



April 25, 2011

My Fellow Shareholders,

I am proud to inform you that for the year ended 2010, Esquire Bank reported its first profitable year since it began operations, increasing net income by \$1.8 million when compared to 2009. Our average total assets grew \$71 million or almost 50% during 2010. Our results represent a significant and positive milestone for our company, characterized by strong financial trends, increased brand recognition and innovative financial products for the trial bar, our primary focus. Our achievements in 2010 are evidence of the dedication and focus of our Board of Directors, the hard work of our talented staff and our strong ties to the legal community. As a testament to our continued growth, as of March 31, 2011, total deposits grew by \$351 million or 187% to \$540 million, inclusive of our off balance sheet deposit sweep arrangements. These accomplishments are only the first step in our company's lifecycle as we continue to focus on our core strategy – to become the premier “one stop” financial services firm for the trial bar.

Our growth has been built on a strong foundation of managing the risks associated with our business during the past three turbulent years. This approach, mandated by the Board of Directors and executed by management, has resulted in Esquire Bank having one of the strongest balance sheets in the industry. We have remained measured and disciplined with our underwriting standards, our loan review process and the selection of investment securities, weathering the financial crisis and conserving shareholder value. Our asset quality remains excellent with zero charge-offs in our loan portfolio. We are determined to continue our measured and disciplined approach to new loan origination, increasing our loans to \$39.2 million, or 19% of total assets, and \$52.7 million, or 25% of total assets, at December 31, 2010 and March 31, 2011, respectively. I am pleased to note that our newly originated undrawn lines-of-credit, primarily commercial lines with higher yields, total \$16 million at March 31, 2011, demonstrating our current potential for continued quality loan growth. Our pristine securities portfolio totaling \$140 million provides us with tremendous liquidity, allowing us to borrow up to \$130 million at the Federal Reserve Bank of New York and Federal Home Loan Bank of New York. We also have additional unsecured liquidity sources totaling \$35 million and, by all accounts, have tremendous funding capacity, if needed. During 2010, we have not used these liquidity sources since we have grown deposits, primarily low cost core deposits from attorneys, on average by \$69 million or 52% with a corresponding decline in our deposit cost of funds totaling 56 basis points to 1.09%. Our balance sheet strategy remains simple. We will continue to change the composition of our earning assets from securities to loans to enhance our future earnings while conservatively managing our credit and interest rate risk. We are confident our loan growth and extensive attorney network will drive our low cost core deposit balances, enhancing our franchise value.

We successfully reorganized into our Delaware holding company, Esquire Financial Holdings, Inc. (the parent company of Esquire Bank) in February 2011. Our holding company offers significant advantages in the future, including a broader range of permissible financial activities, increased organizational flexibility and increased funding capacity. As part of our holding company formation, shareholders were requested to approve the merger agreement with Beacon Financial Corporation in August 2010. During the fourth quarter of 2010, Esquire Bank and Beacon Financial Corporation jointly announced the mutual termination of their merger agreement due, in part, to the market conditions and the additional time and resources required in obtaining all required approvals. In light of our Company's strong capital position, we anticipate raising up to \$12.5 million in additional common equity at a 25% premium over our initial stock offering to support our continued growth.

Esquire Bank has become a unique provider of financial services and products to the trial bar, developing a strong brand and reputation as the "Bank of Choice" for attorneys and their firms. We are also pleased to announce that Esquire Bank has received endorsements from The American Association of Justice (AAJ), New York State Trial Lawyers Association (NYSTLA), the Consumer Attorneys of California (CAOC) and the Worker Injury Law & Advocacy Group (WILG). Together, with other state and national associations, these organizations boast over 45,000 members. These endorsements have and will continue to increase the profile and importance of Esquire Bank throughout the trial bar community. We intend to be an active sponsor of these organizations during conventions and other events, working closely with them to create as many synergies as possible. Our aim is to position Esquire Bank as the premier "one stop" financial services firm for the trial bar. These milestones reflect our dedication to the industry and the credibility we have established over the last few years. Due to the Board and management's dedication and tireless efforts, our brand recognition has opened the door for future endorsements with other state and national associations as well as partnerships with other firms that provide complimentary services to the trial bar.

Esquire Bank understands the unique needs and cash flow issues of the trial bar, developing innovative products and services geared to meet their needs. Based on our understanding of the trial bar and related product development, our flagship Attorney Loan product was designed to allow law firm to pass finance charges through to the settlement. At March 31, 2011, lines-of-credit for this flagship variable rate product totaled \$21.4 million with \$8.3 million currently utilized against these committed lines. The related low cost commercial checking and escrow deposits directly associated with these lines totaled \$13.5 million or 163% of the funded lines-of-credit. The strength of this credit, based on our stringent underwriting guidelines, yields generally higher than traditional residential mortgages, reduced economic risk as it relates to the real estate market and related low cost deposits, makes this line of business a success for Esquire Bank. We are one of the few banks in the U.S. that specifically supports and understands the trial bar, giving us the ability to attract and manage mass tort settlements. At March 31, 2011, we managed approximately \$350 million in mass tort settlements through our qualified settlement fund sweep program. We have developed this program with an innovative and well secured qualified settlement loan product, giving law firms additional financial flexibility. At March 31, 2011, our qualified settlement loan product totaled \$10.1 million.

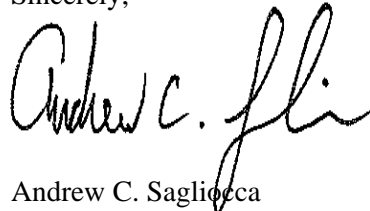
As we begin 2011, one of our most innovative and important products is our Esquire Settlement Card solution, a secure and efficient mechanism for distributing settlement funds electronically to a law firm's client. The Esquire Settlement Card provides law firms with a co-branded settlement card as an

alternative to settling cases with a traditional check. This innovating Settlement Card provides the law firm with a viral marketing piece and builds a lasting, powerful referral network of clients. Within the U.S. market, there is over \$300 billion in settled cases every year and the majority of these cases settle via check. As an affinity partner to the trial bar, Esquire Bank's goal is to fund each settlement via an Esquire Settlement Card one law firm at a time. Our ability to attract these settlement funds on our Settlement Card should increase our low cost core deposit footings, increasing our net interest income and the related fee based card income over time, thereby enhancing our shareholder value.

Looking forward to the future, I believe we have the right focus, the right plan and the right team in place. Our Company's future looks very bright in an uncertain economic and regulatory environment. I believe our unique business model is our strength for the future. Our accomplishments to date are only the first step in our company's lifecycle as we continue to focus on our core strategy – to become the premier “one stop” financial services firm for the trial bar. Our strong balance sheet, new product offerings and depth of the board and management create an enormous opportunity to grow our business within the trial bar, our focus area, and other client segments.

Thank you for the opportunity to serve you. I look forward to all the challenges and possibilities that the future presents.

Sincerely,

A handwritten signature in black ink that reads "Andrew C. Sagliocca". The signature is written in a cursive, flowing style.

Andrew C. Sagliocca  
President & Chief Executive Officer