



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 for the third quarter ending September 30, 2014.

Third Quarter Financial Highlights

FineMark's assets totaled \$838 million as of September 30, 2014, compared to \$678 million at the same time in 2013. Pre-tax income totaled \$1.6 million for the quarter, nearly four times the \$414 thousand for the quarter ending September 30, 2013. Both net interest income and noninterest income continue to drive earnings while operating leverage also continues to improve.

Please refer to attached abbreviated financial statement.

Net Interest Income

Net interest income totaled \$5.6 million for the quarter, 36 percent higher than the \$4.1 million for the third quarter 2013. The bank continues to experience significant loan growth. Net loans increased to \$591 million up from \$451 million at September 30, 2013.

Total deposits grew to \$647 million as of September 30, 2014 compared to \$519 million as of September 30, 2013. This growth is the result of expanded relationships along with new relationships developed in each of FineMark's eight offices.

Net interest margin improved to 2.96 percent from 2.68 percent a year ago. This improvement was the result of deploying lower yielding cash and securities into higher yielding loans.

Noninterest Income

Noninterest income generated from asset management and trust fees increased 53 percent to \$2.1 million in the third quarter of 2014, compared to \$1.4 million in the third quarter 2013. Investment and trust assets under administration grew to \$1.6 billion as of September 30, 2014, up from just under \$1.3 billion at the same time last year. Asset management revenues continue to grow as FineMark's culture continues to attract new relationships driven, in part, by client and community confidence in the organization.

Noninterest Expense

Third quarter noninterest expense was \$5.9 million, 16 percent higher than the \$5.1 million last year. The increase is primarily a result of adding staff to support

FineMark's growth and additional occupancy expenses relating to the Naples office, which opened in January.

Credit Quality

The bank's overall credit quality remains strong with low levels of classified loans relative to capital and total assets. Classified loans total \$2.8 million, which represents 3.8 percent of total capital and reserves. This figure remains favorable when compared to industry averages of 22.5 percent.

The allowance for loan loss balance was \$6.8 million or 1.14 percent of the total loans outstanding as of September 30, 2014. Management continues to believe this level of reserve is sufficient to support the risk associated within the bank's loan portfolio.

Capital

The bank's Tier 1 Capital ratio was 8.13 percent as of September 30, compared with 8.14 percent for third quarter 2013. The consolidated Tier 1 Capital ratio is 9.31 percent as the bank maintains in excess of \$9.3 million of capital in the Holding Company to support future growth. Approximately \$6 million of these funds were generated from the sale of stock or exercise of stock options during 2014. All capital ratios continue to be in excess of "well-capitalized" regulatory requirements.

Third Quarter 2014 Business Highlights

Total Assets exceeds \$800 Million

FineMark National Bank & Trust exceeded \$800 million in total assets during the third quarter. That number is up from \$678 million at the same time last year and \$505 million in September of 2012. FineMark attributes the growth to new and expanded relationships in all locations.

Riley moves to Scottsdale

Dick Riley, Executive Vice President and Private Wealth Advisor, moved with his wife Debbie to Arizona, to work in FineMark's Scottsdale office. Riley, who has been with the bank since inception, specializes in the administration of trusts and estates and he advises clients on financial, charitable, tax and estate planning.

Credit and Debit Card Security Breaches

Credit and debit card security breaches have increased dramatically over the past year. When a breach is reported FineMark works quickly to limit fraud on FineMark debit cards. To aid in this effort, FineMark created a step-by-step action plan that goes into effect as soon as a breach is reported.

Five Star Rating

During the third quarter, the bank was awarded its 14th 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.

On behalf of my colleagues at FineMark, I thank you for your continued support, confidence and commitment to FineMark. Your contribution is invaluable to the Bank's success.

Kind Regards,

A handwritten signature in blue ink, appearing to read "Joe", written over the printed name of Joseph R. Catti.

Joseph R. Catti
President & CEO

FineMark Holdings, Inc. and Subsidiary

(Dollars in Thousands, Except per Share Data)

(Unaudited)

Consolidated Statement of Condition

	Sept 30,	
	2014	2013
Assets		
Total Cash and Cash Equivalents	15,665	6,836
Total Investments	198,634	193,129
Loans, Net of Allowance for Loan Losses	591,055	450,908
Premises and Equipment, Net	11,876	11,544
Other Assets	20,606	15,160
Total Assets	\$837,836	\$677,577
Liabilities & Shareholder's Equity		
<u>Liabilities:</u>		
Total Deposits	647,300	519,407
Other Borrowings	21,100	11,976
Federal Home Loan Bank Advances	90,051	80,878
Other Liabilities	4,967	3,548
Total Liabilities	\$763,418	\$615,809
<u>Shareholder's Equity:</u>		
Preferred Stock	5,665	5,642
Shareholder's Equity	68,753	56,126
Total Liabilities & Shareholder's Equity	\$837,836	\$677,577
Book Value per Common Share	11.99	11.24
Number of Common Shares Outstanding	5,734,953	4,991,916

Consolidated Statement of Income

	3 Months Ended		9 Months Ended	
	Sept 30		Sept 30	
	2014	2013	2014	2013
Interest Income				
Loans	5,546	4,201	15,317	11,840
Investment Securities	1,106	898	3,121	2,512
Other Interest Income	9	12	39	41
Total Interest Income	6,661	5,111	18,477	14,393
Interest Expense				
Deposits	556	509	1,636	1,420
Borrowings	466	451	1,372	1,344
Total Interest Expense	1,022	960	3,008	2,764
Net Interest Income	5,639	4,151	15,469	11,629
Provision for Loan Losses	659	431	1,626	1,258
Net Interest Income After Provision for Loan Losses	4,980	3,720	13,843	10,371
Non-Interest Income				
Total Non-Interest Income	2,546	1,798	7,968	5,400
Non-Interest Expense				
Total Non-Interest Expense	5,936	5,104	18,045	13,945
Income Before Income Taxes	1,590	414	3,766	1,826
Applicable Income Taxes	516	111	1,284	618
Net Income	1,074	303	2,483	1,208
Preferred Stock Dividends	14	14	42	42
Net Income Applicable to Common Shareholders	1,060	289	2,441	1,166
Earnings per Common Share	0.18	0.06	0.43	0.23