

Edgar Filing: FIRST KEYSTONE CORP - Form 10-Q

FIRST KEYSTONE CORP
Form 10-Q
November 09, 2007

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the quarterly period ended September 30, 2007

OR

Transition Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 for the transition period from _____ to _____

Commission File Number: 2-88927

FIRST KEYSTONE CORPORATION
(Exact name of registrant as specified in its charter)

Pennsylvania
(State or other jurisdiction of incorporation or organization)

23-2249083
(I.R.S. Employer identification No.)

111 West Front Street, Berwick, PA
(Address of principal executive offices)

18603
(Zip Code)

Registrant's telephone number, including area code: (570) 752-3671

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of "accelerated filer and large accelerated filer" in Rule 12b-2 of the Exchange Act). (Check one):

Large accelerated filer Accelerated Filer
Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

Yes No

Edgar Filing: FIRST KEYSTONE CORP - Form 10-Q

On October 31, 2007 there were 4,518,873 shares of the Registrant's common stock outstanding.

PART I. - FINANCIAL INFORMATION

Item. 1 Financial Statements

FIRST KEYSTONE CORPORATION AND SUBSIDIARY CONSOLIDATED BALANCE SHEETS

(Amounts in thousands)

	September 2007 (Unaudited)	December 2006
ASSETS		
Cash and due from banks	\$ 6,330	\$ 5,881
Interest bearing deposits in other banks	8	4,307
Investment securities, available- for-sale securities carried at estimated fair value	248,730	237,009
Investment securities, held-to- maturity securities, estimated fair value of \$4,534 and \$6,908	4,542	6,929
Loans, net of unearned income	267,883	251,757
Allowance for loan losses	(3,796)	(3,671)
Net loans	\$264,087	\$248,086
Premises and equipment-net	4,983	5,016
Accrued interest receivable	3,404	2,686
Cash surrender value of bank owned life insurance	13,346	11,942
Goodwill	1,224	1,224
Other assets	4,885	2,840
TOTAL ASSETS	\$551,539	\$525,920
LIABILITIES AND STOCKHOLDERS' EQUITY		
LIABILITIES		
Deposits		
Non-interest bearing	\$ 42,143	\$ 41,361
Interest bearing	350,765	342,659
TOTAL DEPOSITS	\$392,908	\$384,020
Short-term borrowings	45,246	28,179
Long-term borrowings	57,280	57,535
Accrued interest and other expenses	2,965	2,581
Other liabilities	208	218
TOTAL LIABILITIES	\$498,607	\$472,533

Edgar Filing: FIRST KEYSTONE CORP - Form 10-Q

STOCKHOLDERS' EQUITY		
Common stock, par value		
\$2 per share	\$ 9,511	\$ 9,511
Surplus	16,119	16,119
Retained earnings	35,170	33,793
Accumulated other comprehensive income	(1,813)	(126)
Less treasury stock at cost		
236,691 shares in 2007 and		
228,900 in 2006	(6,055)	(5,910)
TOTAL STOCKHOLDERS' EQUITY	\$ 52,932	\$ 53,387
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$551,539	\$525,920
	=====	=====

See Accompanying Notes to Consolidated Financial Statements

1

FIRST KEYSTONE CORPORATION AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF INCOME
FOR THE THREE MONTHS ENDED SEPTEMBER 30, 2007 AND 2006
(Unaudited)

(Amounts in thousands except per share data)

	2007	2006
INTEREST INCOME		
Interest and fees on loans	\$4,525	\$4,223
Interest and dividend income on securities	3,303	3,012
Deposits in banks	2	1
TOTAL INTEREST INCOME	\$7,830	\$7,236
INTEREST EXPENSE		
Deposits	\$3,328	\$2,951
Short-term borrowings	439	250
Long-term borrowings	702	709
TOTAL INTEREST EXPENSE	\$4,469	\$3,910
Net interest income	\$3,361	\$3,326
Provision for loan losses	25	100
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$3,336	\$3,226
NON-INTEREST INCOME		

Edgar Filing: FIRST KEYSTONE CORP - Form 10-Q

Trust department	\$ 137	\$ 122
Service charges and fees	518	537
Bank owned life insurance income	144	121
Gain on sale of loans	14	10
Investment securities gains (losses) - net	72	74
Other	88	88
	<hr/>	<hr/>
TOTAL NON-INTEREST INCOME	\$ 973	\$ 952
	<hr/>	<hr/>
NON-INTEREST EXPENSES		
Salaries and employee benefits	\$1,316	\$1,279
Occupancy, net	171	154
Furniture and equipment	182	187
Professional services	70	115
State shares tax	138	131
Other	553	514
	<hr/>	<hr/>
TOTAL NON-INTEREST EXPENSES	\$2,430	\$2,380
	<hr/>	<hr/>
Income before income taxes	\$1,879	\$1,798
Income tax expense	338	295
	<hr/>	<hr/>
Net Income	\$1,541	\$1,503
	<hr/>	<hr/>
PER SHARE DATA		