Annual Report of Holding Companies—FR Y-6

Report at the close of business as of the end of fiscal year

This Report is required by law: Section 5(c)(1)(A) of the Bank Holding Company Act (12 U.S.C. § 1844(c)(1)(A)); sections 8(a) and 13(a) of the International Banking Act (12 U.S.C. §§ 3105(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611(a); and sections 113, 165, 312, 616, and 609 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850(c)(1), and 5466(b)(1))). Return to the appropriate Federal Reserve Bank the original and the number of copies specified.

NOTE: The Annual Report of Holding Companies must be signed by one director of the top-tier holding company. This individual should also be a senior official of the top-tier holding company. In the event that the top-tier holding company does not have an individual who is a senior official and is also a director, the chairman of the board must sign the report. If the holding company is an ESOP/ESOT formed as a corporation or is an LLC, see the General Instructions for the authorized individual who must sign the report.

Name of the Holding Company Director and Official
President

attest that the Annual Report of Holding Companies (including the supporting attachments) for this report date has been prepared in conformance with the instructions issued by the Federal Reserve System and are true and correct to the best of my knowledge and belief.

With respect to information regarding individuals contained in this report, the Reporter certifies that it has the authority to provide this information to the Federal Reserve. The Reporter also certifies that it has the authority, on behalf of each individual, to consent or object to public release of information regarding that individual. The Federal Reserve may assume, in the absence of a request for confidential treatment submitted in accordance with the Board's "Rules Regarding Availability of Information," 12 C.F.R. Part 261, that the Reporter and individual consent to public release of all details in the report concerning that individual.

Signature of Holding Company Director and Official
03/08/2017

Date of Signature

For holding companies not registered with the SEC—Indicate status of Annual Report to Shareholders:
☐ is included with the FR Y-6 report
☐ will be sent under separate cover
☐ is not prepared

For Federal Reserve Bank Use Only

RSSL ID
31012
C.

FR Y-6
OMB Number 7100-0297
Approval expires September 30, 2018
Page 1 of 1

Date of Report (top-tier holding company's fiscal year-end):
December 31, 2016
Month / Day / Year
N/A

Reporter's Legal Entity Identifier (LEI) (20-Character LEI Code)

Keystone Financial, Inc.
Legal Title of Holding Company
PO Box 427
Mailing Address of the Holding Company) Street / P.O. Box
Elderton PA 15736
City State Zip Code

Physical Location (if different from mailing address)

Person to whom questions about this report should be directed:
Sally J. Anderson CFO
Name Title
724-354-5010
Area Code / Phone Number / Extension
724-354-2060
Area Code / FAX Number
sallyanderson@eldertonbank.com
E-mail Address
N/A

Address (URL) for the Holding Company's web page

Is confidential treatment requested for any portion of this report submission? [ ] Yes [ ] No

In accordance with the General Instructions for this report (check only one),
1. a letter justifying this request is being provided along with the report
2. a letter justifying this request has been provided separately

NOTE: Information for which confidential treatment is being requested must be provided separately and labeled as "confidential."

12/2016
Report Item

1. Annual report to shareholders

The annual report is not completed yet. It will be sent under separate cover as soon as it is completed.

2.a. Organization Chart *

Keystone Financial, Inc.
Elderton, Pennsylvania 15736 (USA)
Incorporated in Pennsylvania

No LEI data to report.

100%

Elderton State Bank
Elderton, Pennsylvania 15736 (USA)
Incorporated in Pennsylvania

No LEI data to report.

2.b. Domestic Branch Listing

Submitted early via email on 3-8-17

* LEI is N/A unless noted.
Report Item

3. Securities Holders

Current shareholders with ownership, control or holdings of 5% or more with power to vote as of 12-31-16

1(a)(b)
Name and Address
(City, State, Country)
Country of Citizenship or Incorporation

1(c)
Number and Percentage of Each Class of Voting Securities

Cede and Company
New York, NY/USA
USA

4,631 Shares (7.41%)

Alice Young
Kittanning, PA/USA
USA

5,100 Shares (8.16%)

Shareholders not listed in 3(1)a through 3(1)c that had ownership, control or holdings of 5% or more with power to vote during the fiscal year ending 12-31-16

2(a)(b)
Name and Address
(City, State, Country)
Country of Citizenship or Incorporation

2(c)
Number and Percentage of Each Class of Voting Securities

N/A

N/A
### Report Item

<table>
<thead>
<tr>
<th>(1) Name &amp; Address (City, State, Country)</th>
<th>(2) Principal Occupation if Other Than With Bank Holding Company</th>
<th>(3)(a) Title &amp; Position With Bank Holding Company</th>
<th>(3)(b) Title &amp; Position With Subsidiaries (include names of subsidiaries)</th>
<th>(4)(c) Names of Other Companies (includes partnerships) if 25% or More of Voting Securities are Held (list names of companies and % of voting securities held)</th>
<th>(4)(a) Percentage of Voting Shares in Bank Holding Company</th>
<th>(4)(b) Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Lee J. Calarie</td>
<td>Collector Retired Attorney</td>
<td>Director</td>
<td>Director and Collector (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Retired Attorney</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Frederick M. Heilman</td>
<td>Retired Engineer</td>
<td>Director and Chairman</td>
<td>Director and Chairman (Elderton State Bank)</td>
<td>N/A</td>
<td>2%</td>
<td>None</td>
</tr>
<tr>
<td>Indiana, PA/USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Chris D. Kimmel</td>
<td>Farming</td>
<td>Director</td>
<td>Director (Elderton State Bank)</td>
<td>N/A</td>
<td>2%</td>
<td>None</td>
</tr>
<tr>
<td>Shelocta, PA/USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Creekland Farms, Inc. (62.5%)</td>
</tr>
<tr>
<td>Allen W. Lockard</td>
<td>Retired</td>
<td>Director</td>
<td>Director (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Indiana, PA/USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>Amanda S. Knell</td>
<td>N/A</td>
<td>Vice President</td>
<td>Vice President, Compliance Officer, and HR Manager (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Vandergrift, PA/USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
<tr>
<td>James J. Szalankiewicz</td>
<td>Engineer/Surveyor</td>
<td>Director</td>
<td>Director (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
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<tr>
<td>Indiana, PA/USA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Percentage of Voting Shares Less Than 1%
<table>
<thead>
<tr>
<th>Name &amp; Address (City, State, Country)</th>
<th>Principal Occupation if Other Than With Bank Holding Company</th>
<th>Title &amp; Position With Subsidiaries (include names of subsidiaries)</th>
<th>Title &amp; Position With Other Businesses (include names of other businesses)</th>
<th>Percentage of Voting Shares in Bank Holding Company</th>
<th>Percentage of Voting Shares in Subsidiaries (include names of subsidiaries)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pamela E. Miller</td>
<td>Attorney</td>
<td>Director (Elderton State Bank)</td>
<td>N/A</td>
<td>4%</td>
<td>None</td>
</tr>
<tr>
<td>Indiana, PA/USA</td>
<td>Attorneys, Directors, Directors, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Richard E. Pesta</td>
<td>Retired University Professor</td>
<td>Director (Elderton State Bank)</td>
<td>N/A</td>
<td>1%</td>
<td>None</td>
</tr>
<tr>
<td>La Vale, MD/USA</td>
<td>Adjunct Professor, Director (Elderton State Bank)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ray A. Sleppy</td>
<td>N/A</td>
<td>Exec. Vice President and CLO (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Penn Run, PA/USA</td>
<td>Exec. Vice President, Directors, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cathy J. Waugaman</td>
<td>N/A</td>
<td>Secretary (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Shelocta, PA/USA</td>
<td>Secretary, Directors, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Volker L. Zaun</td>
<td>N/A</td>
<td>Director, President, Secretary, and CEO (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Elderton, PA/USA</td>
<td>Directors, Presidents, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sally J. Anderson</td>
<td>N/A</td>
<td>Vice President (Elderton State Bank)</td>
<td>N/A</td>
<td>*</td>
<td>None</td>
</tr>
<tr>
<td>Templeton, PA/USA</td>
<td>Vice President, Directors, etc.</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Percentage of Voting Shares Less Than 1%

Names of Other Companies (includes partnerships) if 25% or More of Voting Securities are Held (list names of companies and % of voting securities held):

Pamela E. Miller, Attorney at Law (100%)
Results: A list of branches for your depository institution: ELDERTON STATE BANK (ID_RSSD: 282824).
This depository institution is held by KEYSTRONG FINANCIAL INC. (3631013) of ELDERTON, PA.
The data are as of 12/31/2016. Data reflects information that was received and processed through 02/10/2017.

Reconciliation and Verification Steps
1. In the Data Action column of each branch row, enter one or more of the actions specified below.
2. If required, enter the date in the Effective Date column.

Actions
OK: If the branch information is correct, enter 'OK' in the Data Action column.
Change: If the branch information is incorrect or incomplete, revise the data, enter 'Change' in the Data Action column and the date when this information first became valid in the Effective Date column.
Close: If a branch listed was sold or closed, enter 'Close' in the Data Action column and the sale or closure date in the Effective Date column.
Delete: If a branch listed was never owned by this depository institution, enter 'Delete' in the Data Action column.
Add: If a reportable branch is missing, insert a row, add the branch data, and enter 'Add' in the Data Action column and the opening or acquisition date in the Effective Date column.

If printing this list, you may need to adjust your page setup in MS Excel. Try using landscape orientation, page scaling, and/or legal sized paper.

Submission Procedure
When you are finished, send a saved copy to your FRB contact. See the detailed instructions on this site for more information.
If you are e-mailing this to your FRB contact, put your institution name, city and state in the subject line of the e-mail.

Note:
To satisfy the FR Y-10 reporting requirements, you must also submit FR Y-10 Domestic Branch Schedules for each branch with a Data Action of Change, Close, Delete, or Add.
The FR Y-10 report may be submitted in a hardcopy format, or via the FR Y-10 Online application: https://y10online.federalreserve.gov.

<table>
<thead>
<tr>
<th>Data Action</th>
<th>Effective Date</th>
<th>Branch Service Type</th>
<th>Branch ID_RSSD*</th>
<th>Popular Name</th>
<th>Street Address</th>
<th>City</th>
<th>State</th>
<th>Zip Code</th>
<th>County</th>
<th>Country</th>
<th>FDIC UNNUM*</th>
<th>Office Number*</th>
<th>Head Office</th>
<th>Head Office ID_RSSD*</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>OK</td>
<td>282824</td>
<td>Full Service (Head Office)</td>
<td>282824</td>
<td>ELDERTON STATE BANK</td>
<td>543 MAIN STREET</td>
<td>ELDERTON</td>
<td>PA</td>
<td>15735</td>
<td>ARMSTRONG</td>
<td>UNITED STATES</td>
<td>207</td>
<td>0</td>
<td>ELDERTON STATE BANK</td>
<td>282824</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>461485</td>
<td>Full Service</td>
<td>461485</td>
<td>ELDERTON STATE BANK - N. APOLLO OFFICE</td>
<td>3605 RIVER ROAD</td>
<td>NORTH APOLLO</td>
<td>PA</td>
<td>15633</td>
<td>ARMSTRONG</td>
<td>UNITED STATES</td>
<td>Not Required</td>
<td>Not Required</td>
<td>ELDERTON STATE BANK</td>
<td>282824</td>
<td></td>
</tr>
<tr>
<td>OK</td>
<td>2839996</td>
<td>Full Service</td>
<td>2839996</td>
<td>RURAL VALLEY BRANCH</td>
<td>719 WATER STREET AND ROUTE 85</td>
<td>RURAL VALLEY</td>
<td>PA</td>
<td>16249</td>
<td>ARMSTRONG</td>
<td>UNITED STATES</td>
<td>41740</td>
<td>2</td>
<td>ELDERTON STATE BANK</td>
<td>282824</td>
<td></td>
</tr>
</tbody>
</table>

* FDIC UNNUM, Office Number, and ID_RSSD columns are for reference only. Verification of these values is not required.