TO OUR VALUED STAKEHOLDERS,

In 2024, Esquire's steadfast strategic vision on building a client-centric and tech-focused Company that is disruptive to the complex and fragmented national businesses we serve has once again generated industry leading returns and performance metrics, creating value for all stakeholders well beyond our financial sector peers. We remain focused on serving two vast, disruption-ready national markets, the $443 billion litigation and $11 trillion small business payment processing verticals. This is bolstered by tailored tech-enabled financial solutions and data that supports our clients' unique business and growth objectives. Despite our notable growth and performance over the past several years, Esquire has captured only a small segment of both national markets, positioning the Company for continued growth opportunities (commensurate to prior years) in these underserved national markets during 2025 and beyond.

As a testament to our consistent growth and industry leading performance, accolades from the leaders in the business community during 2024 include:

- Included on the "2024 Fortune 100 Fastest-Growing Companies" list (one of only four banks) based on revenue growth, earnings per share growth and three-year annualized return to shareholders for the period ending June 30, 2024.
- Recognized as a "Best-Performing U.S. Community Bank of 2024" by S&P Global Market Intelligence based on key financial metrics including returns, growth, and funding, while placing a premium on balance sheet strength and risk profile. The rankings provide insight into banks that have demonstrated resilience and strong performance in a dynamic financial environment.
- Named to the 2024 Keefe, Bruyette & Woods' ("KBW") Bank Honor Roll. This elite group of banks comprises only 5% of the eligible firms nationally by delivering the strongest and most consistent earnings growth over the past decade while commanding premium valuations.

Review of 2024

Since our current growth and performance metrics are included in this Annual Report, we wanted to focus on several notable items that clearly demonstrate our consistent growth and financial performance in the current year as well as over the past five years (compounded annual growth rates or "CAGR"):

- Diluted earnings per share was $5.14 with a CAGR of 33%, generating industry leading returns on average assets and equity of 2.57% and 20.14%, respectively, while maintaining excess capital levels with common equity tier 1 ("CET1") and tangible common equity to tangible asset ("TCE/TA") ratios of 14.67% and 12.53%, respectively.
- Strong deposit growth totaling $235 million, or 17%, to $1.64 billion, with a CAGR of 20% and primarily comprised of low-cost commercial relationship deposits funded at 0.91% (including demand deposits), generated from our highly efficient tech-enabled commercial cash management platform nationally. In addition, off-balance sheet sweep funds increased $276 million, or 99%, to $554 million enhancing our additional available liquidity to $907 million, excluding cash and unsecured borrowing capacity.
- Significant loan growth totaling $190 million, or 16% annualized, to $1.4 billion, with a CAGR of 20%, despite management tempering multifamily and commercial real estate loan growth in response to the economic environment. Higher yielding variable rate commercial loan growth from our national platforms totaled $183 million, or 25%, while commercial litigation related loans grew $223 million, or 37%, nationally and represent 60% of total loans at year end. These commercial loans have and will continue to create additional opportunities for future core deposit growth through our full service commercial relationship and tech-enabled cash management platform.

- Solid credit metrics, asset quality, and reserve coverage ratios with an allowance for credit losses to loans ratio of 1.50% and a nonperforming loan to total assets ratio of 0.58%, represented by one multifamily loan totaling $10.9 million.

- Continued expansion of our total revenue base to $125 million, with a CAGR of 24%, fueled by an industry leading net interest margin of 6.06% and stable fee-based income (led by our payment processing platform) totaling $25 million, or 20% of total revenue.
  - Maintaining a strong efficiency ratio of 48.7%, not withstanding our continuous investment in resources (technology and people) to support future growth and excellence in client service.

With industry leading performance over the last several years as well as a fortified balance sheet and strong risk management as a foundation, we believe Esquire is well positioned for sustained growth in these underserved national markets for the foreseeable future.

Litigation Market

The litigation market represents a complex, fragmented, and significant underserved market with U.S. tort actions estimated to consume 2.1% of U.S. GDP annually or $443 billion (the total addressable market or "TAM"). Esquire does not compete with the primary funders/lenders in this market (non-bank finance companies) and believes there are significant barriers to entry including our clear industry track record for almost two decades, national brand awareness as an industry leader, extensive in-house management and board experience, deep relationships with well-respected law firms nationally, and solution based products and services tailored to commercial law firms' needs and wants. We live and breathe this market on a daily basis making us thought leaders for industry content and tech-enabled financial solutions for these firms and the litigation industry as a whole.

Our current client base represents a small fraction of the estimated 50,000+ contingent fee law firms in the U.S., a complex and fragmented market that creates significant business opportunities for Esquire. We currently have lending clients in 31 states with New York, California, Texas, Pennsylvania, and Florida representing 71% of our law firm loan portfolio. Our success is tied to our unique ability to couple traditional commercial underwriting with non-traditional contingent inventory or asset-based underwriting. Typically, these inventories of claims for injured consumers have a duration of 2-3 years, significantly longer than traditional accounts receivables or inventories of goods. These industry factors (the unique nature of contingent fee law firms, their collateral and long-duration contingent inventory, and atypical revenue streams) coupled with the TAM create a unique and valuable opportunity for a tech-enabled disruptor bank. This unique risk profile translates into a blended 9.36% variable rate asset yield funded with core-deposits with a blended cost of 0.91%. More importantly, for every $1.00 we advance on these lending facilities we receive on average $1.44 of low-cost core operating and escrow funds (excluding $554 million of off-balance sheet escrow funds), fueling and funding other interest earning asset growth. Our extremely low historic delinquency rates and low charge-off rates clearly demonstrate our strong underwriting process and expertise in this vertical.

We continually invest in current resources that will fuel future growth and excellence in client service on our tech-enabled litigation platform:

- Continue to leverage our regional business development officers or BDOs (supported by hires in commercial lending, risk, and operations) located in key markets throughout the U.S. These BDOs are supported by our best-in-class technology stack including, but not limited to: our proprietary CRM system, digital marketing cloud and lending based technology built on Salesforce, supporting client relationships and lead acquisition initiatives; account-based digital marketing (or "ABM") with significant thought leadership content; and artificial intelligence (or "AI") for advanced data analytics across our platform and to power personalized and real-time ABM content to both current clients and prospective clients.

- Opening our Los Angeles (Beverly Hills), California Private Banking Branch in the summer of 2025. This market has historically been one of our top national markets and will play a pivotal role in our continued growth and success in the future.
- Commencing our recently announced sourcing joint venture agreement through which funds managed by affiliates of Fortress Investment Group ("Fortress") will provide capital to expand lending solutions and banking services to contingency fee law firms, enhancing borrowing options to law firms and offering access to customized credit facilities with industry leading terms, rates, and flexibility. The Fortress agreement will also provide additional flexibility for law firms' advance rates against their contingent collateral.
- Significant enhancement to our litigation payment platform supporting and servicing case cost financing loans, a unique and key lending product for law firms nationally. This technology will allow law firms to self-service their case costs for each claimant/case, track those costs, and pass through the interest charged on these facilities to the final settlement while connecting via API to their case cost and accounting software, thereby integrating the law firm's back-office technology with Esquire's customized tech-enabled commercial banking platform.

Based on our internal historical analysis of contingent law firm clients, the 5-year CAGR for our litigation related commercial loans and commercial depository relationships is approximately 20% per year. This fact clearly demonstrates that our focus on deeply serving the needs of contingency fee law firms while driving tech-enabled products, services, and thought leadership supports our client's unique business and growth objectives, while also strengthening Esquire's organic balance sheet growth from existing clients.

Payment Processing Market

The payment processing (merchant acquiring) market has also been a source of growth for our Company, as we offer focused and tailored products and services to small businesses nationally. The payment industry grew 6% from 2022 to 2023, with a TAM of $11 trillion and less than 100 acquiring financial institutions supporting these small businesses in the U.S. We believe there are various barriers to this market including, but not limited to, our clear industry track record for more than a decade with no losses, extensive in-house experience, deep relationships with non-bank acquirers, and our unique approach to servicing these small business merchants and their respective verticals. We use proprietary and industry leading technology to ensure card brand and regulatory compliance, support multiple processing platforms, manage daily risk across approximately 88,000 small business merchants in all 50 states, and perform commercial treasury clearing services for approximately $36 billion in debit and credit card processing volume across 604 million transactions in 2024.

We are a technology-enabled financial institution, supporting multiple card brands, payment platforms, numerous issuing banks, and small businesses nationally for millions of consumer and business payments every day. These factors and more generated $21 million in stable and consistent fee based income and representing approximately 90% of total noninterest income with a CAGR of 14% over the past 5 years.

In Conclusion

We remain focused on serving two vast, disruption-ready national markets, the $443 billion litigation and $11 trillion small business payment processing verticals, with tailored tech-enabled financial solutions and data that supports our clients' unique business and growth objectives. With industry leading performance, a fortified balance sheet, and strong risk management as a foundation, we believe Esquire is well positioned for sustained growth in these fragmented and underserved national markets for the foreseeable future. We will continue to remain steadfast in our vision to create a client-centric and customized tech-enabled Company that is disruptive to the markets we serve while generating best-in-class performance and metrics.

While short-term growth and performance metrics are valuable, it is the long-term view that will position Esquire for continued and sustained success in the future. We will continue to deliver value to the markets we serve, our investors who entrust us with their capital, and our dedicated employees. As always, we thank our Board of Directors for their clear guidance, stewardship, and support in our vision. We truly thank each one of you for your support, commitment, and continued partnership.

Thank you for the opportunity to lead this exceptional Company!

Sincerely,

Tony Coelho

Anthony Coelho
Chairman of the Board

Andrew C. Sagliocca

Andrew C. Sagliocca
Vice Chairman, Chief Executive Officer & President