

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 September 30, 2010.

Third Quarter Financial Highlights

Revenues for the third quarter of 2010 totaled \$3.2 million versus \$2.079 million for the third quarter of 2009, representing a 56% increase. Non-interest expenses for the quarter totaled \$2.4 million versus \$1.92 million for the third quarter of 2009, representing a 24% increase. Non-interest expenses were slightly higher than budgeted due to an additional FDIC insurance expense of \$74,000. The additional FDIC insurance expense was a direct result of the significant deposit growth the bank has experienced. FineMark continues to maintain profitability with a third quarter net income before taxes of \$774,000 compared to a third quarter 2009 net loss before taxes of \$472,000. It should be noted that FineMark recognized a gain from securities sales of \$895,000 for the quarter as we repositioned the bank's investment portfolio to reduce interest rate risk.

Deposits ended the quarter at \$252 million, up by \$28 million from June 30, 2010. We believe the strong deposit growth continues to be driven by our clients' desire for safety and our focus on building relationships. FineMark's loan portfolio grew by \$7 million during the quarter to \$155 million in total loans outstanding. Loan growth decelerated during the quarter. This is due, in part, to a depressed local economy with fewer potential lending opportunities. The bank had no nonperforming assets and no charge-offs during the quarter. As of September 30th, the loan loss reserve was 2.12% of total loans outstanding or \$3.28 million.

FineMark's total assets grew by \$26 million during the quarter to \$329 million as of September 30, 2010. At \$150 million, the bank's securities portfolio increased by \$27 million during the quarter as we deployed liquidity resulting from strong deposit growth in excess of loans made.

FineMark achieved another milestone this quarter as investment, brokerage and trust assets reached the \$400 million level. Investment, brokerage and trust management revenues totaled \$597,000 for the quarter versus \$342,000 for the third quarter of 2009, representing a 75% increase.

FineMark is very well capitalized with a Tier I Capital Ratio of 9.40%. We believe that the bank's well capitalized position coupled with its high quality loan portfolio and highly rated securities portfolio translates into a strong balance sheet. A strong balance sheet allows us to focus on providing superior service while building deep relationships with our clients.

First Nine Months Financial Highlights

FineMark's revenues through September 30, 2010 totaled \$7.9 million representing a 69% increase over the \$4.7 million in revenues generated the first nine months of 2009 while expenses increased by 30%, resulting in positive operating leverage. Net income before taxes equaled \$835,000 versus a net loss of \$1.4 million during the first nine months of 2009.

Business Highlights

FineMark was awarded a 5-Star Superior Rating by BauerFinancial, the nation's leading independent bank rating and research firm. BauerFinancial's ratings range from zero to five and are based on capital ratios, profitability trends, levels of delinquent loans, charge offs and repossessed assets, liquidity and other historical data. FineMark is the only five-star bank based in Southwest



Florida. We are excited to be recognized for being strong, stable and safe by such a well respected, independent voice.

As a result of the significant growth the bank has experienced coupled with the desire for continued expansion to other markets (as appropriate), we are considering an additional capital raise in the first quarter of 2011. We will keep you informed as the decision becomes definite.

On behalf of my colleagues at FineMark, I thank you for your continued support and confidence. We hope that you are pleased with the progress of your company.

Kind Regards,

Joseph R. Catti
President and Chief Executive Officer