

# Consolidated Interim Financial Information

June 30, 2025



## To our shareholders -

Ballston Spa Bancorp, Inc., parent company of Ballston Spa National Bank (BSNB), produced solid financial results for the second quarter of 2025. Net income for the six-month period ending June 30, 2025 totaled \$2.5 million, or \$3.41 per share, compared to \$2.5 million, or \$3.36 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 six months ending June 30, 2025 include:

- Commercial and commercial real estate loan portfolios increased \$11.5 million, or 3.1%, from December 31, 2024;
- Mortgage production continues to be impacted by low inventory levels and economic uncertainty. Residential mortgage balances increased modestly during the period to \$321.2 million;
- During the first six months of 2025, core deposits grew by \$16.3 million or 2.57%. Increases were recognized in commercial, retail, and municipal balances.

Overall, we are pleased with the company's solid performance, growth opportunities in the current market, and 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 was 0.07%, down from 0.26% for the same period in 2024. Capital levels are well above regulatory minimums as the Bank's Tier 1 risk-based capital ratio standing at 10.31% as of June 30, 2025. Despite rising economic uncertainty from recent tariff activity, the Company remains well positioned to invest in service improvements and staff development.

I am pleased to share that we recently promoted two members of our senior leadership team:

- Leslie Dorsey was promoted to SVP, Human Resources. One of Leslie's most notable accomplishments over the past two decades has been in the talent management area, where she was able to position the bank for growth by executing structured staff development programs and working to attract and retain employees throughout the organization.
- Robert Roemer was promoted to SVP, Information Technology. Rob has brought a wealth of expertise in project management, bank operations, core applications, telecommunications services and technology, as well as a history of innovation and dynamic leadership earned from a 25-year career in the financial industry.

Leslie and Rob have played vital roles in leading talent management and technology and digital capabilities—which serve as two of the pillars in our strategic plan. I would like to congratulate them and thank them for their strategic vision and dedication to excellence.

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



## New Online Financial Wellness Center Delivers Expert Tools to Support Financial Goals

In April, BSNB launched the Financial Wellness Center—a free educational resource that provides opportunities to gain new financial skills and use engaging planning tools. It includes in-depth articles on topics like home buying, investing, debt management, and retirement. There is even a Financial Coach feature that provides virtual guidance through personal financial challenges. Designed for today's digital world, this tool helps customers of all ages achieve their financial goals with engaging, proactive solutions. This initiative aims to strengthen BSNB's customer relationships while delivering significant value at every stage of life. Visit [bsnb.com/financialwellnesscenter](https://bsnb.com/financialwellnesscenter) to learn more.



## Historic Renovation of Original Home Office Underway

In June, BSNB broke ground on the historic renovation of the original home office located at 87 Front Street in Ballston Spa. We are midway through the construction phase with a planned re-opening in late fall. Our focus will be to upgrade the exterior of the building with a clean, fresh look while maintaining the historical appearance from the beloved clock that adorns the sidewalk all the way up to the original roof. The interior will feature an updated full-service branch, new ATM, new Drive-Thru along with modern technology for our employees to meet the evolving needs of our customers today and in the future. With the new floor plan for the branch, it will allow us to expand office space and fully utilize this original building. We look forward to celebrating the preservation of our landmark building and remaining a vital part of the downtown Village of Ballston Spa for years to come.

## BSNB Locations

<b>Ballston Spa</b> 87 Front Street	<b>Greenfield Center</b> 3060 Route 9N	<b>Milton Crest</b> 344 Rowland Street
<b>Burnt Hills</b> 770 Saratoga Road	<b>Guilderland</b> 1973 Western Avenue	<b>Stillwater</b> 428 Hudson Avenue
<b>Clifton Park</b> 1714 Route 9	<b>Latham</b> 1202 Troy Schenectady Road	<b>Voorheesville</b> 13 Maple Road
<b>Corporate</b> 990 State Route 67	<b>Malta</b> 124 Dunning Street	<b>Wilton</b> 625 Maple Avenue
<b>Galway</b> 5091 Sacandaga Road		

## CONSOLIDATED BALANCE SHEETS

(In thousands)

	June 30, 2025	December 31, 2024
<b>Assets</b>		
Cash and due from banks	\$ 6,163	\$ 7,061
Short-term investments	17,475	18,682
Securities available for sale, at fair value	76,801	76,954
FHLB of NY & FRB stock, at cost	9,474	9,504
Loans	781,211	763,981
Allowance for credit losses	(8,488)	(8,545)
Net loans	772,723	755,436
Premises and equipment, net	10,646	10,107
Other assets	19,326	20,373
<b>Total Assets</b>	<b>\$ 912,608</b>	<b>\$ 898,117</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Liabilities</b>		
Deposits	\$ 652,176	\$ 635,833
Brokered Deposits	60,218	60,218
FHLB borrowings, short-term	94,300	86,500
FHLB borrowings, long-term	20,000	30,000
Junior subordinated debentures	7,750	7,750
Other liabilities	10,822	13,321
Total liabilities	\$ 845,266	\$ 833,622
<b>Shareholders' Equity</b>		
Common stock	\$ 9,642	\$ 9,642
Treasury stock, at cost	(991)	(991)
Retained earnings	58,625	56,579
Accumulated other comprehensive loss	66	(735)
Total shareholders' equity	\$ 67,342	\$ 64,495
<b>Total Liabilities &amp; Shareholders' Equity</b>	<b>\$ 912,608</b>	<b>\$ 898,117</b>

## CONSOLIDATED INCOME STATEMENTS

(In thousands, except per share data)

For the six months ended June 30,

	2025	2024
<b>Interest and fee income</b>		
Loans, including fees	\$ 18,672	\$ 17,141
Securities available for sale	1,784	1,768
FHLB of NY & FRB stock	352	352
Short-term investments	63	115
Total interest and fee income	\$ 20,871	\$ 19,376
<b>Interest expense</b>		
Deposits	\$ 4,967	\$ 5,137
Brokered Deposits	1,452	861
FHLB borrowings, short-term	949	734
FHLB borrowings, long-term	558	625
Junior subordinated debentures	223	223
Total interest expense	\$ 8,149	\$ 7,580
Net interest income	12,722	11,796
Provision for credit losses	300	360
Net interest income after provision for credit losses	\$ 12,422	\$ 11,436
<b>Noninterest income</b>		
Service charges on deposit accounts	\$ 321	\$ 324
Wealth mgmt. and investment income	702	689
Other	798	956
Total noninterest income	\$ 1,821	\$ 1,969
<b>Noninterest expense</b>		
Compensation and benefits	\$ 6,947	\$ 6,445
Occupancy and equipment	1,184	990
FDIC and OCC assessment	432	432
Advertising and public relations	228	222
Legal and professional fees	423	380
Debit Card processing	252	252
Data processing	550	557
Other	1,096	1,050
Total noninterest expense	\$ 11,112	\$ 10,328
Income before income tax expense	\$ 3,131	\$ 3,077
Income tax expense	595	585
<b>Net income</b>	<b>\$ 2,536</b>	<b>\$ 2,492</b>
<b>Basic earnings per share</b>	<b>\$ 3.41</b>	<b>\$ 3.36</b>