



ES BANCSHARES, INC. AND EMPIRE STATE BANK ANNOUNCE AGREEMENT TO SELL NEWBURGH, NEW YORK BRANCH OFFICE

12/23/2021

Newburgh, New York - December 23, 2021 – ES Bancshares, Inc. (the “Company”) (OTCQX: “ESBS”), the bank holding company for Empire State Bank (the “Bank”), today announced that the Bank has entered into a definitive agreement to sell its branch office located at 68 North Plank Road, Newburgh, New York (the “Branch”) to Wallkill Valley Federal Savings and Loan Association (“Wallkill Valley”). Pursuant to the Agreement, the Bank has agreed to sell approximately \$9 million in loans and other assets and approximately \$67 million in customer deposits affiliated with the Branch.

Philip Guarnieri, Chief Executive Officer of the Company and the Bank, said, “We are taking this step as a part of our strategy to focus our operations on the economically dynamic Boroughs of Brooklyn, Staten Island, Queens and the surrounding areas. This transaction will be immediately accretive to our stockholders. With the sale of the Newburgh office, we are relocating our main office and corporate headquarters to Staten Island but will also retain certain back office operations in Newburgh.

Subject to customary closing conditions, including the receipt of all necessary regulatory approvals, the Branch sale is expected to be completed during the second quarter of 2022.

Luse Gorman, PC provided legal counsel to ES Bancshares and Empire State Bank and MacVean, Lewis, Sherwin & McDermott provided legal counsel to Wallkill Valley. FinPro Capital Advisors, Inc. provided financial advisory services to ES Bancshares and Piper Sandler & Co. provided financial advisory services to Wallkill Valley.

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

This press release may contain forward-looking statements within the meaning of the federal securities laws. These statements are not historical facts; rather, they are statements based on the Company's and Bank's current expectations regarding its business strategies and their intended results and its future performance. Forward-looking statements are preceded by terms such as "expects," "believes," "anticipates," "intends" and similar expressions. Forward-looking statements are not guarantees of future performance. Numerous risks and uncertainties could cause or contribute to the Company's actual results, performance and achievements to be materially different from those expressed or implied by the forward-looking statements. Factors that may cause or contribute to these differences include, without limitation, general economic conditions, including changes in market interest rates and changes in monetary and fiscal policies of the federal government; legislative and regulatory changes; the ability to obtain required regulatory approvals in a timely manner; and uncertainties related to the economy in our market area as a result of the Covid-19 pandemic. Because of the risks and uncertainties inherent in forward-looking statements, readers are cautioned not to place undue reliance on them, whether included in this press release or made elsewhere from time to time by the Company or on its behalf. The Company assumes no obligation to update any forward-looking statements except as may be required by applicable law or regulation.

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