

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 calendar quarter ending June 30, 2009. The bank's financials are strong, evidencing our commitment to conservatively managing bank resources and the importance of building deep relationships with our clients.

Second Quarter Financial Highlights

Revenues for the second quarter of 2009 totaled \$1.49 million which represents an 88% increase over the second quarter of 2008. FineMark's revenue growth resulted in a lower than expected net loss before taxes of \$462,910 against a budgeted loss of \$607,014 for the quarter. On a cash basis (adding non-cash charges to the net loss), the net loss was \$28,671.

Non-interest expenses for the quarter totaled \$1.8 million, which exceeded budget because of recently legislated FDIC assessments. The FDIC imposed a special assessment on all insured depository institutions to help restore its deposit insurance fund. FineMark's share was \$72,870. The FDIC also increased its insurance premium rates resulting in \$31,431 of additional unbudgeted regulatory fees. The FDIC charges do not reflect the quality of FineMark's loan portfolio but were applied to all insured financial institutions across the country.

Deposits ended the quarter at \$116.1 million, up by \$11.3 million from March 31, 2009. FineMark's loan portfolio increased by \$7.4 million for the quarter resulting in total loans outstanding in the amount of \$102.7 million. This strong loan growth resulted in a greater than expected loan loss reserve expense that exceeded budget by \$36 thousand. The increase in the loan loss reserve is solely a function of the positive loan growth experienced by the bank. The loan loss reserve totals \$1.5 million or 1.5% of loans outstanding.

FineMark's total assets grew to \$172.7 million as of June 30, 2009. The bank securities portfolio, comprised of high quality bonds, closed the quarter at \$41.9 million. Securities sales during June resulted in a gain of \$158,688.

Trust and investment assets grew from \$167.2 million to \$246.9 million during the quarter. This substantial growth translated into trust and investment management revenues of \$253,589 for the quarter, which was a 52% increase over the prior quarter.

FineMark is very well capitalized with a Tier I Capital Ratio of 15.61%, approximately two times the required regulatory level. As expected, this ratio has declined due to the significant growth experienced by the bank over the past two years.

First Six Months Financial Highlights

FineMark's revenues through June 30, 2009 totaled \$2.6 million representing a 63% increase over the first six months of 2008, while expenses increased by 46 %, resulting in positive operating leverage. Net loss before taxes equaled \$946 thousand versus a net loss of \$849 thousand during the first six months of 2008. The increased expenses and net loss are a result of opening the bank's second location at Coconut Point in February of this year. On a cash basis, the net loss was \$154 thousand.

Business Highlights

On June 15th, FineMark opened its third office located at the Shell Point Retirement Community, Florida's largest lifecare retirement community. This is an extremely exciting opportunity as we have opened over 470 new accounts.



We plan to build-out the second floor of the Riverwalk headquarters in anticipation of the bank's continued growth. Construction will begin in August with a targeted completion before year end.

On behalf of my colleagues at FineMark, I thank you for your continued support and confidence.

Kind Regards,

Joseph R. Catti
President and Chief Executive Officer