

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, 2010.

Fourth Quarter Financial Highlights

Revenues for the fourth quarter of 2010 totaled \$2.7 million versus \$2.1 million for the fourth quarter of 2009, representing a 29% increase. Revenue growth, as you will see in the discussion below, was the result of expanding the bank's loan portfolio, securities portfolio, and non-interest income generated from assets managed for our clients. We believe the growth is fueled by our commitment to providing superior service and building deep relationships with our clients. Non-interest expenses for the quarter totaled \$2.6 million versus \$2.0 million for the fourth quarter of 2009, representing a 30% increase. During the quarter, we increased marketing expenditures as the height of the season approached and paid a higher FDIC assessment due to our deposit growth. FineMark incurred a fourth quarter net loss before taxes of \$90,000 compared to a fourth quarter 2009 net loss before taxes of \$591,000.

Deposits ended the quarter at \$284 million, up from \$154 million as of December 31, 2009. We believe the strong deposit growth continues to be driven by our clients' desire for safety. FineMark grew its loan portfolio by \$48 million during 2010 to \$164 million in total loans outstanding. The bank had \$400,000 in nonperforming assets at the end of the year. In addition, we charged-off \$441,000 during 2010. The charge-offs represent a nominal .2% of total loans outstanding and, as of today, we recovered \$90,000. As of December 31st, the loan loss reserve was 1.82% of total loans outstanding or \$2.98 million.

FineMark's total assets grew by \$146 million during the year to \$366 million as of December 31, 2010. At \$179 million, the bank's securities portfolio increased by \$103 million during the year as we deployed liquidity resulting from strong deposit growth in excess of loans made.

Investment, brokerage and trust assets reached \$425 million as of December 31, 2010. Investment, brokerage and trust management revenues totaled \$643,000 for the quarter versus \$400,000 for the fourth quarter of 2009, representing a 61% increase.

FineMark is very well capitalized with a Tier I Capital Ratio of 8.08%. 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.

Year 2010 Financial Highlights

FineMark's revenues through December 31, 2010 totaled \$10.6 million representing a 58% increase over the \$6.7 million in revenues generated in 2009. Operating expenses increased to \$9.3 million from \$7.1 in 2009, a 31% change, resulting in positive operating leverage. As a result of the bank's strong growth, we added eleven employees last year which was the primary contributor to the increase in 2010 operating expenses. Net income before taxes equaled \$745,000 versus a net loss of \$2.0 million for the year 2009. Please note that FineMark recognized a gain from securities sales of \$1.7 million during 2010 as we repositioned the bank's investment portfolio to reduce interest rate risk.

Business Highlights

We are pleased to announce that Moorings Park selected FineMark as its exclusive provider of banking services. Moorings Park, located in Naples, is a nationally accredited, not-for-profit,



retirement community. Our Shell Point Village office, which has proven very successful, will serve as a model for our new Mooring Park office.

To support the bank's continued growth, we have made a decision to raise additional capital. We believe approximately \$15 million of capital is necessary at this time. FineMark applied to the Treasury for funds from the Small Business Lending Fund that is being made available to stimulate small business lending. We have applied for the maximum available of \$9 million. We plan to raise the balance through a private placement rights offering to existing shareholders. If the rights offering is not fully subscribed by existing shareholders, we plan to offer the remaining shares to new investors. We anticipate approving the rights offering during our next board meeting on April 28th.

The financial audit of the holding company and the bank will be completed this month. In addition, FineMark National Bank & Trust's Annual Meeting of Shareholders will be held on April 28, 2011 at 9:00 a.m. A formal notification will be mailed early next month.

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