

September 24, 2025

# Ballston Spa Bancorp, Inc. Merger with NBC Bancorp, Inc.



# Disclaimer

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

This communication may contain forward-looking statements, including, but not limited to, certain plans, expectations, goals, projections, and statements about the benefits of the proposed transaction, the plans, objectives, expectations and intentions of Ballston Spa Bancorp, Inc. ("Ballston Spa" or the "Company") and NBC Bancorp, Inc. ("NBC"), the expected timing of completion of the proposed transaction, and other statements that are not historical facts. Such statements reflect the current views of Ballston Spa and NBC with respect to future events and financial performance, and are subject to numerous assumptions, risks, and uncertainties. Statements that do not describe historical or current facts, including statements about beliefs, expectations, plans, predictions, forecasts, objectives, assumptions or future events or performance, are forward-looking statements. Forward-looking statements often, but not always, may be identified by words such as expect, anticipate, believe, intend, potential, estimate, plan, target, goal, or similar words or expressions, or future or conditional verbs such as will, may, might, should, would, could, or similar variations.

Ballston Spa and NBC caution that the forward-looking statements in this communication are not guarantees of future performance and involve a number of known and unknown risks, uncertainties and assumptions that are difficult to assess and are subject to change based on factors that are, in many instances, beyond Ballston Spa's and NBC's control. While there is no assurance that any list of risks and uncertainties or risk factors is complete, below are certain factors that could cause actual results to differ materially from those contained or implied in the forward-looking statements: (1) changes in general economic, political, or industry conditions; (2) uncertainty in US. fiscal and monetary policy, including the interest rate policies of the Federal Reserve Board; (3) volatility and disruptions in global capital and credit markets; (4) movements in interest rates; (5) the resurgence of elevated levels of inflation or inflationary pressures in the United States and the NBC and Ballston Spa market areas; (6) increased competition in Ballston Spa and NBC's markets; (7) success, impact, and timing of business strategies of Ballston Spa and NBC; (8) the nature, extent, timing, and results of governmental actions, examinations, reviews, reforms, regulations, and interpretations; (9) the expected impact of the proposed transaction between NBC and Ballston Spa on the combined entities' operations, financial condition, and financial results; (10) the failure to obtain necessary regulatory approvals (and the risk that such approvals may result in the imposition of conditions that could adversely affect the combined company or the expected benefits of the proposed transaction); (11) the failure to obtain Ballston Spa or NBC stockholder approval or to satisfy any of the other conditions to the proposed transaction on a timely basis or at all or other delays in completing the proposed transaction; (12) the occurrence of any event, change, or other circumstances that could give rise to the right of one or both of the parties to terminate the merger agreement; (13) the outcome of any legal proceedings that may be instituted against Ballston Spa or NBC; (14) the possibility that the anticipated benefits of the proposed transaction are not realized when expected or at all, including as a result of the impact of, or problems arising from, the integration of the two companies or else result of the strength of the economy and competitive factors in the areas where Ballston Spa and NBC do business; (15) the possibility that the proposed transaction may be more expensive to complete than anticipated, including as a result of unexpected factors or events; (16) diversion of management's attention from ongoing business operations and opportunities; (17) potential adverse reactions or charges to business or employee relationships, including those resulting from the announcement or completion of the proposed transaction; (18) the dilution caused by Ballston Spa's issuance of additional shares of its capital stock in connection with the proposed transaction; (19) cyber incidents or other failures, disruptions or breaches of our operational or security systems or infrastructure, or those of our third-party vendors or other service providers, including as a result of cyber-attacks; and (20) other factors that may affect the future results of Ballston Spa and NBC.

All forward-looking statements speak only as of the date they are made and are based on information available at that time. Neither Ballston Spa nor NBC assumes any obligation to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements were made or to reflect the occurrence of unanticipated events except as required by applicable law. As forward-looking statements involve significant risks and uncertainties, and therefore, caution should be exercised against placing undue reliance on such statements. All forward-looking statements, express or implied, included in the document are qualified in their entirety by this cautionary statement.

# Disclaimer

## **ADDITIONAL INFORMATION AND WHERE TO FIND IT**

This communication is being made with respect to the proposed transaction involving Ballston Spa and NBC. This material is not a solicitation of any vote or approval of the Ballston Spa or NBC stockholders and is not a substitute for the joint proxy statement/prospectus or any other documents that Ballston Spa and NBC may send to their respective stockholders in connection with the proposed transaction. This communication does not constitute an offer to sell or the solicitation of an offer to buy any securities, nor shall there be any sale of securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

In connection with the proposed transaction between Ballston Spa and NBC, Ballston Spa will file with the SEC a Registration Statement on Form S-4 (the 'Registration Statement') that will include a joint proxy statement for the respective special meetings of Ballston Spa's and NBC's stockholders to approve the proposed transaction and that will also constitute a prospectus for the Ballston Spa common stock that will be issued in the proposed transaction, as well as other relevant documents concerning the proposed transaction. BEFORE MAKING ANY VOTING OR INVESTMENT DECISIONS, INVESTORS AND STOCKHOLDERS OF BALLSTON SPA AND NBC ARE URGED TO READ THE REGISTRATION STATEMENT AND THE JOINT PROXY STATEMENT/PROSPECTUS REGARDING THE PROPOSED TRANSACTION WHEN IT BECOMES AVAILABLE AND ANY OTHER RELEVANT DOCUMENTS FILED WITH THE SEC, AS WELL AS ANY AMENDMENTS OR SUPPLEMENTS TO THOSE DOCUMENTS, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. Ballston Spa and NBC will each mail the joint proxy statement/prospectus to its stockholders. The documents filed by Ballston Spa with the SEC may be obtained, free of charge at the SEC's website at [www.sec.gov](http://www.sec.gov). Alternatively, these documents, when available, can be obtained-free of charge-from Ballston Spa upon written request to Investor Relations, Ballston Spa Bancorp, 990 State Route 67, Ballston Spa, New York 12020.

## **PARTICIPANTS IN THE SOLICITATION**

Ballston Spa, NBC and certain of their respective directors and executive officers may be deemed to be participants in the solicitation of proxies with respect to the proposed transaction under the rules of the SEC. Information regarding the participants in the solicitation of proxies in respect of the proposed transaction, and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the proxy statement/prospectus and other relevant materials to be filed with the SEC. Free copies of these documents, when available, may be obtained as described in the preceding paragraph.

## **CONTACT INFORMATION FOR INVESTOR RELATED INQUIRIES**

### **Ballston Spa Bancorp, Inc.**

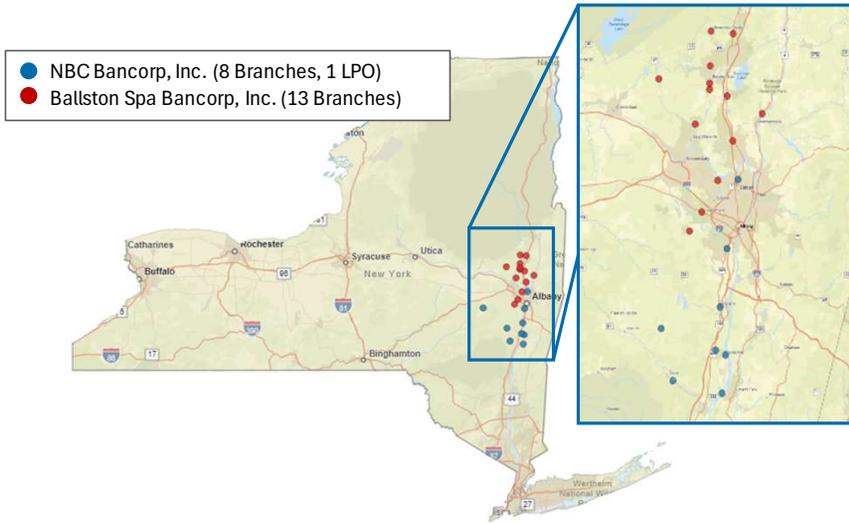
Chris Dowd, President and CEO (518)-363-8113  
James Dodd, EVP and CFO (518)-363-8651

### **NBC Bancorp, Inc.**

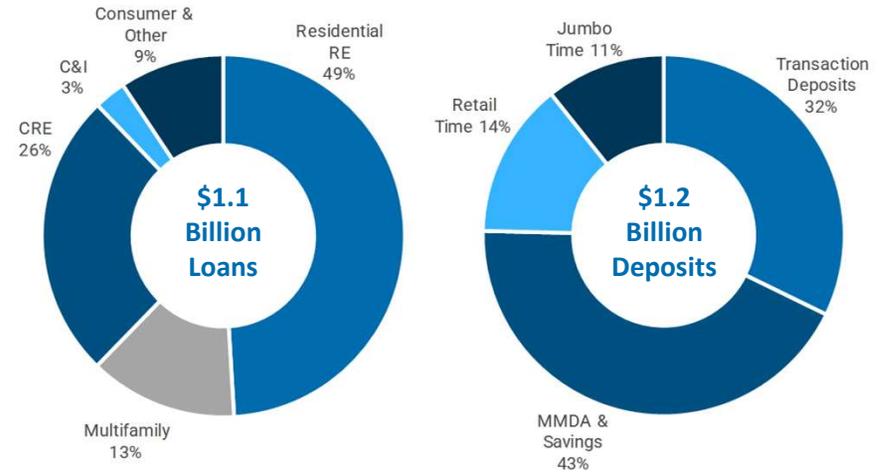
John Balli, President and CEO (518)-313-7062, x2112  
Caitlin McCrea, SVP and CFO (518)-313-7062, x2113

# Combining Two Community Leaders in the Capital Region

## Expanded Geographic Footprint & Customer Base



## Improved Loan & Deposit Mix (pro forma combined)



## Enhanced Scale & Pro Forma Financial Performance

<b>\$1.3 Billion</b>	<b>\$1.1 Billion</b>	<b>\$1.2 Billion</b>
Assets	Loans	Deposits
<b>\$12.06</b>	<b>\$70.87</b>	<b>\$1.32</b>
2027 Combined EPS	Est. TBVPS (Closing)	LTM BSPA Div PS

## Combined Relationships of Experienced Leadership

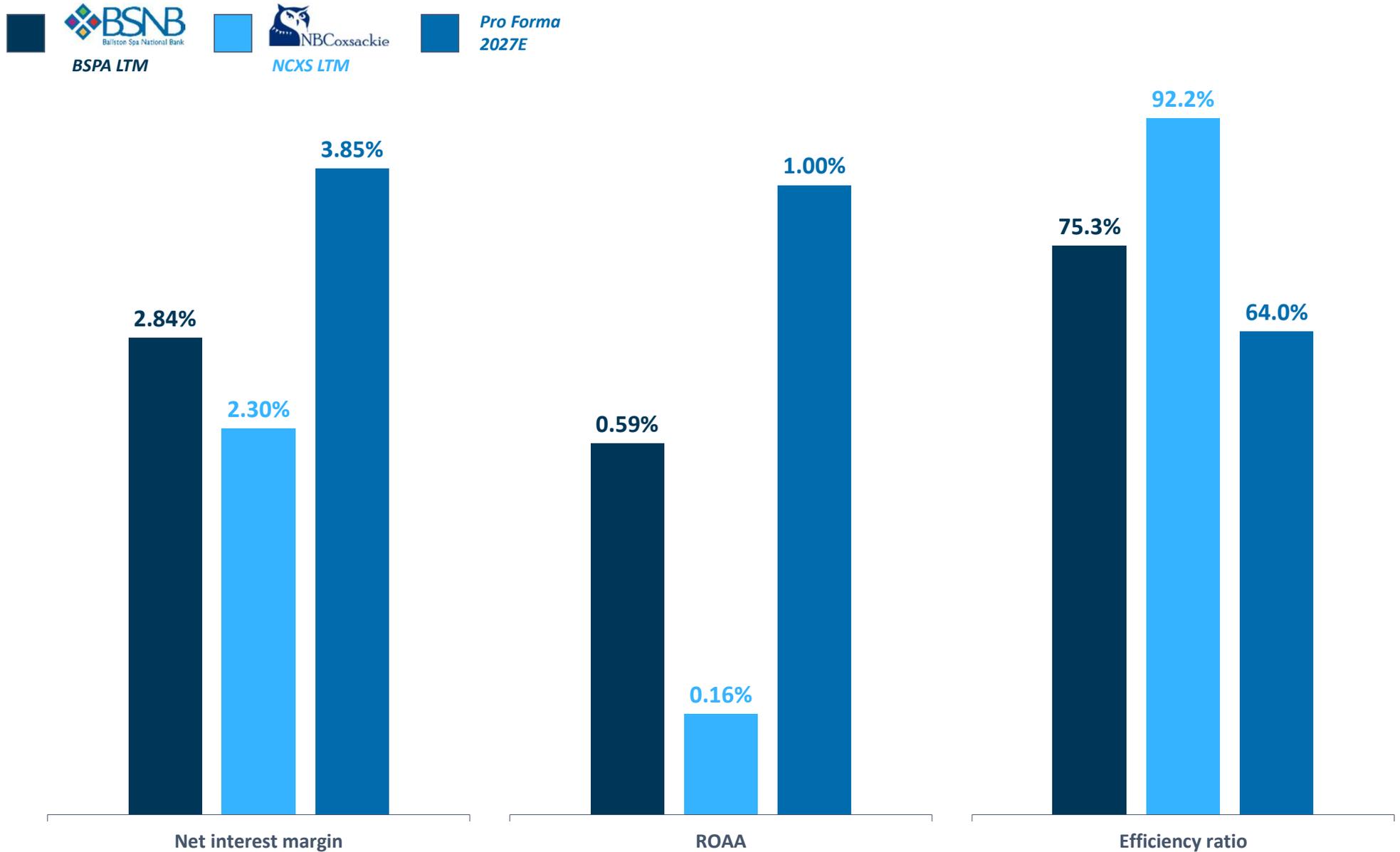
 <b>Chris Dowd</b> CEO Ballston Spa	 <b>John Balli</b> CEO NBC	
 <b>James Dodd</b> Chief Financial Officer Ballston Spa	 <b>James Conroy</b> Chief Banking Officer Ballston Spa	 <b>Caitlin McCrea</b> Chief Financial Officer NBC

Source: S&P Capital IQ Pro as of June 30, 2025.

Pro forma loan and deposit composition excludes impact of purchase accounting adjustments.

Projected financial information contains many inputs that are subject to change, including fair value adjustments which will not be final until closing.

# Improved Projected Financial Performance



Source: S&P Capital IQ Pro as of June 30, 2025.

Pro forma information includes impact of purchase accounting adjustments.

Projected financial information contains many inputs that are subject to change, including fair value adjustments which will not be final until closing.

# Merger Transaction Highlights

## Strategic Rationale

- **Transformative** merger of equals creating a more competitive financial institution in the Capital region
- Highly complementary branch networks providing expanded coverage in the greater Albany market
- Enhanced size and scale introduces higher lending limit, and potential for cost savings on overlapping services
- Opportunity to restructure combined balance sheet to position for improved future performance
- Combined leadership team with extensive management experience leading community banking institutions

## Merger Structure

- Merger of equals
- Ballston Spa to be the legal and accounting acquiror
- NBC and National Bank of Coxsackie to merge with and into Ballston Spa and Ballston Spa National Bank, respectively
- National Bank of Coxsackie to operate as a division of Ballston Spa National Bank
- No branch closings contemplated as part of the transaction

## Capital Raise

- Subordinated debt capital raise of up to \$20 million to support capital ratios at closing as well as future growth
- Capital raise anticipated to be closed in the first half of 2026 prior to closing of the transaction

# Merger Transaction Highlights

## Consideration & Ownership

- 100% stock-for-stock transaction
- Fixed exchange ratio of 0.8065 Ballston Spa shares for each NBC share, based on relative tangible common equity contribution
- Deal value of approximately \$26.0 million, or \$55.01 per NBC share
- Pro forma ownership: 66% Ballston Spa | 34% NBC (based on tangible book value contribution)
- Most recent Ballston Spa dividend translates to \$1.06 annual equivalent dividend for NBC shareholders

## Board Composition & Leadership

- Pro forma Board of Directors to include existing 9 directors from Ballston Spa and 4 directors from NBC
- Chris Dowd to remain CEO of the combined bank and holding company
- John Balli to become President of the combined bank and holding company
- James Dodd to remain EVP and Chief Financial Officer of the combined bank and holding company
- James Conroy to remain EVP and Chief Banking Officer of the combined bank and holding company
- Caitlin McCrea to become SVP and Treasurer of the combined bank and holding company

## Timing & Approvals

- Anticipated closing second quarter of 2026
- Subject to Ballston Spa and NBC shareholder approvals and customary regulatory approvals

# Repositioning of Pro Forma Institution

Conservatively modeling deposit run-off of 5% of NBC deposits between signing and closing, but will aggressively court depositors and attempt to retain all relationships

## Deposit Attrition

Approximately \$4 million in annual cost savings

## Cost Savings

One-time, pre-tax merger costs of \$6.8 million

## Merger Costs

Sale of approximately \$80 million of residential mortgages for 100% of estimated fair market value at closing

## Loan Sale

Sale of approximately \$100 million of agency, municipal, and treasury securities for 100% of fair market value at and post-closing

## Securities Sale

Redemption of approximately \$125 million high-cost borrowings and approximately \$45 million brokered deposits

## Deleveraging

# Pro Forma Financial Impact

	Estimated Financial Impact		
<b>Earnings Impact</b>	<b>\$12.06</b> 2027E EPS	<b>27.1%</b> 2027E EPS accretion	<b>13.2%</b> 2027E ROAE
<b>TBV Impact</b>	<b>23.2%</b> Tangible book value dilution <sup>(1)(2)</sup>	<b>~ 5 years</b> Tangible book value earn back period <sup>(1)</sup>	<b>\$70.87</b> Projected TBVPS at closing
<b>Pro Forma Capital Ratios (bank level)</b>	<b>8.95%</b> Leverage Ratio <sup>(3)</sup>	<b>13.08%</b> Total risk-based capital ratio <sup>(3)</sup>	

- (1) Excludes mortgage loan restructuring sale, CECL double count (due to announced rule change), and subordinated debt capital raised exceeding that amount which would return the pro forma leverage ratio at closing of Ballston Spa National Bank to the bank's ratio on a standalone basis. Including these three items would increase the tangible book value dilution to 25.5% and the earn back of that dilution would increase to approximately 6 years.
- (2) Excluding the items mentioned in footnote 1 above and without fair value adjustments (except for CECL), tangible book value dilution would be 7.2%.
- (3) Assumes the downstream of approximately \$20 million of anticipated subordinated debt proceeds to the combined bank.

# Strategic Benefits for all Stakeholders

**Strategic community bank merger with a long-term focus on customers, communities, and employees**



**Meaningful representation from both sides on combined Board and management team**



**Well positioned as a much larger institution to add meaningful market share in the attractive Capital District and surrounding markets**



**Potential for increased liquidity for shareholders with listing on the OTCQX following closing**



**Strong and competitive dividend for all shareholders**



**Attractive stock valuation of pro forma combined institution**

