



October 17, 2003

VIA FACSIMILE AND BY CERTIFIED RETURN RECEIPT REQUESTED

Board of Trustees
Keystone Savings Bank
Route 512 and Highland Avenue
Bethlehem, Pennsylvania 18017

Board of Trustees:

The notice of intent to convert from mutual to stock form filed on behalf of Keystone Savings Bank, Bethlehem, Pennsylvania, has been reviewed by the Federal Deposit Insurance Corporation (FDIC) pursuant to the FDIC's regulations at 12 C.F.R. Sections 303.163 and 333.4. Based on the information provided and representations made, the FDIC poses no objection to the proposed conversion transaction.

Please notify our New York Regional Office in writing when the proposed transaction has been consummated.

Sincerely,

/s/

John M. Lane
Deputy Director

cc: John P. Soukenik, Esquire
Elias, Matz, Tiernan & Herrick L.L.P.
12th Floor
734 15th Street, N.W.
Washington, D.C. 20005