

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 December 31, 2009.

Fourth Quarter Financial Highlights

Revenues for the fourth quarter of 2009 totaled \$2.074 million which represents a 140% increase over the fourth quarter of 2008. Non-interest expenses for the quarter totaled \$1.968 million. FineMark increased its loan loss reserve by \$696,000 of which \$153,000 was due to loan growth. The balance, an additional \$543,000 of loan loss reserve, represented FineMark's decision to maintain a conservative balance sheet posture as the local economic environment remains weak. As of December 31st, the loan loss reserve was 2.47% of total loans outstanding or \$2.9 million.

FineMark had a net loss before taxes of \$591,000 against a budgeted loss of \$384,000 for the quarter. This greater than budgeted net loss was the result of increasing the loan loss reserve by an additional \$543,000 as discussed above. On a cash basis (adding non-cash charges to the net loss), FineMark had a positive cash flow of \$413,000.

Deposits ended the quarter at \$154 million, up by \$14.1 million from September 30, 2009. FineMark's loan portfolio increased by \$7.3 million for the quarter resulting in total loans outstanding in the amount of \$116 million.

FineMark's total assets grew to \$220 million as of December 31, 2009. At this same point in time the bank's securities portfolio grew to \$76.3 million, an increase of \$13.7 million. Securities sales resulted in a gain of \$361,000 for the quarter.

Investment and trust assets grew from \$292.6 million to \$305.2 million during the quarter. Investment and trust management revenues totaled \$400,000 for the quarter, which was a 15% increase over the prior quarter.

FineMark is very well capitalized with a Tier I Capital Ratio of 12.2%, more than two times the required regulatory level. As expected, this ratio has declined due to the significant growth experienced by the bank.

Year 2009 Financial Highlights

FineMark's revenues through December 31, 2009 totaled \$6.7 million representing a 106% increase over 2008 while expenses increased by 59%, resulting in positive operating leverage. Net loss before taxes equaled \$2.008 million versus a net loss of \$1.913 million during 2008. The increased expenses and net loss are a result of allocations to the loan loss reserve of \$1.7 million compared to an allowance of \$800,000 in 2008 as well as the opening of two new bank locations. On a cash basis, operations resulted in a positive cash flow of \$701,000 for the year.

Business Highlights

Several significant events occurred during the fourth quarter of 2009 at FineMark. FineMark Financial Services opened and began providing investment advice and securities brokerage services to clients of our newest division of the bank.

We completed construction of the beautifully renovated banking office at Shell Point, relocated from the temporary Shell Point banking site, and held an official grand opening ceremony. The



grand opening was attended by several FineMark directors, Shell Point management and many bank personnel. The opening was followed by a two day open house for Shell Point residents.

We also completed construction of all unfinished space at our Riverwalk headquarters and relocated personnel into the expanded facilities. Finally, the bank crossed a milestone by exceeding \$200 million in assets early in the fourth quarter.

We thank you for your continued support. Our shareholders have become a tremendous resource to the bank by helping us develop and deepen many relationships. As always, please contact me if you have comments or suggestions. Your input is critical to our success.

Kind Regards,

Joseph R. Catti
President and Chief Executive Officer