

ANNUAL REPORT

Our Mission

First Keystone Community Bank will be the independent financial services provider of choice to its customers and communities that it serves by providing quality, cost effective, customer focused financial services and products through our dedicated bankers and technology. By doing so, we will enhance our value to our shareholders through sustainable profits and dividends.

First Keystone Community Bank recognizes and values the contribution of our employees. To them, we pledge to provide opportunity for a high level of job satisfaction and an equitable exchange for their services.



Jack W. Jones
President and CEO

2024

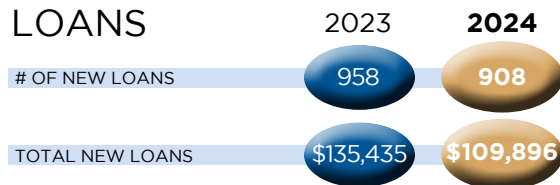
FINANCIAL HIGHLIGHTS

(Dollars in thousands, except per share data)

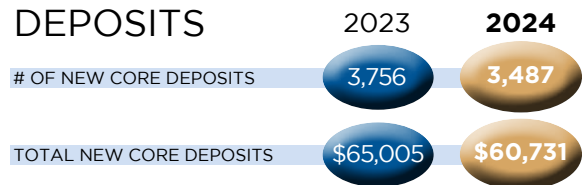
	2024	2023	2022	2021	2020
SUMMARY OF OPERATIONS					
Interest income	\$71,422	\$56,988	\$46,413	\$42,048	\$ 39,567
Interest expense	39,143	27,872	8,913	5,148	6,360
Net interest income	32,279	29,116	37,500	36,900	33,207
(Credit) provision for loan losses	1,640	(217)	(264)	860	1,200
Net income	(13,203)	5,560	14,024	14,688	11,837
PER COMMON SHARE DATA					
Net income	(\$2.14)	\$0.91	\$2.35	\$2.49	\$ 2.03
Dividends	1.12	1.12	1.12	1.12	1.08
BALANCE SHEET DATA					
Total assets	\$1,428,583	\$1,415,870	\$1,329,194	\$1,320,350	\$1,179,047
Total securities	391,875	394,450	375,143	439,878	368,357
Net loans	940,779	904,153	850,195	744,161	712,677
Total deposits	1,045,880	980,439	993,499	1,077,969	937,488
Total stockholders' equity	106,782	121,615	120,386	148,555	144,242
PERFORMANCE RATIOS					
Return on average assets	(0.93%)	0.42%	1.07%	1.15%	1.09%
Return on average equity	(12.04%)	4.55%	10.75%	9.93%	8.61%
Dividend payout	(52.34%)	121.90%	47.70%	45.05%	53.29%
Average equity to average assets	7.69%	9.22%	9.92%	11.57%	12.72%

Dollars in thousands

LOANS



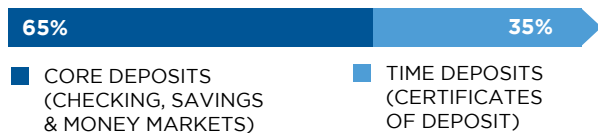
DEPOSITS



2024 LOAN PORTFOLIO BREAKDOWN

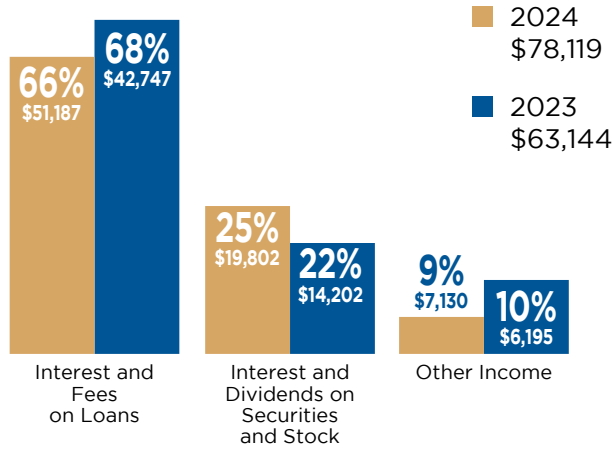


2024 DEPOSIT BREAKDOWN

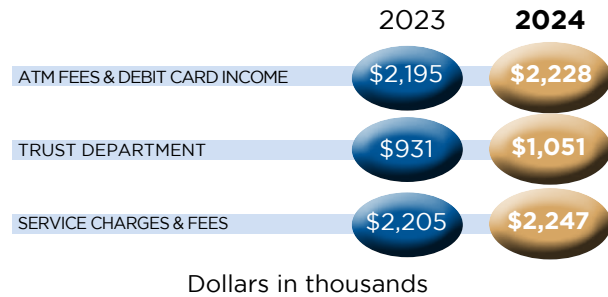


INCOME STATEMENT IN GRAPHIC FORM

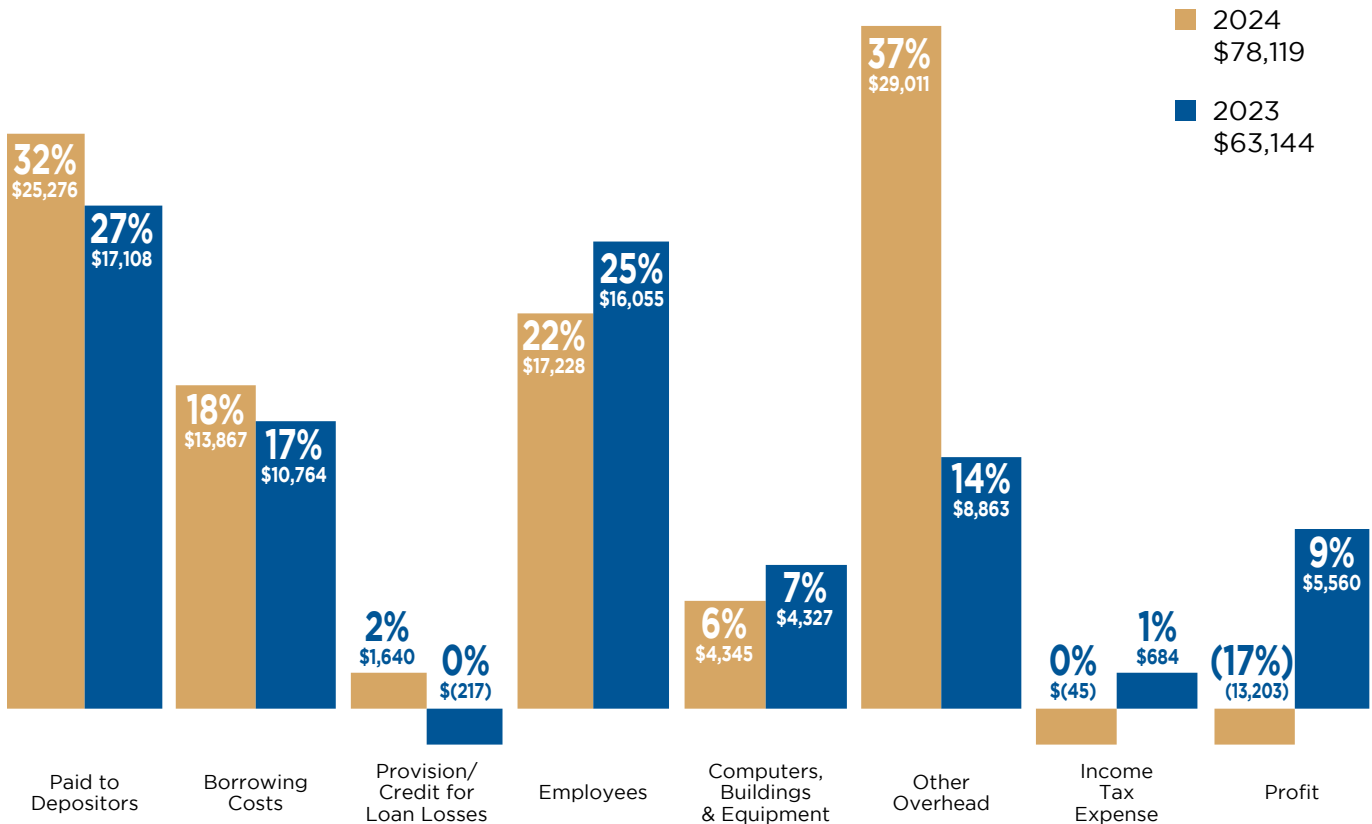
How We Generated
Income in 2024 vs 2023:



MAJOR COMPONENTS OF OTHER INCOME



How We Used Our Income in 2024 vs 2023:



Dollars in thousands and percentages indicate ratio to total income

DEAR SHAREHOLDERS

It is my honor and privilege to write my first shareholder letter to you. I am even more excited to step into the role of 11th President and Chief Executive Officer of First Keystone Community Bank (“FKCB”).

Since joining this well-established, community-centric bank in January, I have been deeply impressed by the strong foundation that has been built over the years. I bring with me over 25 years of experience in community banking, most recently with Penns Woods Bancorp, the holding company for Luzerne Bank and Jersey Shore State Bank. At Penns Woods, I served as Chief Banking Officer, gaining extensive leadership experience in retail banking, commercial banking, cash management, and franchise growth.

Joining a community bank like FKCB has been one of the most rewarding moves of my career. The warm welcome I have received from employees, customers, directors, and shareholders alike has made me feel right at home. I have always believed that working for a community bank is one of the most fulfilling careers one can have, and FKCB’s culture truly embodies that belief.

I look forward to building on the Bank’s strong legacy and working together to drive continued growth, innovation, and success.

In 2025, we will continue prioritizing strong commercial loan growth and expanding business deposits. Our commercial strategy will focus on deepening relationships with existing clients while attracting new commercial businesses within our markets.

We are enhancing our Retail Lending programs with competitive product offerings designed to better serve our markets. Our marketing approach is also evolving to attract new customers through targeted direct mail campaigns, strategic social media engagement, and website optimization.

Our mortgage team, which successfully helped families find new homes last year, will introduce new products and services to assist even more families in achieving their homeownership goals. Additionally, stay tuned for an exciting new website, as our information technology team works to enhance the online experience.

Our Trust Department remains committed to delivering personalized, exceptional service tailored to your unique needs.

None of this would be possible without the dedication of our back-office teams. Though they work behind the scenes, their contributions ensure we consistently deliver best-in-class service across all areas of our organization.

2024 proved to be a challenging year for the banking industry as a whole, including First Keystone Community Bank. While the Federal Reserve reduced short-term rates three times—totaling a 1% decrease—long-term rates remained elevated. This disparity continued to put pressure on earnings, driven by high interest rates, low bank stock prices, credit uncertainty, and heightened regulatory scrutiny.

Community banks, including FKCB, faced ongoing challenges from rising funding costs, unrealized losses, cybersecurity risks, and evolving technology demands. These factors will continue to place stress on the industry moving forward.

Net income for First Keystone Corporation (the “Corporation”), parent company of FKCB, decreased to a net loss of \$13,203,000 for the year ended December 31, 2024, as compared to net income of \$5,560,000 for the prior year, a decrease of \$18,763,000 which was primarily due to the Corporation recognizing a full goodwill impairment charge of \$19,133,000 during the first quarter of 2024. Earnings per share, both basic and diluted, for 2024 was \$(2.14) as compared to \$0.91 in 2023. Dividends per share for 2024 and 2023 were \$1.12. The Corporation’s return on average assets was (0.93)% in 2024 and 0.42% in 2023. Return on average equity decreased to (12.04)% in 2024 from 4.55% in 2023. Total interest income in 2024 amounted to \$71,422,000, an increase of \$14,434,000 or 25.3% from 2023.

The increase in interest income is due to increased interest rates, growth in real estate loans secured by commercial properties, and increased interest income earned on securities. Total interest expense of \$39,143,000 increased \$11,271,000 or 40.4% from 2023. The majority of this increase is related to increases in interest paid to depositors to retain and grow deposit relationships and increases in interest paid on long-term borrowings through the Federal Home Loan Bank due to increases in both average volume and rate of borrowings in 2024 over 2023.

Total Assets increased to \$1,428,583,000 at December 31, 2024, an increase of \$12,713,000 or 0.9% as compared to December 31, 2023. Total securities decreased \$2,575,000 or .65% and net loans grew \$36,626,000 or 4.1% during the year ended December 31, 2024 as compared to the same period in 2023. Deposits increased by \$65,441,000 or 6.7% at December 31, 2024 as compared to December 31, 2023 due to a \$40,100,000 increase in CDs as the Corporation has experienced a shift from transactional deposits to term deposits and a \$33,899,000 increase in brokered CDs. These increases were offset by a decrease in other retail deposits of \$8,558,000. Stockholders' equity decreased \$14,833,000 or 12.2% principally due to the full goodwill impairment and continued dividends from retained earnings, offset with a net increase in the market value of the securities and derivative portfolios.

For additional information on the Bank and Corporation's financial performance, please see the Financial Highlights summary on page 1, along with more detailed information below the Highlights, in the Income Statement in the Graphic Form on Page 2, and in our 2024 Form 10-K filing located on our website at firstkeystonecorp.fkc.bank.

In 2024, our dedicated team once again surpassed expectations by contributing over 2,000 volunteer hours to support non-profit organizations within our communities. Beyond volunteering, the bank reinforced its commitment by donating over \$252,000 to more than 250 non-profit organizations across our market footprint.

However, one of the initiatives our employees are most proud of is Denim Days. Through this program, employees personally contributed \$9,838 to support non-profit organizations of their choosing, making a meaningful impact in the communities we serve.

I would like to take a moment to extend my deepest gratitude to Diane C.A. Rosler, CFO, and Elaine A. Woodland, President and CEO, who recently retired from FKCB.

Diane and Elaine's unwavering dedication and commitment to FKCB are truly unmatched. Together, they brought over 80 years of invaluable experience to the banking industry, leaving a lasting legacy of knowledge, leadership, and integrity. Their expertise and guidance have shaped the organization and will be deeply missed by all.

A part of their leadership continues to inspire and influence everyone they have worked with, and their impact will be felt for years to come.

Thank you, Diane and Elaine, for your remarkable service and contributions!

As always, we thank and recognize our employees, officers, and board members for their continued outstanding efforts.

We sincerely thank you for your continued support and confidence.



Jack W. Jones

President and Chief Executive Officer



FIRST KEYSTONE COMMUNITY BANK—STAYING TRUE TO YESTERDAY’S TRADITIONS. TOMORROW’S VISION.

Committed to Community for 160 Years

In 1864, a small community bank started on East Front Street in Berwick, PA. First Keystone Community Bank was established to serve the local community’s banking needs with the premise of local banking by local people.

What started as one building with seven employees and \$50,000 in capital has transformed into 19 branches spanning five counties from Danville to Bethlehem, with 217 employees and more than \$1 billion in assets. Last year, we celebrated the extraordinary milestone of successfully delivering tailored products and services to our neighbors for 160 years.

We commemorated our 160th Anniversary with a brief program hosted by Board Chairman Robert A. Bull which featured certificates and accolades from the Columbia Montour Chamber of Commerce and multiple local government officials. We initiated the first Innovation in the Classroom Grant in honor of the anniversary that presented \$1,600 to the Berwick Area School District. In addition, we dispensed numerous donations to local non-profits and were honored with a visit from Mordecai Jackson, the first president of First Keystone Community Bank. A special thank you is extended to Jim Stout, curator of the Jackson Mansion in Berwick, for his profound portrayal of Col. Jackson.

We are honored and appreciative to our loyal customers and employees over the years who have partnered with us to help every community that we serve thrive because they are the Communities that We Call Home.

A Year in Review

We are proud of our heritage as a community bank. Each year, we honor that heritage by supporting our local communities with donations and sponsorships. In 2024, FKCB donated \$252,146 to local organizations throughout our service area. In addition, our employees showed their community support by donating to wear denim every Friday as part of our Denim Days initiative. Last year, Denim Days raised \$9,838 for 25 non-profit organizations. Our employees volunteered 2,700 hours for local activities and events and our branches conducted drives for books, toys, food, etc. because helping these local organizations assists our friends, our families, and our neighbors.

We continued our dedication to financial literacy education and fraud education. With the increase in financial scams and fraudulent activity, FKCB continues to recognize the importance of distributing information to our customers and community members about best practices to safeguard their identity and assets from scammers. We also continued our commitment to identify scam trends happening in our local areas to prevent others from becoming victims. In 2024 alone, our Fraud Department identified over \$250,000 in counterfeit checks and saved both the bank and our customers from those losses.

FKCB increased the efficiency of our ATM fleet by upgrading the machines with newer, faster units that can now accept deposits at all in-branch locations. The new ATMs continue our commitment to easier, more convenient banking for our customers.

Beginning A New Chapter

The conclusion of 2024 unveiled the beginning of a new chapter in FKCB history that is both exciting and bittersweet. The retirement of our president/chief executive officer and chief financial officer introduced a new regime to start the new year.

The installation of Jack W. Jones as our president and chief executive officer brought a new vision to the Bank. Changes and improvements to our current product line along with new innovative platforms are indications that 2025 is gearing up to be one of advancement and progression, setting the tone for FKCB to once again hold a leading edge in community banking.

Earlier this year, customers were introduced to our new online account opening platform that allows accounts to be opened anywhere with a computer or mobile device making banking easy and convenient.

We will be rolling out contactless cards that will allow our customers to make payments with a simple “tap” of the card. This free debit card feature allows for quicker transactions and provides added safety and security because the card never makes contact with the payment terminal making it less susceptible to card skimming.

One major development this year will be the redesign of the website allowing us to stay relevant and current to the needs of our customers. The new design will be more modern and intuitive allowing for an overall satisfactory experience.

The FKCB marketing platform will also see some revisions in 2025. Always striving to increase our footprint and staying within marketing trends, we will be increasing our digital advertising to include both online search and online display strategies. These methods are designed to reach targeted audiences that can benefit from our products and services. We will be complementing the digital tactics with a collection of traditional mediums for a well-rounded marketing mix in all regions.

First Keystone Community Bank has enjoyed a long, storied history with the people and communities in our service areas. For more than 160 years, we’ve been proud to be a pillar of strength and financial expertise with a network of branches spanning Columbia, Luzerne, Montour, Monroe and Northampton counties. More than just a bank, we are a true advocate for the communities we serve through our sponsorships, charitable contributions, and active employee volunteerism. We strive to stay true to our “community bank” roots by continually supporting local non-profits, schools and businesses, and proving to be a true community partner.

Our dedication to our community and our customers remains unwavering. We invest in them, and they trust in us. We look forward to serving the community and customers under new leadership as we begin a new chapter in 2025.



YESTERDAY'S TRADITIONS.
TOMORROW'S VISION.

FIRST KEYSTONE CORPORATION BOARD OF DIRECTORS



ROBERT A. BULL
CHAIRMAN
Attorney -
Bull & Bull LLP



JOHN E. ARNDT
VICE CHAIRMAN
Owner -
Arndt Insurance Agency



**D. MATTHEW
BOWER**
President -
Don E. Bower, Inc.



**WHITNEY B.
HOLLOWAY**
Business Manager -
Millville Area
School District



JACK W. JONES
President & CEO -
First Keystone
Community Bank



**MICHAEL L.
JEZEWSKI**
President & Owner -
Delta Electrical
Systems, Inc.



NANCY J. MARR
President Emerita -
Marr
Development Inc.



**WILLIAM E.
RINEHART**
President & Owner -
Gray Chevrolet
and Gray Chrysler
Dodge Jeep Ram



**DAVID R.
SARACINO**
SECRETARY
Retired Vice
President & CFO -
First Keystone
Community Bank



**ELAINE A.
WOODLAND**
Retired President
& CEO -
First Keystone
Community Bank

OFFICERS

ROBERT A. BULL
Chairman

JACK W. JONES
President & Chief Executive Officer

JOHN E. ARNDT
Vice Chairman

STACY GORDNER
Interim Chief Financial Officer
& Interim Treasurer

DAVID R. SARACINO
Secretary

CHERYL L. WYNINGS
Assistant Secretary

FIRST KEYSTONE COMMUNITY BANK OFFICERS

ROBERT A. BULL
Chairman of the Board

JOHN E. ARNDT
Vice Chairman

DAVID R. SARACINO
Secretary

EXECUTIVE OFFICERS

JACK W. JONES
President
Chief Executive Officer

JONATHAN R. LITTLEWOOD
Senior Vice President
Chief Lending Officer

MARK J. MCDONALD
Senior Vice President
Chief Credit Officer

CHRISTOPHER ZLOBIK
Senior Vice President
Chief Banking Officer

OFFICERS

SENIOR VICE PRESIDENT

JUNE GEORGE
Branch Administrator

REBECCA A. HOOPER
Senior Trust Officer

RYAN NAGLE
IT Manager

VICE PRESIDENT

JODI L. ALLEY
Loan Operations Manager

LEE A. HESS
Loan Review Officer & Security Officer

THOMAS J. MCGRATH III
Commercial Services Officer II

STACIA L. ARNAUD
Commercial Services Officer III

JASON P. HOLLOWAY
Commercial Services Officer III

LAURIE J. NUDO
Regional Branch Administrator

TIFFANY L. BIENKOWSKI
Commercial Services Officer I

AMANDA D. JARSKI
Compliance Officer

THOMAS POPKO
Commercial Services Officer

SANDRA L. COLE
Community Office Manager II

KATHLEEN M. JARSKI
Regional Branch Administrator

MICHAEL C. SANTIAGO
Commercial Services Officer III
& Sr. Market Manager

LEVI E. DILTZ
Information Security Officer

BRIAN M. KLINEFELTER
Credit Department Manager

JOHN SERAFIN
Commercial Services Officer III

JOHN A. DOUGHERTY
Community Office Manager II

STEVEN M. KOTCH
Loan Workout Officer

FRANCES I. SEWARD
Regional Branch Administrator

LAUREN E. DUANE
Business Services Manager

CINDY LAIDACKER
HR Manager

KIMBERLY S. SHINER
Community Office Manager II

JEFFREY GILBERT
Commercial Services Officer III

MARTIN B. LEANDRI
Financial Consultant/Trust Officer

CINDY L. THORNE
Trust Officer

BRENDA L. GRASLEY
Consumer Loan Manager

KRISTI A. MCCLINTOCK
Commercial Loan Document Specialist II

LEIGHTON B. WALSH
Mortgage Services Manager

ASSISTANT VICE PRESIDENT

LAUREL FIDRICK
Assistant IT Manager

RACHEL JENNINGS
Post-Closing Document Specialist

SHERRI A. SITLER
Deposit Review Officer

MELANIE A. FISHER
Credit Analyst II

ASHLEY M. MILLOWAY
Mortgage Loan Consultant I

CURTIS SNOWDEN
Commercial Services Officer I

YOLANDA FRANCIS
Regional Branch Administrator

RAY MOYER
Senior Systems Administrator

CHERYL L. WYNINGS
Executive Administrative Assistant/
Assistant Secretary

STACY L. GORDNER
Interim CFO

BONNIE NEVEL
Deposit Processing Supervisor

ASSISTANT CASHIER/OFFICER

NICHOLAS ADAMS
Senior Facilities Officer

LYDIA FATULA
Credit Intake/Doc Prep Specialist

CHRISTOPHER MATTHEWS
Commercial Services Officer I

RAQUEL AIELLO
Community Office Manager I

JENNIFER GROBLEWSKI
Community Office Manager I

KATHRYN MCNEAL
Mortgage Loan Underwriter/Processor

DAWN BETTINGER
Compliance Specialist

KAREN HENRICKSON
Electronic/Deposit Processing Clerk

KIM R. MURREN
Community Office Manager I

MEGAN R. BOONE
Electronic/Deposit Clerk

LILIANA HENRICKSON
Keystone Banker III

BRENDA OLIVARES
BSA Officer

EDWARD CHESEK
Senior IT Specialist

JOAN HENRY
Loan Operations Supervisor

TINA L. ROTH
IRA/HSA Specialist

SHANE A. DAVIS
Accountant II & Systems Administrator

JACKSON JAFFIN
Credit Analyst II

TERESA STERNER
Marketing Manager

NICOLE DIETTERICK
Community Office Manager I

JUSTINE KISHBAUGH
Loan Operations Specialist

ELIZABETH THOMAS
Consumer Loan Underwriter/Processor

BRENT ECKART
Computer Operations Supervisor

ALEX KLINGER
Accountant I/Loan Data Specialist

JESSICA THORNE
Interim Controller

GEOVANY ELIAS
Commercial Services Officer II

MICHELLE E. KOZAK
HR Specialist

DYLAN WOODARD
Systems Engineer

ANGELA A. MACKERT
Community Office Manager I

CORPORATE INFORMATION

THE CORPORATION

First Keystone Corporation is a bank holding company incorporated under the Pennsylvania Business Corporation Laws. Its assets consist primarily of the assets of its wholly-owned subsidiary, First Keystone Community Bank.

First Keystone Community Bank serves Columbia, Montour, Luzerne, Monroe, Northampton and Lehigh Counties. The Bank engages in general banking business and also provides fiduciary services.

CORPORATE HEADQUARTERS

First Keystone Corporation
111 West Front Street
Berwick, PA 18603
Telephone: 570-752-3671
Fax: 570-752-4022

NOTICE OF ANNUAL MEETING

The 2025 Annual Meeting of Shareholders will be held at 10:00 a.m., Eastern Daylight Time, on Thursday, May 8, 2025 at:

Berwick Golf Club
473 Martzville Road
Berwick, PA 18603

ANNUAL REPORT ON FORM 10-K

The Annual Report on Form 10-K as filed with the Securities and Exchange Commission may be obtained, without charge, by contacting:

Cheryl Wynings
Investor Relations
P.O. Box 289
Berwick, PA 18603
Telephone: 1-888-759-2266, extension 1175
Locally: 570-752-3671, extension 1175

TRANSFER AGENT AND REGISTRAR

To change or transfer registration of your stock, report a lost certificate, or other related inquiries, please contact our transfer agent at:

Equiniti Trust Company, LLC (EQ)
48 Wall Street, Floor 23
New York, NY 10005
1-800-937-5449
helpast@equiniti.com

DIRECT DEPOSIT

Shareholders may have their cash dividends deposited directly into the account of their choice at any banking institution, with no charge. Additional information and enrollment materials for direct deposit can be obtained by calling 1-800-937-5449.

DIVIDEND REINVESTMENT

The Plan, open to residents of Pennsylvania, provides the opportunity to have dividends automatically reinvested into First Keystone Corporation stock. Participants in the Plan may also elect to make cash contributions to purchase additional shares of common stock. For information regarding the Plan, contact the Plan Administrator at:

Equiniti Trust Company, LLC (EQ)
Plan Administration Department
Wall Street Station
P.O.Box 922
New York, NY 10269-0560
1-800-937-5449
helpast@equiniti.com

INVESTOR INFORMATION

Information regarding First Keystone Corporation is available online at firstkeystonecorp.fkc.bank. The website also includes additional information of interest to shareholders such as: historical stock prices, dividend declarations, press releases and governance documents.

Requests for information or assistance regarding the corporation should be directed to Shareholder Relations at

1-888-759-2266, extension 1175
Locally: 570-752-3671, extension 1175

STOCK LISTING

First Keystone Corporation common stock is traded on OTC Pink under the symbol "FKYS".

STOCK PURCHASE INQUIRIES

The following brokerage firms make a market in First Keystone Corporation common stock:

RBC Dain Rauscher, 800-223-4207
Janney Montgomery Scott LLC, 800-526-6397
Stifel Nicolaus & Co. Inc., 800-679-5446
Boenning & Scattergood, Inc., 800-883-1212

INDEPENDENT PUBLIC ACCOUNTANTS

Baker Tilly US, LLP
99 Wood Avenue South, Suite 801
Iselin, NJ 08830-2734
Telephone: 848-467-3909

OFFICE LOCATIONS



888-759-2266 | www.fkc.bank

MAIN OFFICE

111 West Front Street
Berwick, PA 18603
570-752-3671

NESCOPECK OFFICE

437 West Third Street
Nescopeck, PA 18635
570-759-2767

SALEM TOWNSHIP OFFICE

400 Fowler Avenue
Berwick, PA 18603
570-759-2628

FREAS AVENUE OFFICE

701 Freas Avenue
Berwick, PA 18603
570-752-1244

SCOTT TOWNSHIP OFFICE

2301 Columbia Boulevard
Bloomsburg, PA 17815
570-784-0354

MIFFLINVILLE OFFICE

133 West Third Street
Mifflinville, PA 18631
570-752-5750

HANOVER TOWNSHIP OFFICE

1540 Sans Souci Highway
Hanover Township, PA 18706
570-825-7352

DANVILLE OFFICE

1049 Bloom Road
Danville, PA 17821
570-275-8000

BRIAR CREEK OFFICE

55 Briar Creek Plaza
Berwick, PA 18603
570-802-0541

KINGSTON OFFICE

299 Wyoming Avenue
Kingston, PA 18704
570-718-1110

STROUDSBURG OFFICE

559 Main Street
Stroudsburg, PA 18360
570-424-9700

MOUNTAINHOME OFFICE

1154 Route 390
Cresco, PA 18326
570-595-9700

BRODHEADSVILLE OFFICE

2022 Route 209
Brodheadsville, PA 18322
570-402-2008

SWIFTWATER OFFICE

2070 Route 611
Swiftwater, PA 18370
570-839-7880

MOUNTAIN TOP OFFICE

18 North Mountain Boulevard
Mountain Top, PA 18707
570-715-0720

PLYMOUTH OFFICE

463 West Main Street
Plymouth, PA 18651
570-719-1400

DALLAS OFFICE

2325 Memorial Highway
Dallas, PA 18612
570-674-1030

SHICKSHINNY OFFICE

107 South Main Street
Shickshinny, PA 18655
570-542-6060

BETHLEHEM OFFICE

1503 Linden Street
Bethlehem, PA 18017
610-419-1412

Yesterday's Traditions.
Tomorrows Vision.



888-759-2266 www.fkc.bank

