

CAPITAL MARKETS ANNOUNCEMENT

Elmira Savings Bank (NASDAQ: ESBK) Closes \$9.5 Million Private Placement of Common Stock

Sandler O'Neill + Partners, L.P. served as Sole Placement Agent for this offering.

This transaction represents the 120th public offering or private placement of common stock for a bank or thrift since January 1, 2012 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$21.0 billion for our clients.¹

About the Offering:

Elmira, New York – April 24, 2017 – Elmira Savings Bank (NASDAQ:ESBK) announced that it has completed a private placement with institutional and selected accredited investors of 548,000 shares of common stock at a purchase price of \$17.25 per share for gross proceeds of \$9.5 million.

“We are pleased to announce the successful completion of a private placement of our common stock. This new capital will be used to support growth opportunities in markets we serve and further enhance the value of our franchise,” said Thomas M. Carr, President and Chief Executive Officer.

About the Company:

Elmira Savings Bank is insured by the Federal Deposit Insurance Corporation (FDIC) and is a state-chartered bank with six offices in Chemung County, NY; three offices and a loan center in Tompkins County, NY; two offices in Steuben County, NY; one office in Cayuga County, NY; one office in Schuyler County; and a loan center in Broome County, NY.

This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.

1) Source: SNL Financial

2) Financial data is not pro forma for the offering

April 24, 2017

Private Placement of
Common Stock

\$9.5 Million



Elmira
Savings Bank

The People's Bank

Sole Placement Agent

SANDLER O'NEILL + PARTNERS

Financial Highlights as of December 31, 2016²

(Dollars in thousands)

Total Assets	\$ 573,450
Net Loans	455,265
Total Deposits	469,547
Total Equity	55,723
Tang. Common Equity/ Tang. Assets (%)	5.99
LTM ROAA (%)	0.77
LTM ROAE (%)	7.78

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