



100 years of trust.  
One customer at a time.

**BANK CONFIDENTLY**



ANNUAL REPORT 2016



*Gary S. Olson, President and CEO*

## Fellow Shareholders:

It is a rare privilege for any company to celebrate 100 years of operation. In November 2016, ESSA Bancorp, Inc. marked the centennial of East Stroudsburg Building & Loan Association opening its doors to the community. Our executive team was at the Nasdaq Stock Market on November 16, 2016 to ring the closing bell to celebrate this milestone. It was nearly a decade earlier that we rang the Nasdaq bell in April 2007 to mark ESSA Bancorp, Inc. becoming a publicly traded company.

During the past several years, the Company completed acquisitions that have enabled ESSA to greatly expand its market scope. From its legacy core market in the Poconos, the Company has expanded into the Lehigh Valley, Scranton/Wilkes-Barre, and suburban Philadelphia markets. The acquisition of Eagle National Bank (“ENB”), a business-focused institution serving suburban Philadelphia, closed early in fiscal 2016 and has been fully integrated into ESSA’s operations.

In 2016, we focused on solidifying our gains and market position following four years of acquisitions. Our goals included generating quality earnings from a larger franchise through loan growth while maintaining asset quality, taking advantage of our opportunities by making selective investments in people and operations, positioning for continued growth, and generating value for shareholders.

In the fiscal year ended September 30, 2016, ESSA Bancorp reported net income of \$7.7 million or \$0.73 per diluted share, compared to \$9.8 million or \$0.93 per diluted share in fiscal 2015. The Company closed the year with \$1.77 billion in assets, \$1.22 billion in net loans, and deposits of \$1.21 billion. The year-over-year decline in earnings reflected the impact of a prolonged and flattening yield curve. As a result, our net interest margin was reduced by 7 basis points to 2.89% from 2.96% in fiscal 2015.

Even as we committed a portion of revenue to positioning for the future, we were pleased to deliver increased value to shareholders. Total stockholders’ equity rose to \$176.3 million in fiscal 2016 from \$171.3 million a year earlier. Retained earnings increased to \$87.6 million from \$83.7 million, and tangible book value per share increased to \$14.05 compared with \$14.03 a year earlier.

We also provided value to shareholders by paying quarterly cash dividends. Our fourth quarter 2016 dividend represented the 35th consecutive quarterly cash dividend paid by ESSA to its shareholders.

**Earnings reflected a year-over-year \$4.2 million rise in total interest income to a Company record \$58.4 million in fiscal 2016.**

## FINANCIAL PERFORMANCE REFLECTS GROWTH, INVESTMENT

Earnings reflected a year-over-year \$4.2 million rise in total interest income to a Company record \$58.4 million in fiscal 2016 from \$54.2 million a year earlier. Diligent interest expense management and growth in low-cost core demand deposits to 58% of total deposits from 46% of total deposits the year before contributed to relatively slower expansion of total interest expense, which was \$11.4 million in fiscal 2016 compared with \$10.4 million in fiscal 2015.

Net interest income increased to \$46.9 million in fiscal 2016 from \$43.8 million in fiscal 2015. We were pleased that despite continuing pressure on margins, a low-interest rate environment, and stable but soft economic conditions throughout our markets, we grew net interest income through a combination of greater total interest income and careful interest rate management. Noninterest income increased by \$887 thousand from fiscal 2015, primarily reflecting increased fee income and gains from opportunistic investment portfolio management.

We were pleased that the Company's interest income growth reflected the positives resulting from loans acquired in the ENB transaction, and the record \$275 million in loans booked during fiscal 2016. Particularly encouraging was the income generated from expanded commercial lending activity and solid performance by indirect auto lending. Going forward, these banking sectors provide our greatest growth and revenue opportunities.

Following several years of steady year-over-year earnings growth, our net income in fiscal 2016 reflected approximately \$6 million of higher noninterest expense compared with the previous year. Some of this increase reflects higher occupancy and equipment costs related to the ENB acquisition. The increase also reflected new team members from the ENB acquisition, and investment in new and current team members who we expect to drive revenue.

## A FOCUS ON EFFICIENCY, PRODUCTIVITY

Noninterest expense reflected both investment in our future and expense management. As in past years, we kept a close eye on the productivity of every facility and took advantage of the opportunity to make operations more efficient and effective. The Company closed five branch locations in fiscal 2016, including one acquired in the ENB transaction, consolidating their operations into other ESSA locations, and relocated a branch to improve visibility in the market.

We believe physical locations are vitally important, especially for a community bank focused on service, and we are always looking for the opportunity to maximize the productivity and value of our branches. Technology has supported branch efficiency through enhanced processing capabilities and communication between locations and throughout our operation. Electronic banking services and business online banking, increasingly used by customers for many transactions, have enabled us to trim some facilities and still provide excellent customer support.



# OUR HISTORY

## NOVEMBER 1, 1916

ESSA Bank & Trust founded by John Gish and other local businessmen at 93 Crystal Street in East Stroudsburg (above)



## 1933

Total assets reach \$250,000

## 1941

Company name becomes East Stroudsburg Savings, Building & Loan Association

## 1949

Total assets reach \$1 million

## 1956



Board minutes with John Gish's original signature

## 1966

ESSA celebrates its 50th anniversary; Company moves to new headquarters at 75 Washington Street in East Stroudsburg (below)



In 2016, we enhanced our electronic banking capabilities, particularly for business customers; expanded our scope of web-based banking services; and introduced a new and robust website. Of course, security remains a top priority. Staying current with the latest encryption, anti-hacking, and system monitoring capabilities is critical.

Facilities, systems, and superior products are supporting our culture of service delivered by an experienced, dedicated team of bankers. Fiscal 2016 expenses reflect the investment in proven performers, both new hires and those already with the Company. The success of our commercial banking teams in our served markets, particularly in the Lehigh Valley, drove the decision to expand our commercial banking team.

During the year, six experienced commercial banking experts joined the ESSA team, enhancing our capabilities in lending, relationship management, small business lending, loan portfolio management, and corporate cash management services. In July 2016, we welcomed Stephen H. Patterson, a 30-year veteran of the banking industry with a strong background in commercial lending, to lead ESSA's consumer and commercial initiatives as Senior Vice President and Chief Lending Officer. This newly created position at ESSA reflects the importance we place on building a strong, coordinated lending outreach across all markets. We also expanded our indirect auto lending team, and gave increased responsibility to several top-performing individuals in commercial and indirect auto lending.

The Company increased spending on advertising and marketing to

reinforce our brand and the message of *Banking Confidently* with ESSA. Conveying that message to the community is vitally important as we compete for customers and credits. Positioning ESSA as the premier resource for financial solutions, service, and support is an important component in making our case for being a one-stop resource for customers.

### **BALANCE SHEET REFLECTS GROWTH, QUALITY**

Loans receivable, net of allowance for loan losses, were \$1.22 billion at September 30, 2016 compared with \$1.10 billion at September 30, 2015. Loan growth primarily reflected the acquisition of ENB, and

**We continue to build on a tradition of leadership by offering superior products and services and providing integrated financial solutions to customers.**

expansion of the Company's indirect auto lending business, which increased 19% to \$193.1 million at September 30, 2016 from \$162.2 million at September 30, 2015. Residential mortgage loans declined year-over-year as the housing market throughout our markets continued to reflect softness in demand and pricing.

Commercial loan growth partially reflected the addition of loans from organic growth and the ENB acquisition: ESSA closed a record \$102.5 million of commercial real estate and commercial and industrial loans during the year. This only partially reflected the production power of an expanded commercial lending team, much of which

took place halfway through the fiscal year. ESSA's commercial real estate portfolio increased to \$288.4 million at fiscal year-end 2016 from \$200.0 million a year earlier, while commercial and industrial loans increased to \$40.0 million at fiscal year-end 2016 from \$34.3 million the previous year.

Some of our production gains in commercial lending were offset by customer payoffs of loans. We are confident that most of these were not because customers went elsewhere to borrow, but because they pulled back on plans to deploy more capital in their businesses. This reflects the continuing mood of caution throughout the business community. We believe that steady economic improvement in our markets;

potential changes to the corporate tax structure; and the hard work and dedication of our banking team to identify new opportunities in business banking, indirect auto lending, and retail lending will support overall growth.

Commercial lending opens the door to our broad array of business products and services. We remain focused on building and expanding relationships with our business clients via new deposits, fee-based accounts such as treasury management and merchant services, investment services, and advisory services such as employee benefits consulting and management. ESSA's strength is exceeding the customized

personal service expected of a community bank and offering the robust products and capabilities of a larger institution.

As we pursue growth, maintaining the quality of our loan portfolio is paramount. Through prudent asset management practices and disciplined risk management underwriting practices in retail, consumer, and commercial lending, we maintained low ratios of nonperforming assets and net loan charge-offs—consistent with previous years. Nonperforming assets were 1.24% of total assets at September 30, 2016 and net charge-offs as a percent of total average loans were 0.20% in fiscal 2016. Sound asset quality has enabled us to maximize the value of the revenue we generate.

The Company's value also reflected its capital strength, including capital ratios that exceeded accepted regulatory standards for a well-capitalized institution. The Company's tangible equity to tangible assets ratio was 9.11% at September 30, 2016.

## OUTLOOK

The coming year offers the opportunity to demonstrate value to all of our constituents. We continue to build on a tradition of leadership by offering superior products and services and providing integrated financial solutions to customers. We believe we have developed the products and built a team capable of delivering results that will put us on track for earnings growth.

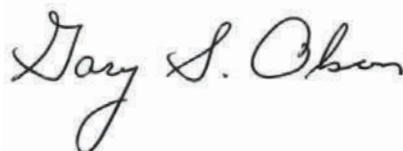
Entering the new fiscal year, we face the challenges of margin pressure, low interest rates, and an optimistic but cautious attitude among consumers and businesses. The potential for some relief on the interest rate front and possible changes to the corporate tax structure would be welcome, but the key

to success lies squarely with our ability to grow market share, earn new customers, and retain quality credits. We welcome that opportunity, and we firmly believe in the ability of our team to generate results.

From its modest beginnings in East Stroudsburg, ESSA Bank & Trust has grown to a \$1.77 billion asset institution, ranking ESSA Bancorp by asset size among the top 15 publicly traded financial institutions based in Pennsylvania. During the past several years, we have spoken about transformation, and ESSA has completed the transformation from a retail-focused thrift serving one market to a commercial and retail savings bank providing lending, deposit, brokerage, insurance, employee benefit, and asset management and trust services throughout Eastern Pennsylvania. Through the years, our guiding principles have remained steadfast: succeeding through safe, sound, and stable operation; maintaining uncompromising dedication to customer satisfaction; hiring, retaining, and recognizing talented employees; building the Company's value; and giving back to the community through charitable, civic, and service contributions.

We appreciate the loyalty and support of you, our valued shareholders. We are committed to work diligently alongside our directors and banking professionals as stewards of your investment in ESSA Bancorp.

Sincerely,



Gary S. Olson, President and CEO

## 1970

ESSA merges with Commonwealth Building & Loan Association

## 1971

ESSA merges with Keystone Building & Loan Association; Company name becomes East Stroudsburg Savings Association; total assets reach \$20 million

## 1978

First branch office opens inside the Stroud Mall in Stroudsburg

## 1983-1997

Locations added in Brodheadsville, Stroudsburg, Mount Pocono, Marshalls Creek, Tannersville (Weis Markets), and Bushkill

## 1984

Total assets reach \$100 million



## 1985

Corporate headquarters move to 744 Main Street in Stroudsburg (above)

## 1986

Annual net income reaches \$1 million

# Consolidated Financial Highlights

The following information is derived from the audited Consolidated Financial Statements of ESSA Bancorp, Inc. For additional information, reference is made to "Management's Discussion and Analysis of Financial Condition and Results of Operations" and the Consolidated Financial Statements of ESSA Bancorp, Inc. and related notes included in Form 10-K as filed with the Securities and Exchange Commission.

## Selected Balance Sheet Data (Years ended September 30; data in thousands)

	2016	2015	2014	2013	2012
Total assets	\$1,772,479	\$1,606,544	\$1,574,815	\$1,372,315	\$1,418,786
Investment securities: Available for sale	390,410	379,407	383,078	315,622	329,585
Loans, net	1,219,213	1,102,118	1,058,267	928,230	950,355
Deposits	1,214,820	1,096,754	1,133,889	1,041,059	995,634
Borrowed funds	360,061	320,440	259,320	152,260	234,741
Equity	176,344	171,280	167,309	166,446	175,411

## Selected Operations Data (Years ended September 30; data in thousands)

	2016	2015	2014	2013	2012
Net interest income	\$46,935	\$43,789	\$40,149	\$39,845	\$29,068
Provisions for loan losses	2,550	2,075	2,350	3,750	2,550
Net interest income after provisions for loan losses	44,385	41,714	37,799	36,095	26,518
Noninterest income	8,783	7,896	7,407	8,024	6,735
Noninterest expense	42,858	36,865	33,811	32,462	33,005
Income tax expense	2,583	2,954	2,891	2,834	33
Net income	\$7,727	\$9,791	\$8,504	\$8,823	\$215
Earnings per share: Basic	\$0.74	\$0.94	\$0.79	\$0.76	\$0.02
Diluted	\$0.73	\$0.93	\$0.79	\$0.76	\$0.02

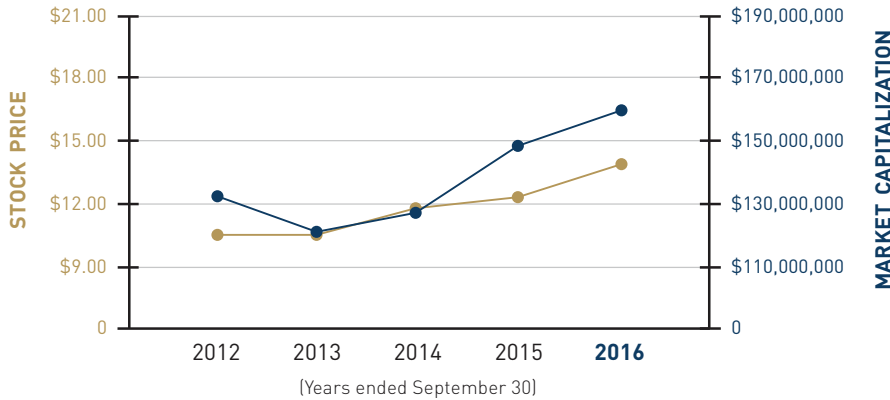
## Selected Other Data (Years ended September 30)

	2016	2015	2014	2013	2012
Return on average assets	0.45%	0.62%	0.59%	0.64%	0.02%
Return on average equity	4.40%	5.68%	5.01%	5.12%	0.13%
Interest rate spread <sup>(1)</sup>	2.81%	2.89%	2.89%	2.97%	2.42%
Net interest margin <sup>(2)</sup>	2.89%	2.96%	2.97%	3.08%	2.65%
Net charge-offs as a percent of total loans	0.20%	0.16%	0.17%	0.32%	0.36%
Tier 1 core capital (to adjusted tangible assets)	8.76%	10.03%	10.04%	11.03%	11.08%

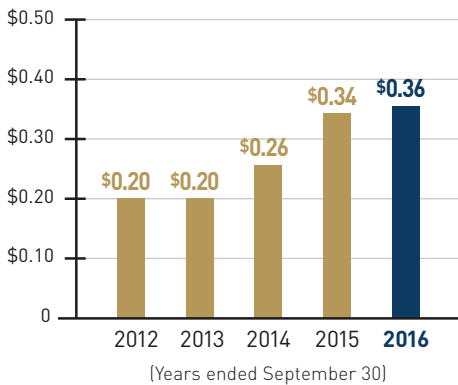
(1) The interest rate spread represents the difference between the weighted-average yield on a fully tax-equivalent basis on interest-earning assets and the weighted-average cost of interest-bearing liabilities for the year.

(2) The net interest margin represents net interest income on a fully tax-equivalent basis as a percent of average interest-earning assets for the year.

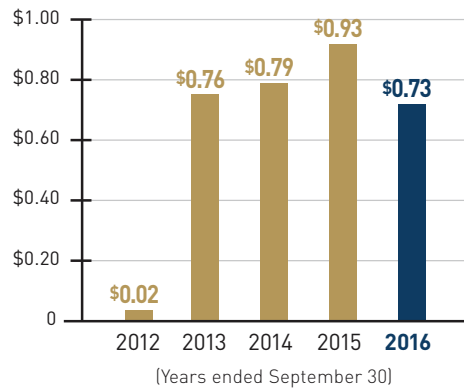
## Stock Price & Market Capitalization



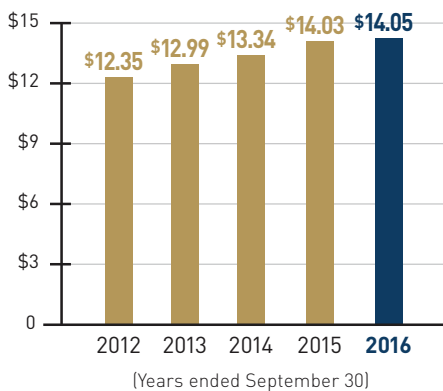
## Dividends per Share



## Earnings per Share (Diluted)



## Tangible Book Value (Per Share)



## 1996

First Company website launched at [essabank.com](http://essabank.com)

## 1998

Brodheadslee Weis Markets branch opens; Asset Management & Trust Division added; ESSA Foundation formed

## 1999-2001

Three additional Weis Market locations open in East Stroudsburg, Stroudsburg, and Pen Argyl

## 2000

Previous President and CEO W. Jack Wallie retires; Gary Olson named new President and CEO

## 2002

Blakeslee branch opens; ESSA introduces internet banking

## 2003



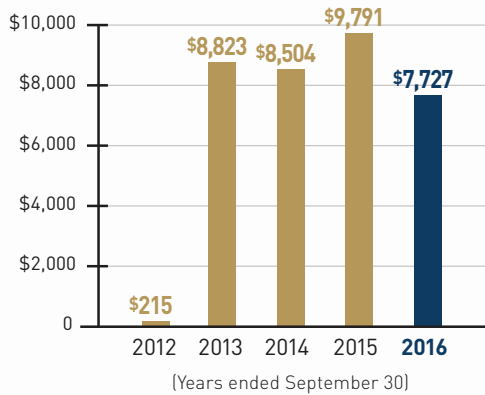
Construction of new corporate headquarters in Stroudsburg completed; total assets reach \$500 million

## 2004

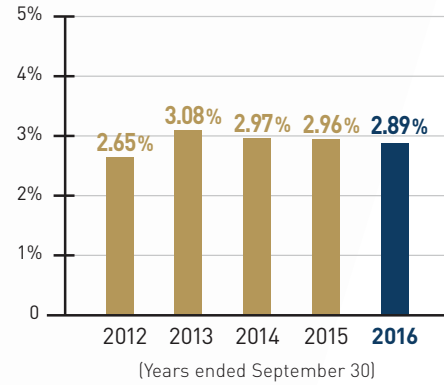
Company name changes to ESSA Bank & Trust

# Consolidated Financial Highlights (cont'd)

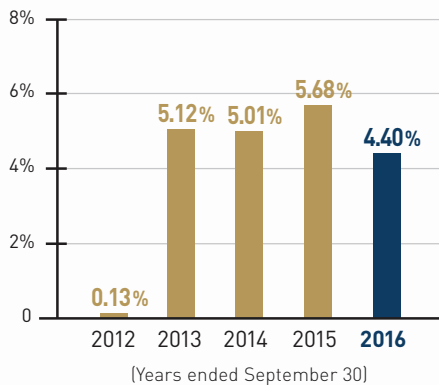
## Net Income (in Thousands)



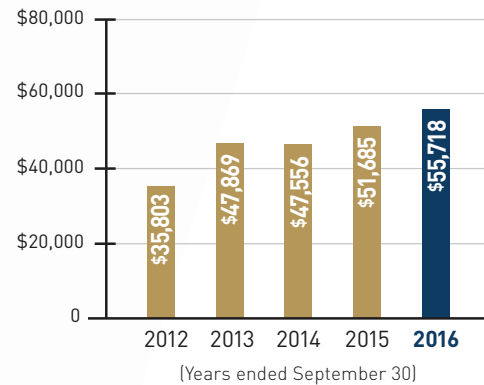
## Net Interest Margin



## Return on Average Equity

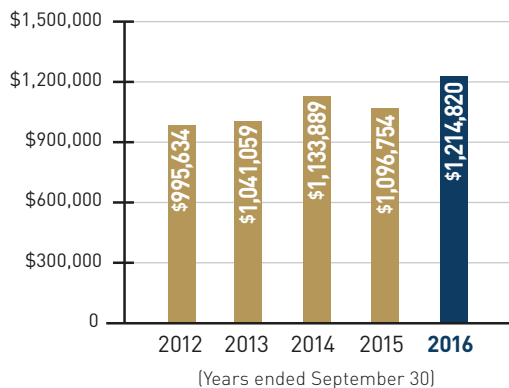


## Revenue\* (in Thousands)

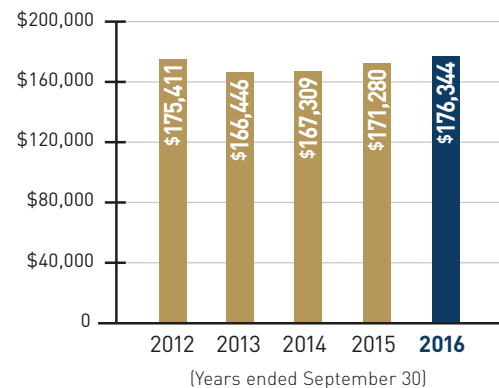


\*Net interest income plus noninterest income.

## Deposits (in Thousands)

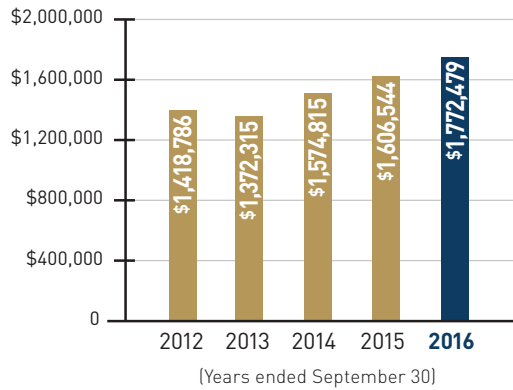


## Stockholders' Equity (in Thousands)

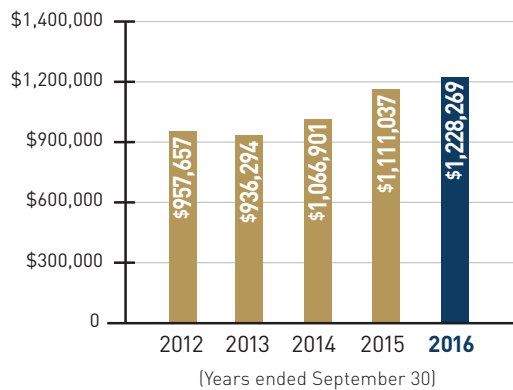




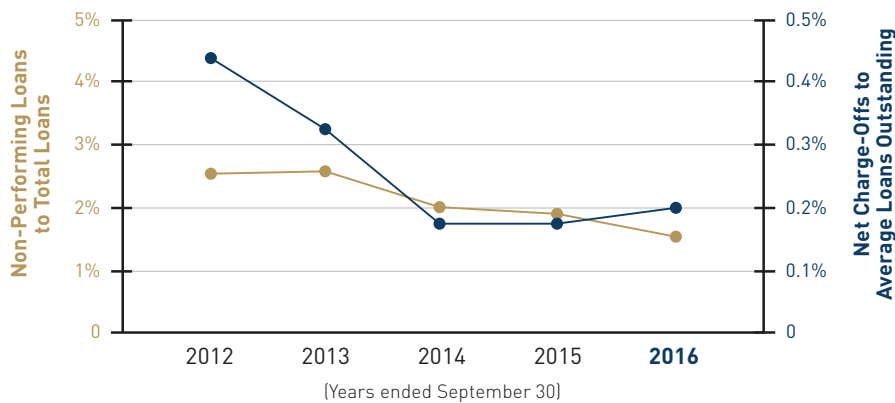
### Total Assets (in Thousands)



### Total Loans (in Thousands)



### NPLs & Charge-Offs

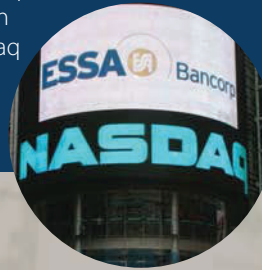


### 2006

ESSA Bancorp, Inc., the holding company for ESSA Bank & Trust, formed

### 2007

Shares of ESSA Bancorp's common stock begin trading on the Nasdaq Stock Market; Tannersville branch opens



### 2008

Total assets reach \$1 billion

### 2010

Branches open in Mountainhome, Bethlehem (Weis Markets), Allentown (Weis Markets), and Schnecksville (Weis Markets)

### 2011

Lehigh Valley expansion continues with the opening of Bethlehem office; ESSA Advisory Services formed

### 2012

ESSA acquires First Star Bancorp, Inc., adding nine branches throughout the Lehigh Valley (Bethlehem branch shown below); total assets reach \$1.5 billion



# Executive Personnel

## BOARD OF DIRECTORS & GENERAL COUNSEL

**William A. Viechnicki, D.D.S.**

*Chairman of the Board  
Orthodontist*

**Robert C. Selig, Jr.**

*Vice Chairman of the Board  
President – Selig Construction Company*

**Joseph S. Durkin**

*Executive Vice President – Reilly Associates*

**Frederick E. Kutteroff**

*President – Keystone Savings Bank (retired)*

**John E. Burrus**

*Director Emeritus*

**Timothy S. Fallon**

*CEO – PBS 39*

**Gary S. Olson**

*President & CEO – ESSA Bank & Trust*

**John S. Schoonover, Jr.**

*Director Emeritus*

**Christine D. Gordon, Esq.**

*Deputy Chief Compliance Officer –  
Olympus Corporation of the Americas*

**Brian T. Regan, CPA**

*Shareholder – Regan, Levin, Bloss,  
Brown & Savchak, P.C.*

**William P. Douglass**

*Director Emeritus*

**Daniel J. Henning**

*President – A.C. Henning Enterprises, Inc.*

**Elizabeth Bensinger Weekes, Esq.**

*Partner – Bensinger & Weekes, PA*

**James V. Fareri, Esq.**

*General Counsel*

## OFFICERS

**Gary S. Olson**

*President & CEO*

**Stephen H. Patterson**

*Senior Vice President & CLO*

**Thomas J. Grayuski**

*Vice President, Human Resources Division*

**Allan A. Muto**

*Executive Vice President & CFO*

**Diane K. Reimer**

*Senior Vice President,  
Administrative/Operations Division*

**James R. Gillen**

*Vice President, Strategic Planning*

**Charles D. Hangen**

*Senior Vice President & COO*

**V. Gail Bryant**

*Senior Vice President,  
Retail Banking Division*

**Suzie T. Farley**

*Vice President, Corporate Secretary,  
Investor & Community Relations*

## CORPORATE HEADQUARTERS

ESSA Bancorp, Inc.  
200 Palmer Street  
Stroudsburg, PA 18360

### Mailing Address

P.O. Box L  
Stroudsburg, PA 18360

### Auditors

S.R. Snodgrass, P.C.  
2100 Corporate Drive, Suite 400  
Wexford, PA 15090

### General Counsel

Newman, Williams, Mishkin,  
Corveleyn, Wolfe & Fareri, P.C.  
712 Monroe Street  
Stroudsburg, PA 18360

## 100 YEARS OF SERVICE, GROWTH, AND INNOVATION

ESSA Bank & Trust was established in 1916 when John Gish and other local businessmen founded the East Stroudsburg Building & Loan Association. In 1941 the Company was renamed the East Stroudsburg Savings, Building & Loan Association and subsequently changed again in 1971 to East Stroudsburg Savings Association after the acquisition of two local thrifts, Commonwealth Building & Loan Association and Keystone Building & Loan Association. ESSA operated with one office until 1978, when its first branch office opened in the Stroud Mall. For decades, most of ESSA's business was tied to mortgages, initially focusing on loans for primary residences, then adding loans for vacation homes. In the 1970s and 1980s Monroe County became one of the fastest-growing counties in Pennsylvania, and hence, the demand for mortgages fueled ESSA's growth.

Responding to this growth, ESSA expanded its capabilities as a hometown bank. From 1983 through 2002, ESSA opened branch locations throughout Monroe County, grew its employee base, and expanded its physical presence and delivery channels to include in-store branches, ATMs, and telephone and internet banking. Products and services grew as well to include checking, money market accounts, IRA's, and home equity loans.

In 1998, in accordance with our Guiding Principles, the ESSA Foundation (later renamed the ESSA Bank & Trust Foundation) was formed to fund the needs of civic and charitable organizations in Monroe County. That year, ESSA also added its Asset Management & Trust Division. In 2003, the Company completed construction of its new corporate headquarters in downtown Stroudsburg, and reached a milestone \$500 million in assets.

Early in the new millennium, ESSA began to offer business banking products and services. This led to a more focused effort on business banking which required additional resources. To sustain this growth, ESSA Bank & Trust converted from a mutual to a publicly traded company in 2007. The IPO raised \$160 million in capital with proceeds leveraged to fund balance sheet growth, acquire other banks/branches, fund our charitable foundation and employee ESOP plan, and other general purposes.

Assets topped \$1 billion in 2009, and in the next three years ESSA added business banking capabilities and a variety of financial products and services, including employee benefits and insurance counseling through ESSA Advisory Services, cash management, and electronic banking services. In 2012, ESSA expanded its Lehigh Valley presence with the acquisition of First Star Bancorp, Inc.

With the 2014 acquisition of Franklin Security Bancorp, Inc., ESSA entered the Scranton/Wilkes-Barre market, expanded its commercial banking capabilities, and entered the indirect auto lending business. Also in 2014, ESSA purchased deposits, loans, and a branch facility from FNCB.

In the first quarter of fiscal 2016, ESSA closed its acquisition of Eagle National Bancorp. This acquisition further increased ESSA's commercial lending portfolio and gave ESSA an entry into the suburban Philadelphia market.

With locations in eight counties and clients throughout Eastern Pennsylvania, ESSA's geographic market coverage and broad range of financial, investment, and insurance products represents a long and prosperous journey. As markets and opportunities have grown and changed, so has ESSA, positioning the Company for an exciting future.

### 2014

ESSA purchases the deposits, loans, and branch facility in Marshalls Creek from First National Community Bank

ESSA acquires Franklin Security Bancorp, Inc., with two branches serving Scranton (shown) and Wilkes-Barre



### 2015

ESSA acquires Eagle National Bancorp, Inc., adding five branches in the western suburbs of Philadelphia; total assets reach \$1.8 billion

### 2016

ESSA opens a Philadelphia regional office in Plymouth Meeting

### NOVEMBER 1, 2016

ESSA Bank & Trust celebrates its 100th anniversary

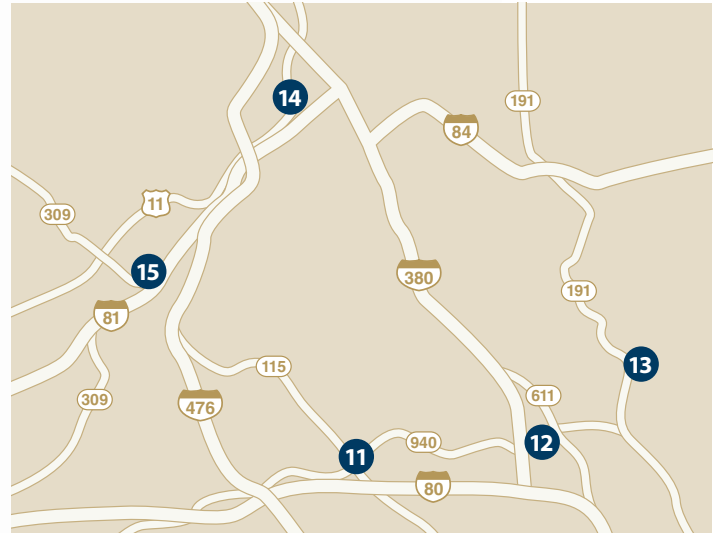
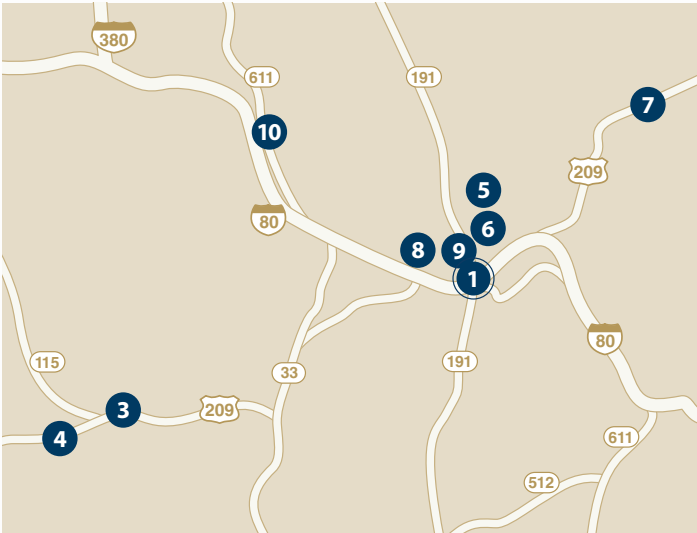


ESSA rings the closing bell at the Nasdaq Stock Market on November 16, 2016

# ESSA Locations by Region

## 1. Corporate Center

200 Palmer Street  
P.O. Box L  
Stroudsburg, PA 18360



## POCONOS

### 3. Brodheadsville

1881 Route 209  
Brodheadsville, PA 18322

### 4. Brodheadsville

Weis Markets  
924 Weir Lake Road  
Brodheadsville, PA 18322

### 5. East Stroudsburg – Eagle Valley

Weis Markets  
695 North Courtland Street  
East Stroudsburg, PA 18301

### 6. East Stroudsburg

75 Washington Street  
East Stroudsburg, PA 18301

### 7. Marshalls Creek

5120 Milford Road  
East Stroudsburg, PA 18302

### 8. Stroud Township

Weis Markets  
1070 North Ninth Street  
Stroudsburg, PA 18360

### 9. Stroudsburg

744 Main Street  
Stroudsburg, PA 18360

### 10. Tannersville

2826 Route 611  
Tannersville, PA 18372

## SCRANTON/WILKES-BARRE

### 11. Blakeslee

249 Route 940  
Blakeslee, PA 18610

### 12. Mount Pocono

Weis Markets  
3236 Route 940  
Mount Pocono, PA 18344

### 13. Mountainhome

975 Route 390  
Cresco, PA 18326

### 14. Scranton

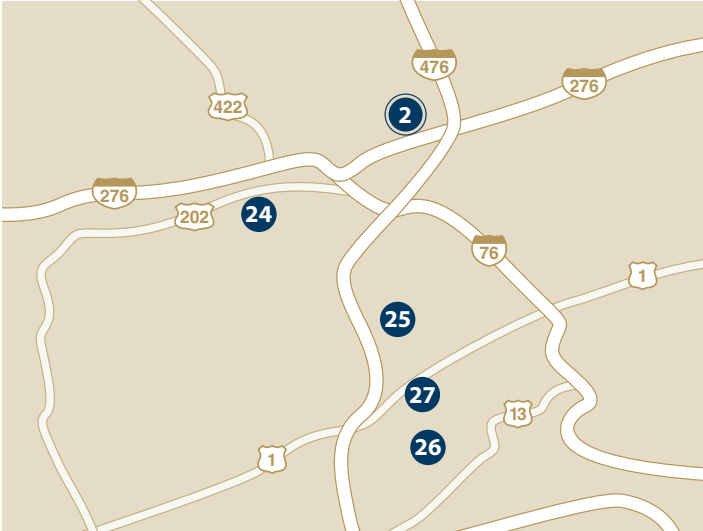
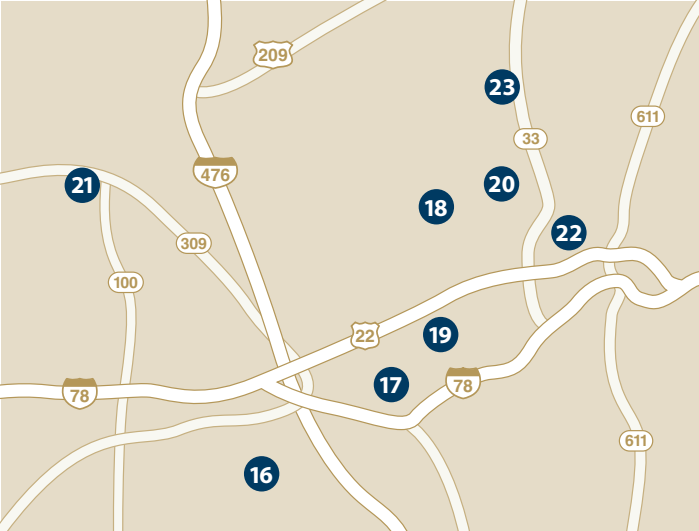
300 Mulberry Street  
Scranton, PA 18503

### 15. Wilkes-Barre

1065 Highway 315  
Wilkes-Barre, PA 18702

**2. Philadelphia Regional Office**

450 Plymouth Road  
 Suite 101  
 Plymouth Meeting, PA 19462



**LEHIGH VALLEY**

- 16. Alburtis**  
11 North Main Street  
Alburtis, PA 18011
- 17. Allentown**  
471 West Wabash Street  
Allentown, PA 18103
- 18. Bath**  
358 South Walnut Street  
Bath, PA 18014
- 19. Bethlehem**  
418 West Broad Street  
Bethlehem, PA 18018
- 20. Nazareth**  
14 South Main Street  
Nazareth, PA 18064
- 21. New Tripoli**  
6302 Route 309  
New Tripoli, PA 18066
- 22. Palmer**  
2415 Park Avenue  
Easton, PA 18045
- 23. Wind Gap**  
1430 Jacobsburg Road  
Wind Gap, PA 18091

**PHILADELPHIA REGION**

- 24. Devon**  
227 West Lancaster Avenue  
Devon, PA 19333
- 25. Haverford**  
354 West Lancaster Avenue  
Haverford, PA 19041
- 26. Lansdowne**  
48 West Marshall Road  
Lansdowne, PA 19050
- 27. Upper Darby**  
8045 West Chester Pike  
Upper Darby, PA 19082

**ADDITIONAL SERVICES**

**Asset Management & Trust Services**  
 744 Main Street, Suite 3A  
 Stroudsburg, PA 18360

**ESSA Advisory Services**  
 414 West Broad Street  
 Bethlehem, PA 18018

**ESSA Investment Services\***  
 746 Main Street  
 Stroudsburg, PA 18360

\*A Cetera Investment Services, LLC Program

# Mission Statement

*ESSA Bank & Trust will be the leading service-oriented community financial institution offering a full range of financial products to Greater Eastern Pennsylvania area customers. We will ensure our long-term prosperity by providing products and service in a manner consistent with high standards of quality, on a profitable basis, at the fairest price, in order to create the best possible value for our customers. They will be delivered through distribution systems staffed and supported by customer-driven, friendly, productive employees with a high degree of integrity.*

## OUR GUIDING PRINCIPLES

**There are five Guiding Principles on which our Mission Statement is based:**

We believe in long-term success, operating as a safe, sound, and stable institution. Long-term success is dependent upon profits, but never will profit-seeking compromise our mission.

We believe in satisfying the wants and needs of our customers. Satisfaction is dependent upon a continual improvement of our service, products, systems, and operations.

We believe our employees are our most valuable asset. Our employees will be provided with a work environment that is “the best in town.”

We believe our decisions should enhance ESSA’s value. Enhanced value is achieved through quality earnings, growth, and strong management practices.

We believe in supporting our community through employee volunteering and charitable giving to improve the quality of life. The ESSA Bank & Trust Foundation has been established to support this principle.

## ESSA CODE OF ETHICS AND CONFLICT OF INTEREST POLICY

No profession or industry has maintained higher standards of conduct nor provided greater public service than the community banking industry.

The ESSA Bancorp, Inc. Board of Directors has approved an Insider Code of Ethics and Conflict of Interest policy. This policy provides Directors and employees with specific guidance promoting honest and ethical conduct and deterring wrongdoing.

Our policy may be found on our website at [essabank.com](http://essabank.com).

# Corporate Information

## STOCK LISTING

ESSA Bancorp, Inc. common stock is listed on the NASDAQ Global Market<sup>SM</sup> under the symbol "ESSA."

## INTERNET INFORMATION

ESSA Bancorp, Inc. financial reports and information about the products and services of its wholly owned subsidiary, ESSA Bank & Trust, are available at [essabank.com](http://essabank.com).

## FINANCIAL INFORMATION

We are subject to the informational requirements of the Securities Exchange Act of 1934. Therefore, we file annual, quarterly, and current reports as well as proxy materials with the Securities and Exchange Commission (SEC). You can obtain copies of these and other filings, including exhibits, electronically at the SEC's website at [sec.gov](http://sec.gov) or through the ESSA website at [essabank.com](http://essabank.com) by clicking on the Investor Relations link. Copies of our Annual Report and Form 10-K may also be obtained by contacting Investor Relations at (570) 422-0182 or via email at [sfarley@essabank.com](mailto:sfarley@essabank.com).

## CORPORATE GOVERNANCE

Information about our Board and its committees and about corporate governance at ESSA is available in the Governance Documents section of the Investor Relations link on the ESSA website at [essabank.com](http://essabank.com). Shareholders who would like to request printed copies of the Code of Ethics or the charters of our Board's Nominating and Corporate Governance, Audit, and Compensation committees (all of which are posted on the ESSA website through the Investor Relations link) may do so by sending their requests in writing to Suzie Farley, Vice President, Corporate Secretary, Investor and Community Relations, at corporate headquarters at P.O. Box L, Stroudsburg, PA 18360.

## INQUIRIES

Individual investors should contact Suzie Farley, Vice President, Corporate Secretary, Investor and Community Relations, at (570) 422-0182 or via email at [sfarley@essabank.com](mailto:sfarley@essabank.com).

Analysts and institutional investors should contact Allan Muto, Executive

Vice President and CFO, at (570) 422-0181 or via email at [amuto@essabank.com](mailto:amuto@essabank.com).

News media representatives and others seeking general information should contact James Gillen, Vice President, Strategic Planning, at (570) 420-5189 or via email at [jgillen@essabank.com](mailto:jgillen@essabank.com).

## ANNUAL SHAREHOLDERS' MEETING

All shareholders are invited to attend the ESSA Bancorp, Inc. annual meeting on Thursday, March 2, 2017, at 10 a.m. The meeting will be held at: Northampton Community College, Monroe Campus  
2411 Route 715  
Tannersville, PA 18372

## REGISTRAR & TRANSFER AGENT

Computershare, Inc.  
P.O. Box 30170  
College Station, TX 77842  
800-368-5948

## SPECIAL COUNSEL

Luse Gorman, PC  
5335 Wisconsin Avenue, N.W., Suite 780  
Washington, DC 20015

## FORWARD-LOOKING STATEMENTS

Certain statements contained in this Annual Report 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. Forward-looking statements may be identified by reference to a future period or periods, or by use of forward-looking terminology, such as "believe," "expect," "anticipate," "intend," "outlook," "estimate," "forecast," "project," and other similar words and expressions. Our forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, those related to the economic environment, particularly in the market areas in which the Company operates, competitive products and pricing, fiscal and monetary policies of the U.S. Government, changes in government regulations affecting financial institutions, legal developments, technological advances, changes in prevailing interest rates, acquisitions and the integration of acquired businesses, credit risk management, asset-liability management, the financial and securities markets, and the availability of and costs associated with sources of liquidity.

Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which change over time. The Company wishes to caution readers not to place undue reliance on any such forward-looking statements, which speak only as of the date made. The Company wishes to advise readers that the factors listed above could affect the Company's financial performance and could cause the Company's actual results for future periods to differ materially from any opinions or statements expressed with respect to future periods in any current statements. The Company does not undertake and specifically declines any obligation to publicly release the result of any revisions, which may be made to any forward-looking statements to reflect events or circumstances after the date of such statements or to reflect the occurrence of anticipated or unanticipated events. We provide greater detail regarding these factors in our Form 10-K for the year ended September 30, 2016, including the Risk Factors section. Our forward-looking statements may also be subject to other risks and uncertainties, including those discussed elsewhere in this Annual Report or in our filings with the SEC, accessible on the SEC's website at [sec.gov](http://sec.gov) or through the Investor Relations link on our corporate website at [essabank.com](http://essabank.com).



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