



ES Bancshares, Inc. Announces Completion Of \$14.0 Million Subordinated Notes Offering

NEWBURGH, N.Y., Oct. 28, 2020 (GLOBE NEWSWIRE) -- ES Bancshares, Inc. (the "Company") (OTC Pink: "ESBS"), the bank holding company for Empire State Bank (the "Bank"), today announced the completion of a private placement of \$14.0 million of its 6.00% Fixed-to-Floating Rate Subordinated Notes due 2030 (the "Notes") to certain qualified institutional buyers and accredited investors.

The Notes have a maturity date of October 30, 2030 and initially bear interest, payable semi-annually in arrears, at a fixed annual rate of 6.00% per annum until October 30, 2025. Commencing on that date, the interest rate applicable to the outstanding principal amount due will be reset quarterly to an interest rate per annum equal to a benchmark rate, which is expected to be the three-month secured overnight financing rate (SOFR) plus 579 basis points, payable quarterly in arrears, until maturity or earlier redemption date. The Company may redeem the Notes at par, in whole or in part, at its option, beginning on October 30, 2025. The Notes are intended to qualify as Tier 2 capital for regulatory capital purposes for the Company.

The Company intends to use the net proceeds from the private placement to repay \$7.5 million of outstanding Company indebtedness, to support organic growth, for general corporate purposes and to fund potential acquisitions.

Philip Guarnieri, the Company's Chief Executive Officer, stated, "We are very pleased with the interest in our offering and its completion on favorable terms. We have experienced strong across-the-board growth in our retail franchise particularly in our Staten Island and Brooklyn markets and believe that the additional capital created by this offering will allow us to continue this growth. It is all about momentum in this business and this offering will enable us to maintain our strong momentum."

Raymond James & Associates, Inc. and FinPro Capital Advisors, Inc. served as the placement agents for the offering. Luse Gorman, PC served as legal counsel to the Company, and Hunton Andrews Kurth LLP served as legal counsel to the placement agents.

This press release is for informational purposes only and shall not constitute an offer to sell, or the solicitation of an offer to buy, any security, nor shall there be any sale in any jurisdiction in which such an offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction. The Notes have not been registered under the Securities Act and may not be offered or sold in the United States absent registration or an applicable exemption from registration requirements. The indebtedness evidenced by the Notes is not a deposit and is not insured by the Federal Deposit Insurance Corporation or any other government agency or fund.

About ES Bancshares, Inc. and Empire State Bank

ES Bancshares, Inc. is the bank holding company for Empire State Bank which offers a wide range of financial services through its branch office network in Newburgh, Brooklyn and Staten Island, New York. For more information about Empire State Bank, please visit www.esbna.com.

Forward-Looking Statements

Certain statements contained herein are "forward looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. These forward-looking statements are generally identified by use of the words "believe," "expect," "intend," "anticipate," "estimate," "project" or similar expressions, or future or conditional verbs, such as "will," "would," "should," "could," or "may." This release may contain certain forward-looking statements, which are based on management's current expectations regarding economic, legislative, and regulatory issues that may impact the Company's earnings in future periods. Factors that could cause future results to vary materially from current management expectations include, but are not limited to, general economic conditions; changes in interest rates, deposit flows, loan demand, real estate values, consumer behavior and competition; the current and future impact of the COVID-19 pandemic; changes in accounting principles, policies, or guidelines; changes in legislation, taxation or regulation; cyber security risks; and economic, competitive, governmental, regulatory, and technological factors affecting the Company's operations, pricing, products, and services.

The Company disclaims any obligation to revise or update any forward-looking statements contained in this press release to reflect future events or developments.

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