

# News Release

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## FOR IMMEDIATE RELEASE

### **BALLSTON SPA BANCORP, INC.** **REPORTS SECOND QUARTER EARNINGS**

BALLSTON SPA, NY – August 5, 2009—Ballston Spa Bancorp, Inc., parent company of Ballston Spa National Bank, recently reported net income of \$1.2 million or \$1.58 per share for the six-month period ending June 30, 2009, down from \$1.4 million or \$1.83 per share reported for the same period in 2008. Year-to-date earnings performance was negatively impacted by a significant increase in FDIC deposit insurance premiums and additional contributions to the allowance for loan losses. Combined, these expenses increased \$646 thousand through the first six months of 2009 as compared to the same period in 2008.

The increased costs were offset by solid growth in the commercial banking market. As of June 30, 2009, commercial and commercial real estate loans totaled \$71.3 million, an increase of 16.4% from June 30, 2008. Despite the economic downturn, asset quality remains strong with nonperforming loans continuing to compare favorably with our peers and totaling 1.16% of total loans as of June 30, 2009. Positioning of the balance sheet also resulted in an 8.7% jump in net interest income for the six months ending June 30, 2009 as compared to the same time period in 2008.

“We are pleased that we remain in a strong position to further pursue a growth strategy,” stated Christopher R. Dowd, President and CEO. “Our experienced staff and commitment to customer service leave us well-positioned to respond to the needs of our communities and to provide value to our shareholders.”

#### ABOUT BALLSTON SPA BANCORP AND BALLSTON SPA NATIONAL BANK

Ballston Spa Bancorp, Inc. is the parent company of Ballston Spa National Bank and is traded under the symbol [bspa.ob](#). With an emphasis on building long-term relationships, BSNB offers a wide range of products and services to individuals, families, municipalities and businesses. Offices are located in Ballston Spa, Milton, Galway, Stillwater, Burnt Hills, Clifton Park, Malta, Greenfield Center and Wilton. For more information, please visit Ballston Spa National Bank’s web site at [www.bsnb.com](http://www.bsnb.com).

This news release contains forward-looking statements and comments on outlook. Any number of conditions may occur, which would affect important factors that may materially change expectations. These factors include, but are not limited to, customer trading activity, changes in technology, shifts in competitive patterns, decisions with regard to products and services, changes in revenues and profits, and significant changes in the market environment regionally or nationally.

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