

Dear Shareholder:

On behalf of the Board of Directors and the management team of FineMark National Bank & Trust, I am pleased to report on the bank's performance during the quarter ending September 30, 2011.

Third Quarter Financial Highlights

FineMark's total assets were \$429 million as of September 30, 2011. Net income before taxes was \$1.34 million for the third quarter of 2011, 74 percent higher than the \$774 thousand for the third quarter of 2010. The increase in net income year-over-year was primarily the result of growth in total net revenue. Total net revenue was \$4.5 million for the third quarter of 2011, compared with \$3.2 million for the same period last year. This growth in total net revenue was driven by increases in net interest income, fee-based revenue and gains from security sales.

Net Interest Income

Net interest income was \$2.3 million for the third quarter of 2011, 40 percent higher than the \$1.6 million for the same quarter of 2010. The increase resulted from higher earning assets and growth in lower cost core deposit funding. Net interest margin was 2.35 percent for the third quarter of 2011, compared with 2.37 percent for the third quarter 2010. The net interest margin decreased as a result of the sustained lower interest rate environment.

FineMark's securities portfolio balance was \$186 million as of September 30, 2011, compared with \$151 million on September 30, 2010. The increase resulted from deposit growth exceeding growth in the loan portfolio.

Loans grew to \$197 million, compared to \$154 million as of September 30, 2010. The increase was driven by loan growth in residential mortgages (\$24 million), commercial real estate (\$8 million), commercial (\$5 million), construction (\$3 million) and personal (\$3 million).

Deposits ended the third quarter at \$327 million, compared to \$250 million at this time last year. We believe the overall flight to safety and our focus on building deep relationships contributed to the bank's significant deposit growth.

Noninterest Income

Noninterest income generated from investment and trust management fees totaled \$729 thousand for the third quarter of 2011, 22 percent higher than the \$597 thousand for the third quarter of 2010. Investment and trust assets grew from \$400 million to \$498 million during the 12 months ending September 30, 2011.

The bank realized \$1.4 million in gains from security sales during the quarter, compared to \$895 thousand during the same period last year. The sales occurred from moderate repositioning of the bank's securities portfolio.

Noninterest Expense

Noninterest expense for the third quarter of 2011 was \$3.1 million, 32 percent higher than the \$2.3 million for the third quarter of 2010. This year-over-year increase in noninterest expense was principally due to the bank adding 15 new employees and opening two new offices.

Credit Quality

FineMark charged-off \$90 thousand during the third quarter of 2011. One loan was written-down due to a decrease in the value of its collateral. Year-to-date FineMark recovered \$171 thousand. Delinquent loans increased to \$3 million during the quarter, compared to zero delinquent loans at this same time last year. \$2.97 million of the delinquencies represented one loan, the terms of which were modified from an interest payment only loan to a principal and interest payment loan. This same loan is now current. Nonaccrual loans were \$300 thousand as of September 30, 2011.

FineMark's allowance for loan losses increased negligibly from a year ago with a September 30, 2011 balance of \$3.2 million or 1.66 percent of the total loans outstanding. Management believes the provision for loan losses is appropriate given current economic conditions and the bank's high asset quality.

Capital

FineMark Holdings, Inc. raised additional capital in the amount of \$11.4 million, inclusive of \$5.6 million from the United States Treasury's Small Business Lending Fund. \$5.1 million was injected into the bank resulting in a Tier I capital ratio of 9.15 percent as of September 30, 2011, compared with 9.4 percent as of September 30, 2010. As a point of interest, \$6.3 million of capital remains in the Holding Company to support future growth. All bank capital ratios continue to be in excess of "well-capitalized" regulatory requirements.

First Nine Months Financial Highlights

Net income before taxes was \$1.88 million for the first nine months of 2011, 126 percent higher than the \$835 thousand for the first nine months of 2010. Consistent with the third quarter results, higher earning assets and higher noninterest income drove this strong net income growth.

Year-over-year, net interest income increased by \$2.1 million or 47 percent, investment and trust management fees increased by \$539 thousand or 35 percent, and securities gains increased by \$280 thousand or 18 percent. Total net revenue increased by \$3 million or

38%, while noninterest expense increased by \$2.1 million or 32 percent, resulting with the bank achieving positive operating leverage during this time.

Third Quarter Business Highlights

FineMark National Bank & Trust is pleased to announce the opening of a Trust and Investment office in Palm Beach, on Florida's east coast. Our Palm Beach team, David Scaff, Mike Roscoe and Nancy Kellogg joined us from Bank Sabadell, formerly Lydian Bank & Trust. They are highly respected both personally and professionally. We are currently looking for the right space for our new FineMark office. We also expect, sometime in the future, to provide banking services in this new location. Our Palm Beach office marks the first expansion outside of Southwest Florida.

The build-out of our office at Vi at Bentley Village is now complete. The newly renovated office is in the west club house. It boasts a conference room, a private office, safe deposit boxes and an ATM for residents. Megan Marquardt is the Managing Executive at Bentley Village. Megan began with FineMark in June of 2009. Since the temporary office opened in June, FineMark has opened 270 accounts, with more than \$6 million in deposits.

We thank you for your ongoing support and commitment to FineMark. Your contribution has been invaluable to the bank's success. I encourage you to contact me anytime as your questions, comments and thoughts are greatly appreciated.

On behalf of everyone at FineMark National Bank & Trust, I wish you a happy and healthy New Year.

Kind Regards,

Joseph R. Catti
President and Chief Executive Officer

**"FineMark National Bank & Trust
Income Statement Highlights
(\$ in thousands, except per-share data)"**

	Third Quarter 2011	Third Quarter 2010	Percent Change	YTD 2011	YTD 2010	Percent Change
Net Interest Income	2,344	1,671	40.3%	6,748	4,589	47.0%
Non Interest Income	2,230	1,566	42.3%	4,153	3,304	25.7%
Total Net Revenue	4,574	3,238	41.3%	10,900	7,893	38.1%
Non Interest Expense	3,126	2,373	31.8%	8,798	6,644	32.4%
Income Before Provision & Taxes	1,448	865	67.4%	2,103	1,249	68.4%
Provision for Credit Losses	100	91	10.4%	215	414	-48.1%
Income Before Taxes	1,348	774	74.0%	1,888	835	126.1%
Applicable Income Taxes	512	291	75.8%	711	307	131.2%
Net Income	836	483	73.0%	1,177	528	123.1%
Earnings per Common Share	0.21	0.14	52.9%	0.30	0.15	97.2%

**"FineMark Holdings, Inc.
Balance Sheet Highlights
(\$ in thousands, except per-share data)"**

	As of September 30, 2011	As of September 30, 2010	Percent Change
Total Cash & Cash Equivalents	22,490	3,940	470.9%
Investments	192,520	153,951	25.1%
Loans, Net of Allowance for Loan Losses	194,123	151,559	28.1%
Premises & Fixed Assets	10,590	10,796	-1.9%
Other Assets	10,229	9,289	10.1%
Total Assets	429,953	329,535	30.5%
Total Deposits	327,041	250,385	30.6%
Other Borrowings	5,387	2,232	141.3%
Federal Home Loan Bank Advances	50,975	43,343	17.6%
Other Liabilities	775	976	-20.7%
Preferred Stock	5,665	-	
Shareholders' Equity	40,109	32,599	23.0%
Total Liabilities & Shareholders' Equity	429,953	329,535	30.5%
Book Value per Common Share	10.31	9.37	