



SUCCEED **BOLDLY**



Esquire Financial Holdings, Inc.

is a financial holding company headquartered in Jericho, New York, with branch offices in Jericho, New York and Los Angeles, California, as well as an administrative office in Boca Raton, Florida. The Bank is dedicated to serving the financial needs of the litigation industry and small businesses nationally, as well as commercial and retail customers in the New York and Los Angeles metropolitan areas. The Bank offers tailored financial and payment processing solutions to the litigation community and their clients as well as dynamic and flexible payment processing solutions to small business owners nationally.

For more information, visit www.esquirebank.com.



To Our Valued Stakeholders,

While the broader financial services industry continues to navigate a dynamic and unpredictable environment based in part on large amounts of government deficit spending driving elevated inflation and current concerns with the war in Iran fueling rising oil and commodity price shocks, Esquire remains steadfast in its core principle of building long-term stakeholder value through its national verticals, once again distinguishing itself as one of the top-performing financial institutions in the country. Amidst the shifting economic currents that challenge the broader financial and banking sectors, our strategic path remains exceptionally clear—a daily commitment to outstanding client service/commercial relationship banking and an unwavering obligation to excellence in execution by our valued managers and employees.

We have always believed that a fortified balance sheet—anchored by safety and soundness, solid credit quality, strong core liquidity, and thoughtful interest rate risk management—coupled with a commitment to financial technology would consistently generate long-term value. Once again, 2025 was a testament to that philosophy. We executed on our strategic national verticals (both litigation and payments), local markets (both the New York and Los Angeles metro markets), and strategic playbook with discipline, leveraging our “branchless”, tech-enabled operating model to deliver industry-leading growth and performance metrics.

Our focus in this letter is to outline how: (1) our disciplined balance sheet management and unique business model resulted in top-decile performance in 2025; (2) our continued investment in resources and technology fuels our national expansion and excellence in client service; and (3) our preparation over the past several years, culminating in 2025, served as the catalyst for a transformational strategic acquisition announced in early 2026 (Signature Bancorporation, Inc., the parent company of Signature Bank in Chicago or “Signature”), positioning us for continued, and potentially accelerated, unprecedented future growth and success.

Review of 2025

Over the years, Esquire has clearly demonstrated that a steadfast commitment to safety and soundness does not come at the expense of growth and performance. By pairing our disciplined balance sheet management with a continuous investment in people and technology, we have consistently generated exceptional growth, earnings, and performance metrics. Accolades from leaders in the business community during 2025 are a testament to our consistent growth and industry-leading performance including:

- Named to the Piper Sandler 2025 Bank & Thrift Sm-All Stars for the third time in several years, placing Esquire among an elite peer group of top-performing small-cap banks nationwide.
- Inclusion in the Keefe, Bruyette & Woods (KBW) Bank Honor Roll for the second consecutive year for consistent and exceptional performance over the past decade.
- Awarded the Raymond James Community Bankers Cup for the seventh consecutive year based on key performance metrics as well as building long-term shareholder value.
- Recognized as a 2025 Best-Performing Community Bank as well as a Top Deposit Franchise by S&P Global Market Intelligence.
- Named a Top 10 Merchant Acquiring Bank by the Nilson Report.
- Recognized by the Association of National Advertisers (ANA) B2 Awards for the third consecutive year honoring the most innovative, impactful, and groundbreaking business-to-business (B2B) campaigns and marketers across various industries in the U.S.



We ended 2025 with total assets of \$2.4 billion and stockholders' equity of \$290 million, a 25% and 22% increase, respectively, from the prior year-end. Our 2025 results clearly demonstrate the value of our disruptive, "branchless" national litigation and payment processing verticals as well as our local retail and commercial franchise:

- **Exceptional Profitability:** Net income increased 16.4% to \$50.8 million, or \$5.87 per diluted share with top tier returns on average assets of 2.43% and average equity of 19.41%, all while continuing to invest in resources to support future growth and excellence in client service. Our five-year compounded annual growth rate ("CAGR") for diluted EPS was 27%.
- **Premium Risk Adjusted Yields & Margin Consistency:** A resilient and industry leading net interest margin of 6.02%, driven by growth in our higher-yielding litigation-related commercial loans nationally with a weighted average yield of 9.10%, despite significant declines in short-term market interest rates from their highs in 2023. Over the past 3 years, Esquire has consistently achieved a net interest margin above 6.00%.
- **Industry-Leading Cost of Funds:** Fueled by the success of our national litigation vertical, Esquire maintains an industry-leading cost of funds of approximately 1.00% on our \$2.06 billion in core deposits, insulating our earnings from broader interest rate volatility and pressure.
- **Robust & Disciplined Growth:** Loans increased 26%, or \$361.4 million, to \$1.76 billion, while maintaining pristine asset quality and strong reserve coverage with an allowance for credit losses to loans of 1.37%. Our CAGR for loans over the past five years was 22%, focused on higher-yielding litigation-related commercial loans nationally. This loan growth was funded with core low-cost deposits from our national litigation platform, increasing 26% to \$2.06 billion. Our CAGR for deposits was 19% over the past five years. Finally, it is important to note that law firm or litigation clients that have banked with Esquire for four years or more have a CAGR on their loans and related deposit balances of approximately 15% and 30%+, respectively, clearly demonstrating that Esquire's banking solutions support their growth and, in turn, Esquire's growth as well.
- **Strong Revenue Growth and Diversification:** Total revenue grew 17% to \$146.6 million with noninterest income totaling \$25.1 million, or 17% of our total revenue, driven by our unique payment processing (merchant acquiring) platform with top tier volumes of \$40 billion across 93,000 small businesses nationally and 590 million transactions.

We coupled this consistent industry-leading growth and performance metrics with several other milestones including: increase to our regular quarterly dividend by 14% to \$0.20 per share for the fifth consecutive year; opening our flagship full service branch in Los Angeles, CA to support current and future clients in Southern California; investment in a new 50,000 square foot headquarters that will position us to attract top talent while providing our teams with a state-of-the-art facility to support future growth; and the appointment of Raymond Kelly to the Board of Directors, bringing extensive experience in financial services, banking, and corporate governance to our company.

Our Differentiator: Industry Knowledge coupled with Tech-Enabled Solutions

These results are not accidental, they are the direct result of continuously expanding our knowledge of the markets we serve, investing in technology, the client experience, and cultivating key national regions with "boots on the ground" through our senior business development officers and best-in-class client service. Our culture and goals are aligned; we continuously generate best-in-class client solutions,



technology, and client service to meet the needs and wants of the businesses we serve nationally and locally that, in turn, generates industry-leading growth, performance, and financial metrics for the benefit of all stakeholders. Our highly tailored financial solutions and full-service business model is valuable to our clients and demonstrates the power of a true banking partner that understands their needs. By embedding ourselves on a daily basis into the \$529 billion litigation market and the \$12 trillion small business payment processing industry, we have created a unique national financial services institution that continuously differentiates itself from most banks and financial services companies in the country.

Furthermore, we continue to invest in state-of-the-art technology that will generate revenue and efficiencies in the future for the benefit of our company's national brand, business development across the country, client experience, clients' growth, and our company's operations as well as influencing how our clients interact with our employees and the company on a daily basis. These investments are highly accretive, as evidenced by our top tier efficiency ratio of 48.6% in 2025. We expanded our footprint by opening a Los Angeles branch to expand our coverage in these high-growth markets in Southern California. To fuel this national expansion, we significantly enhanced our bespoke, AI-driven CRM and digital marketing. This technology serves as a powerful catalyst for top-of-funnel brand recognition and lead generation, empowering our regional business development officers and client relationship support teams with highly targeted outreach tools. By coupling this technology platform with our regional business development officers (who have significantly enhanced our relationships with local, state, and national trial associations), we have established a distribution network with direct access to tens of thousands of plaintiff law firms across the country.

The Strategic Catalyst: *Looking Ahead to a Transformational 2026*

By staying true to our core values over the years as outlined above, we were afforded a unique opportunity to leverage our balance sheet, capital base, and industry-leading performance by announcing the strategic acquisition of Signature in early 2026. Signature is a premier Chicago and Midwest commercial banking franchise that will enhance our combined growth, diversification, and expansion in the litigation and payments vertical. The combined company will have approximately \$4.8 billion in assets at closing (anticipated to be the third quarter of 2026). Joining Esquire's established national verticals with Signature's established Chicago commercial banking franchise will further enhance our industry-leading performance and growth metrics.

This transaction is compelling on several levels. Financially, it's structured for immediate shareholder value creation, driving approximately 23% earnings per share accretion and 11% tangible book value accretion for the full year 2027. However, accretion is only one of several more significant reasons for this unique merger. Strategically, it provides us with immediate scale in the highly desirable Chicago metropolitan area—an affluent, growing market that represents the fourth largest law firm market in the country (and third largest for contingent fee plaintiff law firms). Currently, Esquire has minimal penetration in this region. By leveraging Signature's established brand, network, and reputation in Chicago and the Midwest, we are uniquely positioned to capture enhanced market share and introduce a new cohort of prospective clients to Esquire's proven relationship-growth engine. Most importantly, the combination brings together two institutions with highly complementary commercial banking operations and capabilities and unites two highly talented management teams with deep client relationships and strong market expertise. We are thrilled to welcome Signature's team, clients, and shareholders to Esquire, positioning us to work together toward the next chapter of our combined organization's legacy.



By bringing together Signature’s strong Midwest commercial banking franchise with Esquire’s national capabilities, we will have greater resources and expanded reach to support clients as we grow.

Signature’s best-in-class management team and highly valued franchise met all of Esquire’s acquisition criteria including, but not limited to: a commercially-focused institution with commensurate and executable asset size at \$2 billion; strategic location in a highly desirable metro market (Chicago) for law firms to leverage and significantly expand Esquire’s litigation vertical where we have minimal penetration currently; diversifies Esquire’s litigation-related lending and funding sources from over 70% to under 50% to facilitate accelerated growth and expansion locally and nationally; strong credit culture with associated relationship banking generating commercial lending and core deposits opportunities; a streamlined, branch-lite operator built on a tech-forward approach (Signature’s efficiency ratio is 42%); and a highly profitable institution with strong return on average assets at 1.85%, return on average equity at 19.7%, and net interest margin at 4.13%. The Signature merger creates the next foothold in one of the top three largest metro markets by both population and the number of contingent fee law firms—the New York, Los Angeles, and Chicago metro areas.

Beyond the compelling financial and business rationale for this merger and expansion, we are incredibly excited to partner with a high-performing group of professionals at Signature whose culture uniquely aligns with ours. Like Esquire, they are deeply committed to excellence in client service and disciplined credit management. We are also excited to have their Co-Founder & Chairman of the Board, Leonard “Len” Caronia, and their Co-Founder, Chief Executive Officer, & President, Michael “Mick” O’Rourke, join the Esquire Board of Directors. Signature’s other two Co-Founders, Directors, & Executive Vice Presidents, Kevin P. Bastuga and Bryan D. Duncan, will join Esquire as Executive Vice Presidents along with Mick, who will lead the Signature Bank Division once the merger is consummated.

As we look at the runway ahead in 2026, we are filled with immense pride and excitement for our future growth. However, we also know that the real work begins now. We are ready to roll up our sleeves to ensure a flawless, low-risk integration of Signature’s clients and people, while continuing to serve both companies’ legacy clients with the dedication they deserve and expect.

We thank our shareholders for their continued investment and belief in our company and vision. We thank our clients for treating us as true business partners. We thank our Board of Directors for their trust and stewardship over the years. And finally, we extend our deepest gratitude to the entire Esquire team, whose relentless execution and clarity of purpose make our continued success possible.

Sincerely,

Anthony Coelho

Chairman of the Board

Andrew C. Sagliocca

Vice Chairman, Chief Executive Officer & President