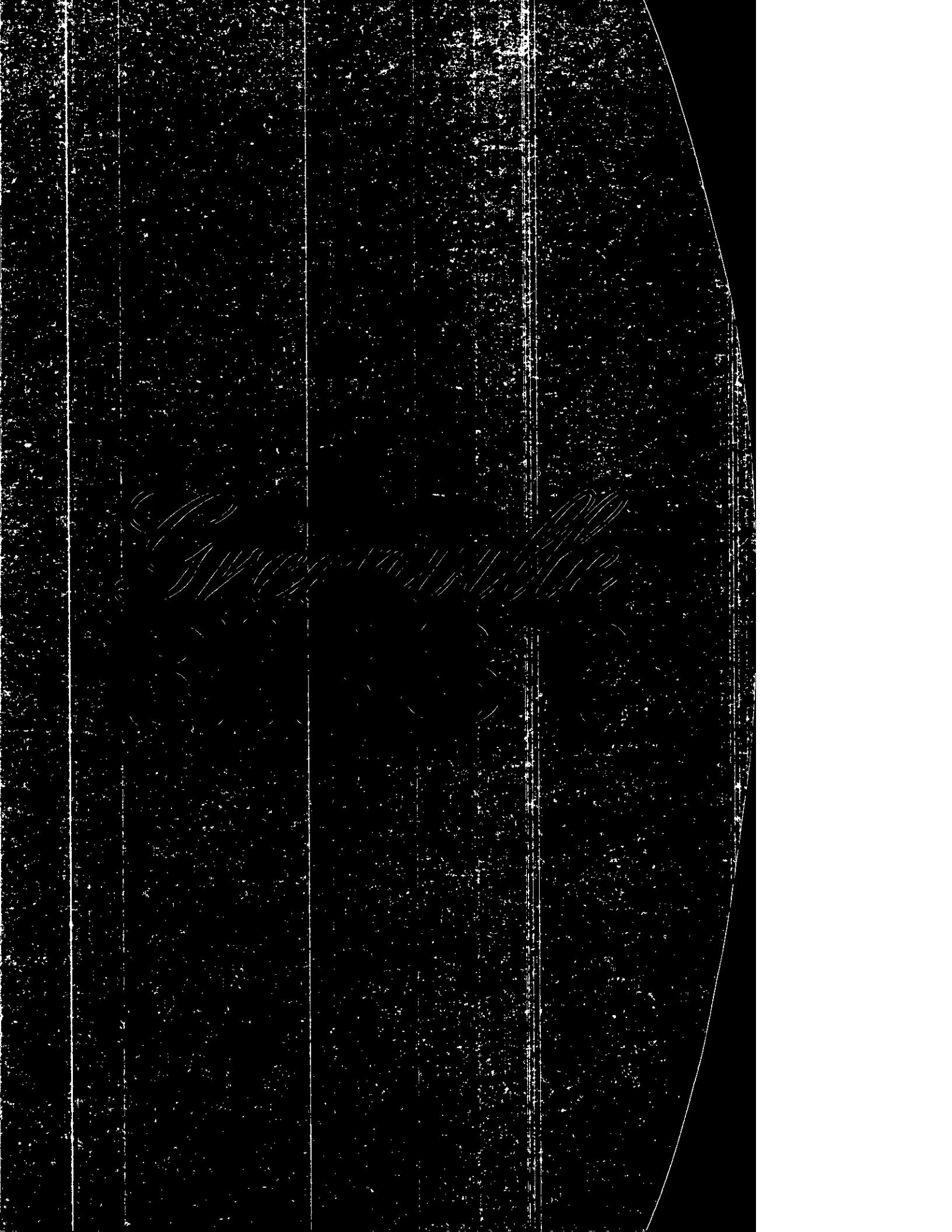
Corporate Profile

Greenville First Bancshares, Inc., was established in 1999 and is the holding company for Greenville First Bank, N.A. Headquartered in Greenville, South Carolina, the bank operates three full service offices and managed \$509 million in assets as of year-end 2006.

Our company was established to provide a unique style of professional banking through a model that we call Client FIRST. The cornerstone of this model is the relationship team where each client has a specific senior banker and consistent support team responsible for the entire banking relationship.

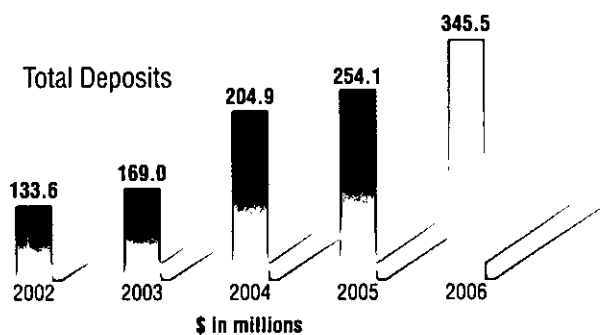
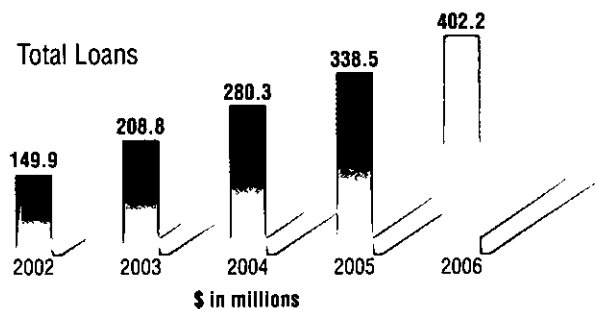
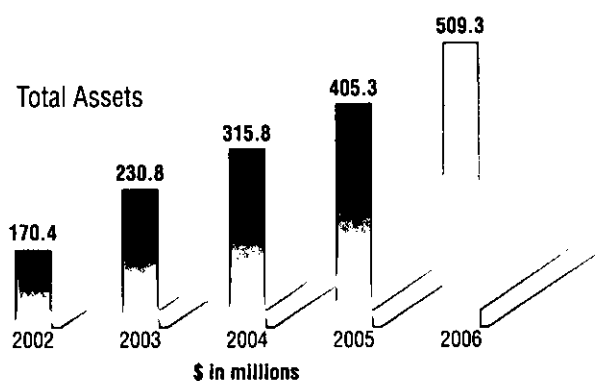
Greenville, South Carolina, is the largest banking market in South Carolina with over \$8.3 billion in deposits. Greenville is a dynamic, growing market as evidenced by average annual deposit growth in excess of 10% over the past five years. In November of 2006, the company announced plans to establish a major banking presence in Columbia, South Carolina, our state's capital.







Financial Highlights



Greenville First Bancshares, Inc. & Subsidiary

	December 31, 2006	December 31, 2005
For the Years		
Net interest income	\$ 14,349,516	\$ 12,084,682
Provision for loan losses	1,650,000	1,000,000
Noninterest income	579,495	825,781
Noninterest expenses	7,351,308	7,855,380
Net income	3,900,794	2,514,152
Income per share, diluted	1.20	0.78
At Year End		
Total assets	\$ 509,343,951	\$ 405,312,543
Loans, net	397,233,829	334,040,776
Deposits	345,504,076	254,148,041
Shareholders' equity	34,583,446	30,472,747
Book value per share	11.79	10.42
Market price per share	21.47	22.50

Dear Fellow Shareholders:

The year 2006 was momentous for Greenville First as we achieved record earnings and asset growth, completed the plans for a successful transition to a new corporate headquarters, and announced a strategic expansion to the Columbia market. After seven years of operation, we are humbled by the success of our company and excited about the prospects for the future.

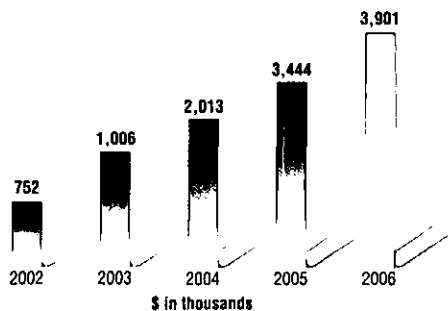
Our unique Client FIRST banking model is the cornerstone of our success. This model is designed to create a distinctive client experience and produce superior client service. We continue to execute our strategy with experienced professional bankers with deep market knowledge that brings significant value to their client relationships.

Greenville First is committed to remain a high-performance growth company. We continue to invest in infrastructure and believe we have the momentum to continue growing our market share and produce outstanding financial results.

Financial Highlights

Earnings

- Earnings per diluted share totaled \$1.20.
- Net operating earnings increased 13% to \$3.9 million.⁽¹⁾



Asset Growth

- Total assets increased 28% to \$509 million.
- Gross loans increased 20% to \$402 million.

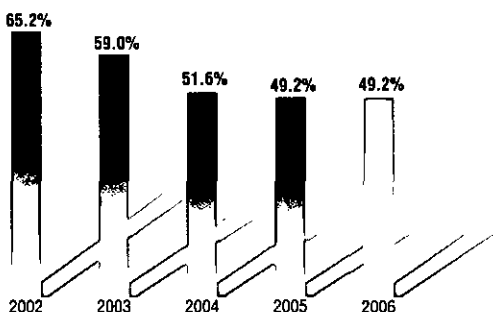
Deposit Growth

- Total deposits increased 36% to \$346 million.
- Transaction account balances increased 38% for the year.
- The number of transaction accounts increased 22% for the year.



Performance Ratios and Announcements

- We provided our shareholders with a 10% stock dividend in July of 2006.
- Our operating efficiency ratio remained outstanding at 49.2%.⁽¹⁾



⁽¹⁾ *Non-GAAP Measures* This annual report contains financial information determined by methods other than in accordance with Generally Accepted Accounting Principles ("GAAP"). Management believes these financial measures provide a clearer understanding of the Company's financial performance. Reconciliations of net income and the efficiency ratio on a GAAP basis to an operating basis are provided in the Company's Annual Report on Form 10-K.

Strategic Expansion

In November of 2006, we announced the addition of Justin Strickland to our executive team and our plans to establish a major banking presence in the Columbia market. While we were always confident that our banking model would work in other markets, it had to be the right market, at the right time, and, more importantly, with the right banker. Justin Strickland is the right banker and now is the right time to enter the Columbia market. Our bank's leadership and Justin Strickland have known each other for almost 20 years. Justin brings a tremendous level of experience to our executive team from his past roles with C&S Bank and Carolina First. Through his leadership and the recruitment of key Columbia bankers, our expansion represents an opportunity to duplicate our successful Greenville First model in the midlands of South Carolina.

With our expansion, we will introduce the name Southern First as the official name of our holding company and bank. The name provides consistency for any future markets and capitalizes on the pineapple logo that has become synonymous with Greenville First. We will continue to operate under the Greenville First name in our Greenville market.



Our Game Plan

The success of our company is centered around a simple game plan. We will provide a distinctive client experience, operate in great markets, and execute with superior talent who share a common culture.

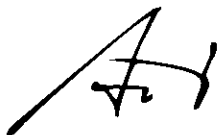
Our Client FIRST model continues to provide a significant value to clients as they have a professional banker and consistent support team handling every aspect of their relationships. This relationship team model is highly efficient and is replicable to other markets. We are excited about providing Client First service to the Columbia market and proud to have a dynamic team already in place.

The Greenville and Columbia markets represent tremendous opportunities to expand our company. The respective counties are the largest markets in South Carolina with respective deposits growing around 10% annually over the past five years.

Operating with a unique style in great markets provides the fuel for success. Having the right people, however, is the key element to growing market share and generating winning financial performance. We are proud of the team at Greenville First/Southern First. They are great people and great bankers.

Banking is a hard game and the current interest rate environment presents a challenge to net interest margin. We believe that the current environment presents a unique opportunity to invest in strategic infrastructure, assemble a dynamic and talented team, and capitalize on the momentum of our high-performance growth company.

Thank you for your continued support of our company.



Art Seaver
Chief Executive Officer



Justin Strickland
President



Jimmy Orders
Chairman of the Board



Left to right: Justin Strickland, Jimmy Orders, Art Seaver

The Pineapple

A reflection of the fruit of our labor

Since the time of Christopher Columbus' voyages, continuing throughout early colonial times, and to this very day, the pineapple is a symbol of hospitality. It welcomes family, friends, even strangers by spreading an air of good cheer and bestowing warmth and affection.

We at Greenville First chose the pineapple as our symbol and logo to communicate the level of warmth and concern we genuinely have for our clients. We use the pineapple as a reminder to ourselves, our shareholders, our clients, and to the community of our commitment to the highest level of client satisfaction. We welcome all who enter our doors and invite you to experience our different approach to banking... one where we invest in you. We take the time to get to know you personally and professionally, investing in your interests, needs, and goals. And when we say we care, we mean it. We are not only your banker; we're your partner and friend.



Strategic Expansion

Columbia is the capital of South Carolina and its two counties of Richland and Lexington represent over \$10 billion in deposits. With a combined 30 years of banking experience in Columbia, our Southern First team is poised to make an immediate impact on the market.



Columbia Team

Blake Taylor, David Keller, Justin Strickland

Southern Hospitality



Parkway Team

Miranda Breazeale, Allison Whitman, Rebekah Blake, Karen Mills, and Dianne Long



Augusta Road Team

Edith Smith, Lori Pond, Brenda McKay, Diane Totman, Lisa Perrin and Rebekah Webb



Little Black Book

"Every busy woman's bank."

-Jacque Rogers



Hot Springs Pools & Spas

"More than a bank...our partner."

-Matt and Jim Riggs



Ballentine Equipment Co., Inc.

*"Greenville First is the bank for people
who want to know their banker."*

-Russell Ballentine and Stan Coster

Condensed Consolidated Balance Sheets

Greenville First Bancshares, Inc. & Subsidiary

	December 31, 2006	December 31, 2005
Assets		
Cash and due from banks	\$ 9,112,675	\$ 6,223,397
Federal funds sold	7,466,458	19,380,755
Investments	74,304,144	36,131,372
Loans	402,183,091	338,530,373
Less allowance for loan losses	(4,949,262)	(4,489,597)
Net loans	397,233,829	334,040,776
Accrued interest receivable	2,381,336	1,694,648
Property and equipment, net	6,450,854	5,576,882
Bank owned life insurance	8,142,947	-
Other assets	4,251,708	2,264,713
	\$ 509,343,951	\$ 405,312,543
Liabilities and Shareholders' Equity		
<i>Liabilities</i>		
Deposits	\$ 345,504,076	\$ 254,148,041
Official checks outstanding	4,131,107	7,786,468
Advances from FHLB	108,500,000	79,500,000
Other borrowings	13,403,000	28,083,000
Accrued interest payable	2,278,154	1,510,635
Other	944,168	3,811,652
Total liabilities	474,760,505	374,839,796
<i>Shareholders' Equity</i>		
Preferred stock	-	-
Common stock	29,339	26,597
Additional paid-in capital	30,846,538	25,626,740
Accumulated other comprehensive loss	(16,465)	(150,602)
Retained earnings	3,724,034	4,970,012
Total shareholders' equity	34,583,446	30,472,747
	\$ 509,343,951	\$ 405,312,543

Condensed Consolidated Statements of Income

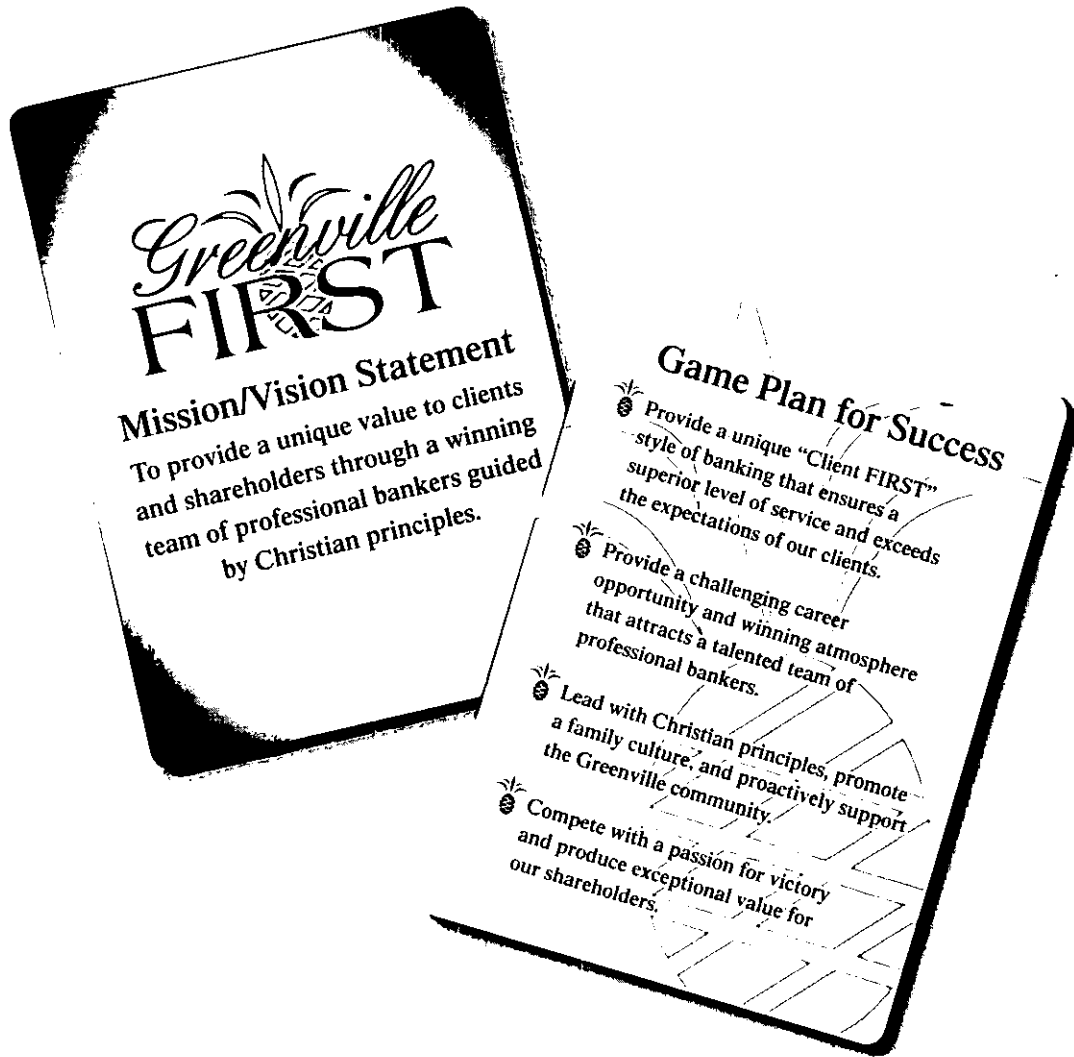
Greenville First Bancshares, Inc. & Subsidiary

For the Years Ended

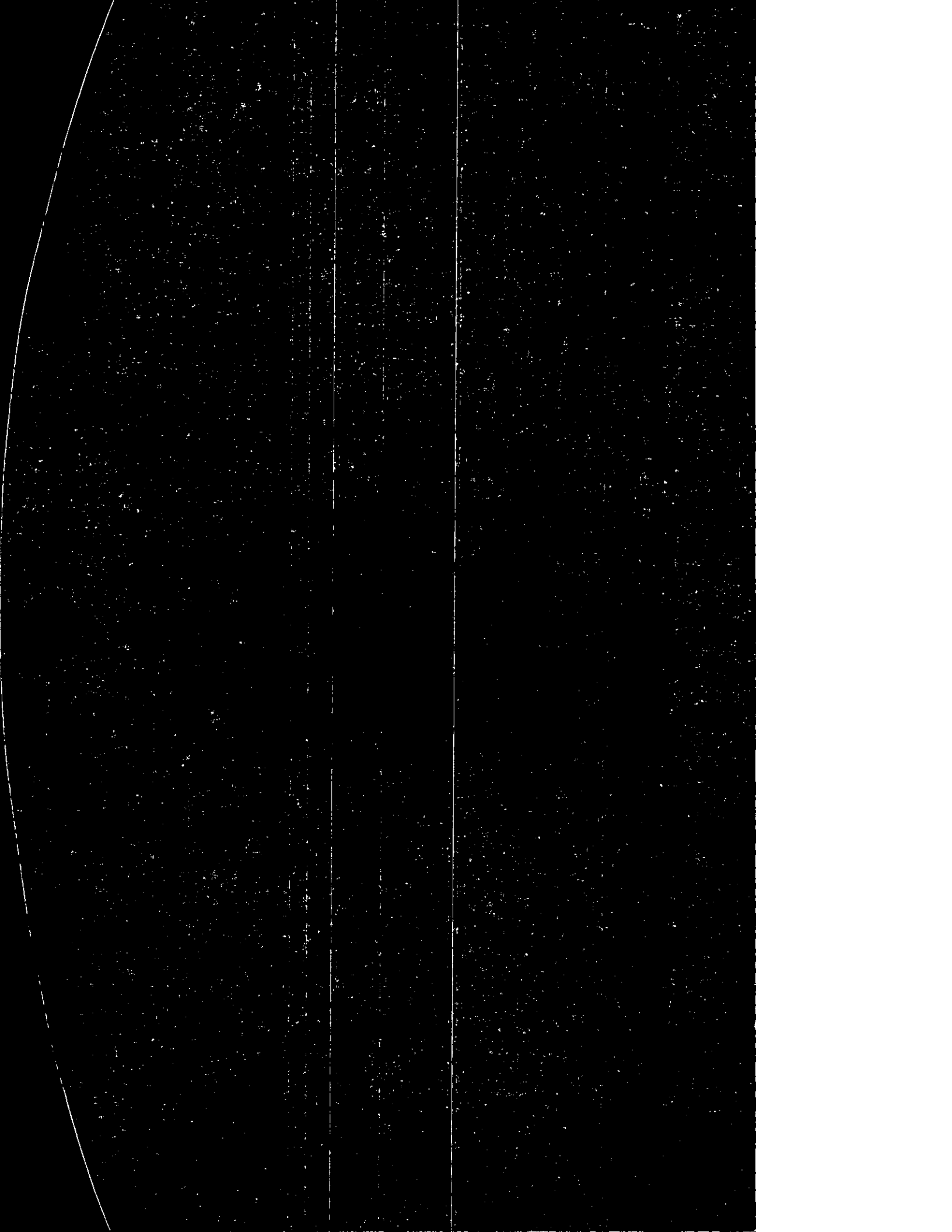
	December 31, 2006	December 31, 2005
Interest income		
Loans	\$ 27,629,556	\$ 19,930,728
Investments	3,299,369	1,738,817
Total interest income	30,928,925	21,669,545
Interest expense	16,579,409	9,584,863
Net interest income	14,349,516	12,084,682
Provision for loan losses	1,650,000	1,000,000
Net interest income after provision for loan losses	12,699,516	11,084,682
Noninterest income		
Loan fee income	123,756	169,876
Service fees on deposit accounts	259,296	251,644
Other real estate owned activity	(165,627)	-
Income from bank owned life insurance	142,947	-
Other income	219,123	404,261
Total noninterest income	579,495	825,781
Noninterest expenses		
Salaries and benefits	4,398,106	3,340,402
Professional fees	384,926	303,986
Marketing	390,377	439,946
Occupancy	663,139	799,267
Data processing and related costs	854,084	919,379
Impairment of long lived assets	-	1,500,000
Other	660,676	552,400
Total noninterest expenses	7,351,308	7,855,380
Income before provision for income taxes	5,927,703	4,055,083
Income tax expense	2,026,909	1,540,931
Net income	\$ 3,900,794	\$ 2,514,152
Diluted income per share	\$ 1.20	\$ 0.78
Weighted average number of common shares outstanding - diluted	3,238,329	3,223,405

Game Plan for Success

Every member of our team carries with them our game plan for success. We want to share that with you, our shareholders.



Southern
SSC

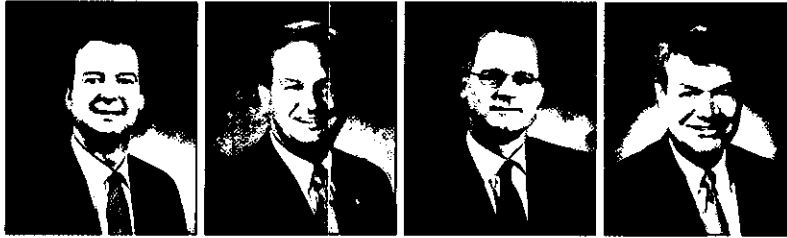




Verdae Client Service Team: Seated left to right: Becky Dietz, Karla McCall, Jane Foster and Terry Gambrell
Standing left to right: Lesley Griffeth, Melinda Whitmire and Debbie Tucker

Greenville First Executive Officers

R. Arthur Seaver, Jr.
Chief Executive Officer
F. Justin Strickland
President
James M. Austin, III
Executive Vice President
Chief Financial Officer
Fred Gilmer, III
Executive Vice President



J. Edward Terrell
Executive Vice President
Fred Gilmer, Jr.
Senior Vice President
Donald L. Kiser
Chief Credit Officer
Gwen G. Bridges
Senior Vice President



Richard H. Furman
Senior Vice President
Collin D. Mackle
Senior Vice President
Robert B. Thompson, III
Senior Vice President
Matthew B. Kneeland
Senior Vice President



W. David Keller
Senior Vice President
Carolyn Austin Herbert
Senior Vice President
Robert E. Reeves, Jr.
Vice President
Blake G. Taylor
Vice President



Board of Directors

James B. Orders, III
R. Arthur Seaver, Jr.
Andrew B. Calka, Jr.
Mark A. Cothran



Leighton M. Cabbage
Anne S. Ellefson
David G. Ellison
Fred Gilmer, Jr.



Toe Hooper
Rudolph G. Johnstone, III
William B. Sturgis



Report of Independent Registered Public Accounting Firm

To The Board of Directors

We have audited, in accordance with standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Greenville First Bancshares, Inc. and Subsidiary as of December 31, 2006 and 2005, and related consolidated statements of income, shareholders' equity and comprehensive income and cash flows for each of the three years in the three year period ended December 31, 2006 (not presented herein); and in our report dated March 13, 2007, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

Elliott Davis, LLC

Greenville, South Carolina
March 13, 2007

Forward-Looking Statements Forward-looking statements in this annual report, such as statements relating to future plans and expectations, are subject to risks and uncertainties, such as a downturn in the economy, greater than expected non-interest expenses, excessive loan losses and other matters, which could cause actual results to differ materially from the future plans and expectations anticipated by such forward-looking statements. For a more detailed description of factors that could cause such differences, please see our Annual Report on Form 10-K.

Common Stock Greenville First Bancshares, Inc., holding company for Greenville First Bank, N.A., is traded on the NASDAQ National Market under the symbol GVBK.

Annual Report Form 10-K A copy of The Greenville First Bancshares, Inc.'s, Annual Report on Form 10-K as filed with the Securities and Exchange Commission is available at no charge by contacting the Investor Relations Officer listed below or on the Company's web site at www.GreenvilleFirst.com.

Annual Shareholders Meeting The Annual Meeting of Shareholders of Greenville First Bancshares, Inc., the holding company for Greenville First Bank, N.A., will be held at the Poinsett Club, 807 E. Washington Street, Greenville, South Carolina, on Tuesday, May 15, 2007, at 5:00 PM.

Independent Registered Public Accounting Firm

Elliott Davis LLC | P.O. Box 6286 | Greenville, South Carolina 29606

General Counsel

Nelson Mullins Riley & Scarborough LLP | P.O. Box 10084 | Greenville, South Carolina 29603

Transfer Agent and Registrar

Computershare | 730 Peachtree Street, NE, Suite 840 | Atlanta, Georgia 30308

Investor Relations Officer

James M. Austin, III, EVP and CFO | P.O. Box 17465 | Greenville, South Carolina 29606



Greenville First Bancshares, Inc.

100 Verdae Boulevard, Suite 100

(864) 679-9000

www.GreenvilleFirst.com

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