

News Release

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FOR IMMEDIATE RELEASE

BALLSTON SPA BANCORP, INC. **REPORTS THIRD QUARTER EARNINGS**

BALLSTON SPA, NY – October 19, 2009—Ballston Spa Bancorp, Inc., parent company of Ballston Spa National Bank, today reported net income of \$1.8 million or \$2.38 per share for the nine-month period ending September 30, 2009, down from \$2.0 million or \$2.72 per share reported for the same period in 2008. Growth in the commercial loan portfolios and core deposit base led to a 4.6% increase in net interest income for the nine months ending September 30, 2009 as compared to the same period in 2008. The improved earnings performance was unfortunately offset by a significant increase in FDIC deposit insurance premiums and pension costs during the period. More specifically, these combined expenses for the 9-month period ending September 30, 2009 increased \$1.1 million over the same period in 2008.

“Like many in our industry this year, we have been asked to shoulder the financial burden of contributing to the restoration of the deposit insurance fund,” stated Christopher R. Dowd, President and CEO. “Our strong and improving financial performance provides the necessary foundation to support the deposit fund while remaining well-positioned to meet the growing needs of our market. We are proud of our performance and believe that our disciplined growth strategy will lead to further success.”

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.

This news release may contain 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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