

Consolidated Interim Financial Information

March 31, 2025



To our shareholders -

Ballston Spa Bancorp, Inc., parent company of Ballston Spa National Bank (BSNB), produced solid financial results for the first quarter of 2025. Net income for the three-month period ending March 31, 2025 totaled \$1.3 million, or \$1.75 per share, up from \$1.2 million, or \$1.65 per share reported for the same period in 2024. Income gains from strong loan portfolio growth over recent periods were offset by higher funding costs stemming from increased competition for deposits and a sustained period of higher short-term interest rates.

Highlights for the three months ending March 31, 2025 include:

- Commercial and commercial real estate loan portfolios increased \$7.1 million, or 1.91%, from December 31, 2024;
- Mortgage production, traditionally slower during winter months, was also negatively impacted by low inventory levels and economic uncertainty. As such, residential mortgage balances declined modestly during the period to \$318.5 million;
- During the first three months of 2025, core deposits grew by \$43 million or 6.8%. Increases were recognized in commercial, retail, and municipal balances.

Overall, we are pleased with the growth opportunities we are seeing in the current market and with the strength of our financial position. To further convey our solid position, credit quality as reflected in nonperforming loans as a percentage of total loans held steady at .15%.

Capital levels are well above regulatory minimums as the Bank's Tier 1 risk-based capital ratio standing at 10.34% as of March 31, 2025. Despite rising economic uncertainty from recent tariff activity, the Company remains well positioned to invest in service improvements and staff development.

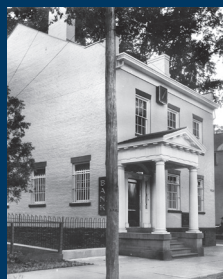
We recently announced that we will be commencing a historic renovation of our original home office located at 87 Front Street in Ballston Spa, NY. The building, which first served as a private residence in 1824, has been a long-standing landmark serving customers and businesses in Ballston Spa for over 187 years. The Company has made a commitment to preserve its historic presence to ensure that this cornerstone building will remain a landmark and vital hub in the downtown district for years to come.

On behalf of the board, staff and management, we thank you for your continued support.

Christopher R. Dowd
President and Chief Executive Officer



A Closer Look



Built on History, Focused on YOU - Historic Home Office Renovation

On June 2nd, 2025, Ballston Spa National Bank will begin a historic rehabilitation of its original headquarters located at 87 Front Street, Ballston Spa. The branch will undergo extensive renovation that will include interior and exterior upgrades while preserving its historic appearance. The construction phase will take a period of months to be completed, and customers will be welcomed at the Corporate and Milton Crest locations. The rehabilitation project will be made possible through the partnership with Landmark Consulting LLC, Historic Preservation and Architectural Services, hcp architects, and BBL Construction Services. The bank is pursuing state and federal historic rehabilitation tax credits, facilitated through the New York State Office of Parks, Recreation and Historic Preservation (OPRHP).



Jeffrey Goliber

We are pleased to welcome Jeffrey B. Goliber as the new Vice President, Director of Wealth Management Solutions. In his new role, Goliber will lead a team of experienced trust and investment officers, along with a dedicated Wealth Management Client Services and Operations team, all committed to delivering a highly personalized and disciplined approach to managing wealth, estate planning and trust administration. Together, they will develop forward-thinking investment strategies and customized retirement and estate plans that help clients grow, protect, and preserve their wealth for future generations.

BSNB Locations

Ballston Spa

87 Front Street

Burnt Hills

770 Saratoga Road

Clifton Park

1714 Route 9

Corporate

990 State Route 67

Galway

5091 Sacandaga Road

Greenfield Center

3060 Route 9N

Guilderland

1973 Western Avenue

Latham

1202 Troy Schenectady Road

Malta

124 Dunning Street

Milton Crest

344 Rowland Street

Stillwater

428 Hudson Avenue

Voorheesville

13 Maple Road

Wilton

625 Maple Avenue

CONSOLIDATED BALANCE SHEETS

(In thousands)

	March 31, 2025	December 31, 2024
Assets		
Cash and due from banks	\$ 6,479	\$ 7,061
Short-term investments	19,015	18,682
Securities available for sale, at fair value	73,166	76,954
FHLB of NY & FRB stock, at cost	7,601	9,504
Loans	772,084	763,981
Allowance for credit losses	(8,634)	(8,545)
Net loans	763,450	755,436
Premises and equipment, net	10,470	10,107
Other assets	15,456	20,373
Total Assets	\$ 895,637	\$ 898,117

Liabilities and Shareholders' Equity

Liabilities		
Deposits	\$ 679,079	\$ 635,833
Brokered Deposits	60,218	60,218
FHLB borrowings, short-term	44,800	86,500
FHLB borrowings, long-term	30,000	30,000
Junior subordinated debentures	7,750	7,750
Other liabilities	10,713	13,321
Total liabilities	\$ 832,560	\$ 833,622

Shareholders' Equity

Common stock	\$ 9,642	\$ 9,642
Treasury stock, at cost	(991)	(991)
Retained earnings	57,634	56,579
Accumulated other comprehensive income	(208)	(735)
Total shareholders' equity	\$ 66,077	\$ 64,495
Total Liabilities & Shareholders' Equity	\$ 898,637	\$ 898,117

CONSOLIDATED INCOME STATEMENTS

(In thousands, except per share data)

For the three months ended March 31,

	2025	2024
Interest and fee income		
Loans, including fees	\$ 9,262	\$ 8,396
Securities available for sale	911	854
FHLB of NY & FRB stock	176	176
Short-term investments	29	51
Total interest and fee income	\$ 10,378	\$ 9,477
Interest expense		
Deposits	\$ 2,434	2,824
Brokered Deposits	720	221
FHLB borrowings, short-term	376	313
FHLB borrowings, long-term	312	138
Junior subordinated debentures	111	111
Total interest expense	\$ 3,953	\$ 3,607
Net interest income	6,425	5,870
Provision for credit losses	150	180
Net interest income after provision for credit losses	\$ 6,275	\$ 5,690
Noninterest income		
Service charges on deposit accounts	\$ 162	\$ 164
Wealth mgmt. and investment income	337	359
Other	351	507
Total noninterest income	\$ 850	\$ 1,030

Noninterest expense

Compensation and benefits	\$ 3,436	\$ 3,256
Occupancy and equipment	589	508
FDIC and OCC assessment	216	216
Advertising and public relations	114	111
Legal and professional fees	256	172
Debit Card processing	124	136
Data processing	278	286
Other	506	519
Total noninterest expense	\$ 5,519	\$ 5,204
Income before income tax expense	\$ 1,606	\$ 1,516
Income tax expense	305	288
Net income	\$ 1,301	\$ 1,228
Basic earnings per share	\$ 1.75	\$ 1.65