

ES BANCSHARES, INC.

68 North Plank Road
Newburgh, New York 12550
(845) 561-0003

April 10, 2018

Dear Fellow Stockholder:

On behalf of the Board of Directors and management of ES Bancshares, Inc., I cordially invite you to attend the 2018 Annual Meeting of Stockholders. The meeting will be held at our main office located at 68 North Plank Road, Newburgh, New York 12550, at 4:00 p.m., local time, on Thursday, May 24, 2018.

An important aspect of the meeting process is the stockholder vote on corporate business items. I urge you to exercise your rights as a stockholder to vote and participate in this process. Stockholders are being asked to consider and vote upon the election of three directors and the ratification of the appointment of our independent registered public auditing firm for the year ending December 31, 2018. Your Board of Directors unanimously recommends that you vote **FOR** each of the nominees named in the enclosed proxy statement and **FOR** the ratification of the appointment of our independent registered public auditing firm.

In addition to the annual stockholder votes on corporate business items, the meeting will include management's report to you on our 2017 financial and operating performance. Also enclosed for your review is our Annual Report for the year ended December 31, 2017, which contains detailed information concerning our activities and operating performance.

I encourage you to attend the meeting in person. Whether or not you attend the meeting, please read the enclosed Proxy Statement and then complete, sign and date the enclosed proxy card and return it in the postage prepaid envelope provided, or vote by telephone or internet using the instructions on the enclosed proxy card. This will save ES Bancshares, Inc. additional expense in soliciting proxies and will ensure that your shares are represented. Please note that you may vote in person at the meeting even if you have previously returned the proxy or voted by telephone or internet.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink, appearing to be 'Philip Guarnieri', written over a horizontal line.

Philip Guarnieri
Chief Executive Officer

ES BANCSHARES, INC.

68 North Plank Road
Newburgh, New York 12550
(845) 561-0003

NOTICE OF ANNUAL MEETING OF STOCKHOLDERS

To be held on May 24, 2018

Notice is hereby given that the Annual Meeting of Stockholders (the "Meeting") of ES Bancshares, Inc. will be held at our main office located at 68 North Plank Road, Newburgh, New York 12550, at 4:00 p.m., local time, on Thursday, May 24, 2018.

A Proxy Card and a Proxy Statement for the Meeting are enclosed.

The Meeting is for the purpose of considering and acting upon:

1. The election of three directors of ES Bancshares, Inc.;
2. The ratification of the appointment of Crowe Horwath LLP as our independent registered public auditing firm for the year ending December 31, 2018; and

such other matters as may properly come before the Meeting, or any adjournments or postponements thereof. Other than the matters presented, the Board of Directors is not aware of any other business to come before the Meeting.

Any action may be taken on the foregoing items at the Meeting on the date specified above, or on any date or dates to which the Meeting may be adjourned or postponed. Stockholders of record at the close of business on March 29, 2018 are the stockholders entitled to vote at the Meeting and any adjournments or postponements thereof.

You are requested to complete, sign and date the enclosed form of proxy, which is solicited on behalf of the Board of Directors, and to mail it promptly in the enclosed envelope. You may also vote by telephone or internet using the instructions on the enclosed proxy card. Only the latest dated proxy card or vote you submit will be counted. The proxy will not be used if you attend and vote at the Meeting in person.

Our proxy statement, 2017 Annual Report and proxy card are available on our website, www.esbna.com.

BY ORDER OF THE BOARD OF DIRECTORS



Philip Guarnieri
Chief Executive Officer

Newburgh, New York
April 10, 2018

IMPORTANT: THE PROMPT RETURN OF PROXIES WILL SAVE ES BANCSHARES, INC. THE EXPENSE OF FURTHER REQUESTS FOR PROXIES TO ENSURE A QUORUM AT THE MEETING. A SELF-ADDRESSED ENVELOPE IS ENCLOSED FOR YOUR CONVENIENCE. NO POSTAGE IS REQUIRED IF MAILED WITHIN THE UNITED STATES.

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PROXY STATEMENT

ES BANCSHARES, INC.
68 North Plank Road
Newburgh, New York 12550
(845) 561-0003

ANNUAL MEETING OF STOCKHOLDERS

To be held on May 24, 2018

This Proxy Statement is furnished in connection with the solicitation, on behalf of the Board of Directors of ES Bancshares, Inc., of proxies to be used at the Annual Meeting of Stockholders (the “Meeting”) which will be held at our main office located at 68 North Plank Road, Newburgh, New York 12550, at 4:00 p.m., on Thursday, May 24, 2018, and all adjournments and postponements of the Meeting. This Proxy Statement is dated April 10, 2018 and is first being mailed to stockholders on or about April 13, 2018.

At the Meeting, our stockholders are being asked to consider and vote upon (i) the election of three directors; and (ii) the ratification of the appointment of Crowe Horwath LLP as our independent registered public auditing firm for the year ending December 31, 2018.

Vote Required and Proxy Information

All shares of our common stock, par value \$0.01 per share (the “Common Stock”), represented at the Meeting by properly executed proxies received prior to or at the Meeting, and not revoked, will be voted at the Meeting in accordance with the instructions thereon. If no instructions are indicated, properly executed proxies will be voted for the election of the nominees named herein and for the ratification of the appointment of Crowe Horwath LLP as our independent registered public auditing firm for 2018. We know of no matters that are to come before the Meeting, other than those described in the Notice of Annual Meeting. If any matters are properly presented at the Meeting for action other than those set forth in the Notice of Annual Meeting of Stockholders, the Board of Directors, as proxy for the stockholder, will have the discretion to vote on such matters in accordance with their best judgment.

The proxy card provided by the Board of Directors enables a stockholder to vote “FOR” the election of the nominees proposed by the Board of Directors or to “WITHHOLD AUTHORITY” to vote for one or more of the nominees. You may also vote by telephone or internet using the instructions on the enclosed proxy card. Only the latest dated proxy card or vote you submit will be counted. Directors are elected by a plurality of votes cast without regard to either (i) broker non-votes or (ii) proxies as to which authority to vote for one or more of the nominees is withheld. Stockholders do not have cumulative voting rights with respect to the election of directors.

The proxy card provided by the Board of Directors enables a stockholder to (i) vote “FOR” the proposal to ratify the appointment of Crowe Horwath LLP as our independent registered public auditing firm, (ii) vote “AGAINST” such proposal, or (iii) “ABSTAIN” from voting on such proposal. An affirmative vote of the holders of a majority of the shares of Common Stock cast at the Meeting on the proposal is required to ratify the appointment of the independent registered public auditing firm. Shares as to which the “ABSTAIN” box has been selected on the proxy card and broker non-votes will not be counted as votes cast and will have no effect on the vote on the proposal.

The holders of a majority of the outstanding shares of the Common Stock entitled to vote, present in person or represented by proxy, constitutes a quorum for purposes of the Meeting. Proxies marked to abstain, withheld votes and broker non-votes will be counted for purposes of determining a quorum.

If you plan to attend the Meeting and wish to vote in person, we will give you a ballot at the Meeting. However, if your shares are held in the name of your broker, bank or other nominee, you must bring appropriate documents from the nominee indicating that you were the beneficial owner of common stock and authorizing you to vote the shares on March 29, 2018, the record date for voting at the annual meeting, and stating the number of shares held by the nominee on your behalf.

A proxy given pursuant to the solicitation may be revoked at any time before it is voted. Proxies may be revoked by: (i) filing with our Secretary at or before the Meeting a written notice of revocation bearing a later date than the proxy, (ii) duly executing a subsequent proxy relating to the same shares and delivering it to our Secretary at or before the Meeting, or following the internet or phone instructions on the enclosed proxy card or (iii) attending the Meeting and voting in person (although attendance at the Meeting will not in and of itself constitute revocation of a proxy). Any written notice revoking a proxy should be delivered to: Peggy Edwards, Corporate Secretary, ES Bancshares, Inc., 68 North Plank Road, Newburgh, New York, 12550.

In the event at the time of the Meeting there are not sufficient votes for a quorum or to approve or ratify any matter being presented, the Meeting may be adjourned in order to permit the further solicitation of proxies.

Proxies solicited hereby will be returned to us and will be tabulated by an Inspector of Election designated by our Board of Directors.

Voting Securities and Certain Holders Thereof

Stockholders of record as of the close of business on March 29, 2018 (the "Record Date") will be entitled to one vote for each share of Common Stock then held. As of the Record Date, the Company had 3,868,084 shares of common stock issued and outstanding.

PROPOSAL I - ELECTION OF DIRECTORS

Our Board of Directors is presently comprised of 12 members. Effective as of the date of the annual meeting, director Peter Savago will retire from the Board of Directors and become a director emeritus, and the size of the Board will be reduced to 11 members. Our board of directors is divided into three classes. Each class is as nearly equal in numbers as possible. At the meeting, three directors will be elected, each to serve for a three-year term and until their respective successors have been elected and qualified.

The following table sets forth certain information regarding our Board of Directors, including nominees, including their terms of office, our executive officers, and the shares of common stock beneficially owned at the record date for voting at the annual meeting. It is intended that the proxies solicited on behalf of the Board of Directors (other than proxies for which the vote is withheld as to the nominee) will be voted at the Meeting for the election of the nominees identified in the following table. If any nominee is unable to serve, the shares represented by all such proxies will be voted for the election of such substitute or substitutes as the Board of Directors may recommend. At this time, the Board of Directors knows of no reason why any nominee might be unable to serve, if elected.

| <u>Name⁽¹⁾</u> | <u>Age⁽²⁾</u> | <u>Position(s) Held</u> | <u>Director Since</u> | <u>Term to Expire</u> | <u>Shares of Common Stock Beneficially Owned at March 29, 2018 ⁽³⁾</u> | <u>Percent of Class</u> |
|--|--------------------------|--|-----------------------|-----------------------|---|-------------------------|
| NOMINEES | | | | | | |
| Michael Menicucci..... | 63 | Director | 2013 | 2021 | 51,335 | 1.3% |
| Michael P. Ostrow..... | 67 | Director | 2004 | 2021 | 53,003 | 1.4 |
| Albert J. Pagano | 81 | Director | 2004 | 2021 | 120,899 | 3.1 |
| DIRECTORS REMAINING IN OFFICE | | | | | | |
| Andrew G. Finkelstein | 52 | Director | 2004 | 2019 | 100,821 | 2.6 |
| Gale L. Foster..... | 64 | Director | 2004 | 2019 | 34,050 | * |
| Thomas D. Weddell | 61 | Director | 2006 | 2019 | 43,565 | 1.1 |
| David N. Mesches, M.D..... | 83 | Director | 2004 | 2019 | 42,468 | 1.1 |
| Thomas Sperzel..... | 45 | President and Chief Operating Officer and Director | 2016 | 2020 | 150,314 | 3.8 |
| Philip Guarnieri..... | 60 | Chief Executive Officer and Director | 2004 | 2020 | 332,716 | 8.5 |
| Walter Daszkowski | 45 | Director | 2010 | 2020 | 291,504 | 7.5 |
| David Freer, Jr..... | 78 | Director | 2004 | 2020 | <u>46,466</u> | 1.2 |
| All Directors and Executive Officers as a Group (11 persons) | | | | | 1,267,141 | 32.8% |

* Less than 1%.

(1) The address of each person is ES Bancshares, Inc., 68 North Plank Road, Newburgh, New York 12550.

(2) At March 29, 2018.

(3) For each director, other than Directors Guarnieri and Sperzel, includes 10,000 options under our Stock Option Plan which are currently exercisable. For directors Guarnieri and Sperzel, includes 40,833 options under our Stock Option Plan which are currently exercisable. Also includes shares held directly as well as shares held in retirement accounts, held by certain members of the named individual's families, or held by trusts of which the named individual is a trustee or substantial beneficiary with respect to whose shares the named individual may be deemed to have sole or shared voting and/or dispositive powers.

Directors

The business experience of each director for at least the past five years is set forth below. All directors have held their positions at least five years, except as otherwise indicated.

Philip Guarnieri is our Chief Executive Officer. Mr. Guarnieri served as President and Co-CEO from 2009 to 2015 and from 2004 to 2008, he served as President and Chief Operating Officer. Mr. Guarnieri was instrumental in the organizing and chartering of Empire State Bank and has become a banking leader in the small business community. He oversees the corporate direction and strategy and has simplified operations, improved efficiency, built capital, and established a straightforward business model providing financial products and services to customers and clients. Mr. Guarnieri is focused on innovation to create strategic long-term planning, new business development and growth initiatives in the emerging millennial market.

Thomas Sperzel is our President and Chief Operating Officer. Mr. Sperzel served as our Senior Vice President and Chief Financial Officer from January 2009 until June 2013 at which time he served as Executive Vice President and Chief Operating Officer. From 2007 until January 2009, Mr. Sperzel served as Director of Finance for Robert Martin Company LLC, a real estate development and venture capital firm based in Elmsford, New York. Mr. Sperzel is a certified public accountant and holds an MBA in Bank Management. With over twenty years experience operating and servicing community banks, Mr. Sperzel provides the Board with the relevant skills and insight needed to direct the Bank's operations and strategic planning. Mr. Sperzel is active in civic and charitable organizations and serves on various committees and boards of these organizations.

Walter Daszkowski is a Certified Public Accountant (CPA) as well as a Personal Financial Specialist (PFS). He is the founding shareholder of Daszkowski, Tompkins, Weg & Carbonella PC, a certified public accounting firm with offices in New York and New Jersey. Additionally, he is the founder and a partner in Lotus Financial Group LLC, a wealth management company, and Lotus Advisory Group, an employee benefits and insurance agency. Mr. Daszkowski currently serves as Vice Chairman of the Board of Directors. Mr. Daszkowski has vast knowledge in financial reporting, accounting, tax matters, and mergers and acquisitions. His expertise provides the board with valuable insight and his large client base assists the Company in business generation.

Andrew G. Finkelstein, Esq. is Managing Partner of Finkelstein & Partners, a law firm based in Newburgh, New York. As manager of a significant business, Mr. Finkelstein has significant insight into business operations and the local business climate. In addition, Mr. Finkelstein's legal experience provides the Board with insight on legal matters involving the Company, and his local contacts with customers and businesses assists the Company with business generation.

Gale L. Foster, Esq. is a retired attorney in New Paltz, New York. Ms. Foster represents local businesses and individuals, and her legal experience provides the Board with insight on legal matters involving the Company. Additionally, Ms. Foster's contacts with customers and businesses assist the Company with business generation.

David Freer, Jr. is a Member/Principal of A&M Enterprises LLC, a financial service company in Middletown and Newburgh, New York. Mr. Freer currently serves as Chairman of the Board of Directors. Mr. Freer's significant investing experience assists the Board in analyzing financial transactions and assessing securities investment and asset management strategies. Additionally, Mr. Freer's contacts in the local community assist the Company with business generation.

Michael Menicucci is the founder and managing partner of Menicucci, Villa & Associates PLLC, a law firm focused on banking, finance and real estate development. Mr. Menicucci has also worked for a number of elected officials, including borough presidents and U.S. Congressmen. His experience provides the Board with valuable insight as to legal and regulatory challenges facing the Company, and his activities with charitable organizations provide insight into the needs of the community.

David N. Mesches, M.D. is retired from being a physician and Chairman of the Board and Founder of the Mid Hudson Family Health Institute, New Paltz, New York. Dr. Mesches currently serves as a consultant to the Institute for Family Health, New York, New York. Dr. Mesches's experience in founding and managing a significant corporate enterprise provide the Board with assistance in evaluating strategic decisions for the Company.

Michael P. Ostrow is Member of Hudson Valley Auto Enterprises, LLC. Mr. Ostrow's experience as a local business owner and operator provides the board with insight into the financial and other challenges of small businesses.

Albert J. Pagano is retired from being the Business Manager and Secretary/Treasurer for the Labors Union, Local 104, Marlboro, New York. Mr. Pagano's experience as an executive of a local union, his knowledge of the local municipalities and contacts with local community leaders and politicians provides the Board with insight into dealing with such municipalities and assists the Board in assessing local government actions which may affect the Company and Empire State Bank.

Thomas D. Weddell is a Business Development Consultant, Certified Public Accountant and Managing Partner for RBT, a certified public accounting firm located in Newburgh, New York. Mr. Weddell has significant expertise and background with regard to accounting matters, the application of generally accepted accounting principles and matters of business finance and business transactions. Mr. Weddell's professional and business experience provides the Board with valuable insight into the accounting and public reporting issues faced by the Company and in assessing strategic transactions involving the Company.

Board of Directors' Meetings and Committees and Attendance at Annual Meetings of Stockholders

The Board of Directors has standing Audit and Governance/Nominating Committees, and additionally, the Board of Directors of Empire State Bank has standing Executive and Compensation Committees.

Meetings of our Board of Directors are generally held on a monthly basis. The Board of Directors held 13 meetings during 2017.

Although we do not have a formal written policy regarding director attendance at annual meetings of stockholders, it is expected that directors will attend these meetings absent unavoidable scheduling conflicts. Each of our directors attended our 2017 Annual Meeting of Stockholders.

Executive Committee

The Executive Committee is comprised of Directors Finkelstein, Freer, Guarnieri, Sperzel, and Weddell. The Executive Committee has and exercises all of the powers of the Board of Directors when such powers are required between meetings of the Board of Directors.

Audit Committee

The Audit Committee is comprised of Directors Finkelstein, Freer, Mesches, Pagano and Weddell. Each member of the Audit Committee has an understanding of, and the ability to analyze and evaluate the financial statements of Empire State Bank, as well as an understanding of an audit committee's functions.

Our management is primarily responsible for our financial reporting and internal and disclosure controls. The Audit Committee is responsible for the relationship between our independent auditor and us. The Audit Committee also receives reports with respect to our financial reporting, internal control over financial reporting and disclosure controls and reviews our unaudited interim financial statements and audited year end financial statements. Finally, the Audit Committee maintains a procedure for confidential employee complaints regarding accounting matters.

Governance/Nominating Committee

The Governance/Nominating Committee consists of Directors Freer, Menicucci and Foster. The primary functions of the Governance/Nominating Committee are to identify individuals qualified to become members of the Board of Directors and select director nominees to be presented for stockholder approval and to review the structure and performance of the Board of Directors and its committees and make recommendations with respect to the Board of Directors and its committees, including size and composition.

Compensation Committee

The Compensation Committee is comprised of Directors, Finkelstein, Foster, Freer, Menicucci and Pagano. The role of the Compensation Committee is to review annually the performance and compensation levels of our executive officers and directors and recommend compensation, including salary, bonus, incentive and equity compensation of our executive officers and directors to the Board of Directors. The Compensation Committee also reviews and makes recommendations regarding certain of our other compensation policies, plans and programs.

Director Compensation

In 2017, each non-employee director received an annual retainer fee in the amount of \$13,000 and non-employee directors who serve on the loan committee received an additional annual retainer in the amount of \$2,000. The Chairman received an additional retainer of \$7,000 for a total of \$20,000.

PROPOSAL II - RATIFICATION OF APPOINTMENT OF INDEPENDENT AUDITOR

Our independent registered public accounting firm for the year ended December 31, 2017 was Crowe Horwath LLP. Our Audit Committee has approved the engagement of Crowe Horwath LLP to be our independent registered public accounting firm for the year ending December 31, 2018 subject to the ratification of the engagement by our stockholders. Representatives of Crowe Horwath LLP are expected to attend the Meeting to respond to appropriate questions and to make a statement if they so desire.

THE BOARD OF DIRECTORS RECOMMENDS THAT STOCKHOLDERS VOTE “FOR” THE RATIFICATION OF THE APPOINTMENT OF CROWE HORWATH LLP AS OUR INDEPENDENT PUBLIC ACCOUNTING FIRM FOR THE YEAR ENDING DECEMBER 31, 2018.

ADVANCE NOTICE OF STOCKHOLDER NOMINATIONS AND BUSINESS TO BE CONDUCTED AT AN ANNUAL MEETING

Our Bylaws provide an advance notice procedure for certain business, or nominations to the Board of Directors, to be brought before an annual meeting of stockholders. In order for a stockholder properly to bring business before an annual meeting, or properly to propose a nominee to the Board of Directors at an annual meeting, the stockholder must give written notice to our Secretary not earlier than the close of business on the 120th day and not less than the close of business on the 90th day prior to the anniversary date of the date of our proxy materials for the preceding year’s annual meeting; provided, however, that if the date of the annual meeting is advanced more than 20 days prior to or delayed by more than 60 days after the anniversary of the preceding year’s annual meeting, notice by the stockholder, to be timely, must be received not earlier than the close of business on the 120th day prior to the date of such annual meeting and not later than the close of business on the later of (A) the 90th day prior to the date of such annual meeting or (B) the tenth day following the first to occur of (i) the day on which notice of the date of the annual meeting was mailed or otherwise transmitted or (ii) the day on which we first make public announcement of the date of the annual meeting.

The notice must include the stockholder’s name, record address, and number of shares owned, describe briefly the proposed business, the reasons for bringing the business before the annual meeting, any material interest of the stockholder in the proposed business and a representation that the stockholder intends to appear in person or by proxy at the annual meeting to bring such business before the meeting. In the case of nominations to the Board of Directors, certain information regarding the nominee must be provided, as set forth in our bylaws which may be found at www.esbna.com. Nothing in this paragraph shall be deemed to require ES Bancshares, Inc. to include a stockholder’s proposal or nominee in its proxy statement

Advance written notice of business or nominations to the Board of Directors to be brought before the 2019 Annual Meeting of Stockholders must be received by the Secretary at our executive office, located at 68 North Plank Road, Newburgh, New York 12550, no earlier than December 11, 2018 and no later than January 9, 2019. The date on which the 2019 Annual Meeting of Stockholders is expected to be held is May 23, 2019.

The chairman of an annual meeting may, if the facts warrant, determine and declare to the meeting that certain business was not properly brought before the meeting in accordance with the provisions of our Bylaws, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted. This provision is not a limitation on any other applicable laws and regulations.

OTHER MATTERS

Other than the matters set forth in the Notice of Annual Meeting of Stockholders, the Board of Directors is not aware of any business to come before the Meeting. If any matters are properly presented at the Meeting for action other than those set forth in the Notice of Annual Meeting of Stockholders, the Board of Directors, as proxy for the stockholder, will have discretion to vote on such matters in accordance with their best judgment.

The cost of solicitation of proxies will be borne by us. We will reimburse brokerage firms and other custodians, nominees and fiduciaries for reasonable expenses incurred by them in sending proxy materials to the beneficial owners of Common Stock. In addition to solicitation by mail, our directors, officers and regular employees may solicit proxies personally, by telephone or by other forms of communication without additional compensation.

