

BALLSTON SPA BANCORP, INC.

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO HOLDERS OF SHARES OF COMMON STOCK

NOTICE IS HEREBY GIVEN that the 2012 Annual Meeting of Shareholders of Ballston Spa Bancorp, Inc. will be held at the BSNB Corporate Plaza, 990 State Route 67, Ballston Spa, New York, on Thursday, May 3, 2012, at 11:00 a.m. for the purpose of considering and voting upon the following matter:

1. **Election of Directors.** Election of the nominees listed in the Proxy Statement dated March 28, 2012, accompanying the Notice of said meeting.

Management is not aware of any other business that may be properly brought before the Annual Meeting in accordance with the Bylaws of the Corporation.

Only those shareholders of record at the close of business March 15, 2012, shall be entitled to this Notice of Annual Meeting and to vote at the Meeting.

By Order of the Board of Directors dated March 28, 2012.

Timothy E. Blow
Executive Vice President,
Corporate Secretary and Chief Financial Officer

IMPORTANT NOTICE OF INTERNET AVAILABILITY OF PROXY MATERIALS

The 2011 Annual Report, and the Notice of 2012 Annual Meeting of Shareholders and Proxy Statement may be found at:

www.bsnb.com/site/about_bank_profile.asp



BALLSTON SPA BANCORP, INC.

NOTICE OF 2012 ANNUAL MEETING OF SHAREHOLDERS AND PROXY STATEMENT

Thursday, May 3, 2012
11:00 a.m.
BSNB Corporate Plaza
990 State Route 67
Ballston Spa, NY 12020

Ballston Spa National Bank is a subsidiary of Ballston Spa Bancorp, Inc.
General Information (518) 885-6781 • www.bsnb.com

March 28, 2012

Dear Shareholders:

You are cordially invited to attend the 2012 Annual Meeting of Shareholders of Ballston Spa Bancorp, Inc. Our Annual Meeting will be held at the BSNB Corporate Plaza, 990 State Route 67, Ballston Spa, NY 12020, on Thursday, May 3, 2012 at 11:00 a.m.

The enclosed information includes the Notice of Annual Meeting of Shareholders, a Proxy Statement and the Annual Report for 2011. If you have previously signed up for electronic delivery of our Annual Report, it is now available via our website (www.bsnb.com).

The formal business to be transacted during the Annual Meeting includes a review of our financial performance, followed by the election of Directors. A brief biography of each of our nominated Directors is provided here for your consideration. Also enclosed is a Proxy Form for recording your vote.

Candidates are nominated to serve until the 2013 Annual Meeting. With the exception of Stephen J. Obermayer, CPA, all candidates are current directors of the Bank. Mr. Obermayer is nominated to replace retiring board member Ronald G. Harrington. Mr. Obermayer is the Chief Financial Officer with BBL Construction Services, LLC and the President of BBL Hospitality, LLC. He brings over nineteen years of experience in the construction industry as well as five years in the financial services industry.

Please sign and date the Proxy Form at your earliest convenience and return it in the envelope provided. If you are planning to attend the meeting in person, please contact Mary Knapp at (518) 363-8113.

Sincerely,

Robert E. Van Vranken
Chairman of the Board

BALLSTON SPA BANCORP, INC.

PROXY STATEMENT

As of this date, the number of shares of common stock outstanding and entitled to vote at the Annual Meeting of Shareholders is 742,663. Only those shareholders of record at the close of business on March 15, 2012, shall be entitled to vote.

Election of Directors

The persons named below have been nominated for election to serve until the 2013 Annual Meeting of Shareholders. In accordance with the Bylaws, no additional nominations by a shareholder have been received or may be made.

Robert E. Van Vranken, Esq.

Mr. Van Vranken is an Attorney with a general practice in Burnt Hills, NY. He was elected to the Board of Directors in 1992 and currently serves as Chairman of the Board. He is a Member of the Executive, Governance, and Compensation Committees.

Mr. Van Vranken is a member of the Board of Directors of the Capital Region Theological Center, a not for profit corporation with offices in Albany, NY and is a Vice President of the Holland Society of New York.

Christopher R. Dowd

Mr. Dowd is the President/CEO of Ballston Spa National Bank. He was elected to the Board of Directors in 2004, and currently serves as a Member of the Executive Committee.

Mr. Dowd currently serves as the Board Chair of the Adirondack Saratoga Chapter of the American Red Cross. In addition, he serves on the board for the Independent Bankers Association of NY State, the New York Bankers Retirement System, and the American Red Cross of Northeastern NY.

J. Peter Hansen, DVM

Dr. Hansen is a retired Veterinarian. He was elected to the Board of Directors in 1985, and currently serves as a Member of the Technology and Trust Investment Committees.

Dr. Hansen is a Director on the Ballston Spa Cemetery Board.

Stephen E. Strader, MD

Dr. Strader is a Physician at Capital Care. He was elected to the Board of Directors in 1998, and currently serves as a Member of the Examining and Technology Committees.

Timothy J. Provost

Mr. Provost is a Principal at Sneeringer Monahan Provost Redgrave Title Agency, Inc. He was elected to the Board of Directors in 1999, and currently serves as Vice-Chairman of the Board. He is a member of the Examining, Executive, Governance and Compensation Committees.

Mr. Provost is a Member of the Board of Trustees of the Saratoga County YMCA and is a Member of the Executive Committee of the New York State Land Title Association.

Michael S. Dunn

Mr. Dunn is a Vice President with the Hearst Corporation. He was elected to the Board of Directors in 2005, and currently serves as a Member of the Technology, Governance and Compensation Committees.

Susan M. Watson, CPA

Ms. Watson is a Certified Public Accountant with an expertise in estate and trust taxation. She is a partner in Watson, Peterson & Company CPAs PLLC. Ms. Watson was elected to the Board of Directors in 2007, and currently serves as a Member of the Examining, Governance and Trust Committees.

Ms. Watson is a Member of the SCCC Paralegal Advisory Board and the WMHT Planned Giving Advisory Committee. She also sits as a Trustee for the Heritage Home for Women in Schenectady, NY.

Beth A. Kayser, CPA

Ms. Kayser is a Certified Public Accountant whose practice specializes in the preparation of small business and individual tax returns and financial statements. Ms. Kayser was elected to the Board of Directors in 2011, and currently serves as a Member of the Examining and Compensation Committees.

Ms. Kayser is a board member of the Schenectady County Community Business Center.

Stephen J. Obermayer, CPA

Mr. Obermayer is the Chief Financial Officer with BBL Construction Services, LLC and the President of BBL Hospitality, LLC. He is a Certified Public Accountant with experience in the financial services and construction industries.

Mr. Obermayer is a board member for Junior Achievement, St. Peter's Hospital Foundation, and the Capital District YMCA.