

**FIRST
KEYSTONE
FINANCIAL, INC.**

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FOR IMMEDIATE RELEASE

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***FIRST KEYSTONE FINANCIAL INC. ANNOUNCES
QUARTERLY DIVIDEND AND STOCK REPURCHASE PROGRAM***

Media, PA, November 30, 2001 - First Keystone Financial, Inc. (Nasdaq: FKFS), the holding company for First Keystone Federal Savings Bank, announced today that its Board of Directors has increased its quarterly cash dividend to \$.09 per share, a 12.5 percent increase over the prior year. The dividend is payable on January 2, 2002, to stockholders of record on December 14, 2001.

We are pleased to announce this modest increase in our quarterly dividend," announced Donald S. Guthrie, President and CEO. "This increase reflects First Keystone's ongoing priority of enhancing shareholder value through the combination of performance and earnings growth."

Mr. Guthrie also announced that its Board of Directors has authorized the repurchase of up to 203,752 shares, or 10% of the issued and outstanding common stock of the Company. According to Mr. Guthrie, "current market conditions continue to make a stock repurchase plan in line with our overall strategic plan. A repurchase of our stock at the current price levels also benefits our overall goal of enhancing shareholder value."

Repurchases are authorized to be made by the Company from time to time in open market transactions or otherwise during the next year as, in the opinion of management, market conditions warrant. The repurchased shares will be held as treasury stock and will be available for general corporate purposes.

First Keystone Financial, Inc., headquartered in Media, Pennsylvania, is a financial services company with consolidated assets of \$489.1 million and stockholders' equity of \$30.6 million or \$15.06 per share at September 30, 2001. First Keystone Federal Savings Bank, the Company's wholly owned subsidiary, operates seven full-service branch offices in Delaware and Chester Counties.