



Dear Shareholder:

We are pleased to report on the first quarter performance of FineMark National Bank & Trust ending March 31, 2014.

First Quarter Financial Highlights

FineMark's assets totaled \$744 million as of March 31, 2014, compared to \$580 million for the same quarter ended 2013. Pre-tax income was \$892 thousand for the quarter, compared to \$1.04 million for the first quarter last year. Although pre-tax income declined quarter over quarter, income from operations increased 25% (\$121 thousand), which is indicative of improved operating leverage. Income from securities gains decreased by \$319 thousand quarter over quarter.

Please refer to attached abbreviated financial statement.

Net Interest Income:

Net interest income totaled \$4.7 million for the quarter, 31 percent higher than the \$3.6 million for the first quarter 2013. Like previous quarters, the increase is attributed to the bank's significant loan growth along with lower funding costs. Net loans increased to \$495 million, compared to \$378 million at March 31, 2013.

Total deposits grew to \$585 million as of March 31, 2014 compared to \$439 million as of March 31, 2013. This growth is a result of expanded relationships along with new relationships developed in each of FineMark's eight offices.

Year-over-year, the average cost of core deposits declined from 42 basis points to 37 basis points due to the continued low interest rate environment. Net interest margin declined to 2.70 percent from 2.72 percent. The slightly lower net interest margin is the result of increased competitive pressure on pricing of the bank's new loans.

Non Interest Income:

Noninterest income generated from asset management and trust fees increased 63 percent to \$1.7 million in the first quarter of 2014, compared to \$1.1 million for the first quarter of 2013. Investment and trust assets under administration grew to just under \$1.5 billion as of March 31, 2014, up from \$982 million as of first quarter end last year. Asset management revenues continue to improve as new and expanded relationships are built throughout the organization. In addition, revenues from estate settlement services continue to increase.

Income from securities gains totaled \$286 thousand during the first quarter 2014, compared to \$605 thousand for the same period last year.

Non Interest Expense:

First quarter noninterest expense was \$6 million, 39 percent higher than the \$4.3 million for first quarter last year. This increase primarily resulted from hiring 26 employees, 15 of whom work in the Naples office.

Credit Quality:

The Bank's overall credit quality remains strong with low levels of classified loans relative to capital and total assets of the bank. Classified loans total \$5.2 million, which represents 7.1 percent of total capital and reserves. This figure continues to be considerably better than the industry average of 25 percent.

The allowance for loan loss balance was \$5.5 million or 1.1 percent of the total loans outstanding as of March 31, 2014. Management continues to believe this level of reserve is sufficient to support the bank's loan portfolio risk.

Capital:

Tier One Capital ratio was 8.11 percent as of March 31, 2014 compared with 8.16 percent for the same quarter last year. All bank capital ratios continue to be in excess of "well-capitalized" regulatory requirements. \$9.8 million of capital remains in the Holding Company to support future growth.

First Quarter 2014 Business Highlights

Naples Office Opens:

FineMark officially opened its full service Naples office on January 2nd. The office is located at 800 Laurel Oak Drive, on the west side of US 41, immediately north of the Waterside shops. To celebrate the opening FineMark held a Kick Off party for more than 250 clients and friends of the bank.

5 Star Rating:

During the first quarter, FineMark National Bank & Trust was awarded its 12th consecutive *5-Star Superior Rating* from Bauer Financial, the nation's leading independent bank rating and research firm. Bauer rates banks on a scale from zero to five. Ratings are based on capital ratios, profitability trends, levels of delinquent loans, charge offs, repossessed assets, liquidity and other historical data.

We thank you for your ongoing support and commitment to FineMark. Your contribution to this organization is greatly appreciated.

Kind Regards,



Joseph R. Catti
President & CEO

FineMark Holdings, Inc. and Subsidiary

(Dollars in Thousands, Except per Share Data)

(Unaudited)

Consolidated Statement of Condition

	March 31	
	2014	2013
Assets		
Total Cash and Cash Equivalents	30,817	31,027
Total Investments	185,548	144,934
Loans, Net of Allowance for Loan Losses	495,197	378,542
Premises and Equipment, Net	12,178	11,423
Other Assets	20,042	13,891
Total Assets	\$743,782	\$579,817
Liabilities & Shareholder's Equity		
<u>Liabilities:</u>		
Total Deposits	585,491	438,599
Other Borrowings	2,864	2,602
Federal Home Loan Bank Advances	80,132	81,623
Other Liabilities	7,019	4,599
Total Liabilities	\$675,506	\$527,423
<u>Shareholder's Equity:</u>		
Preferred Stock	5,665	5,665
Shareholder's Equity	62,611	46,729
Total Liabilities & Shareholder's Equity	\$743,782	\$579,817
Book Value per Common Share	11.40	11.02
Number of Common Shares Outstanding	5,493,571	4,241,618

Consolidated Statement of Income

	3 Months Ended	
	March 31	
	2014	2013
Interest Income		
Loans	4,712	3,748
Investment Securities	1,014	752
Other Interest Income	16	14
Total Interest Income	5,741	4,514
Interest Expense		
Deposits	538	443
Borrowings	450	446
Total Interest Expense	988	889
Net Interest Income	4,754	3,625
Provision for Loan Losses	282	190
Net Interest Income After Provision for Loan Losses	4,472	3,435
Non-Interest Income		
Total Non-Interest Income	2,408	1,918
Non-Interest Expense		
Total Non-Interest Expense	5,988	4,263
Income Before Income Taxes	892	1,090
Applicable Income Taxes	327	405
Net Income	564	685
Preferred Stock Dividends	14	14
Net Income Applicable to Common Shareholders	550	671
Earnings per Common Share	0.10	0.16