

FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets (\$ in thousands, except share amounts) Unaudited

Assets	<u>March 31,</u> <u>2021</u>	<u>December 31,</u> <u>2020</u>
Cash and due from banks	\$ 195,726	227,921
Debt securities available for sale	604,246	589,233
Debt securities held to maturity	64,577	64,908
Loans, net of allowance for loan losses of \$21,095 in 2021 and \$20,782 in 2020	1,889,770	1,850,293
Federal Home Loan Bank stock	12,082	16,155
Federal Reserve Bank stock	4,767	4,397
Premises and equipment, net	42,262	41,303
Operating lease right-of-use assets	7,334	7,674
Accrued interest receivable	7,582	7,604
Deferred tax asset	2,238	-
Bank-owned life insurance	35,160	34,963
Other assets	8,404	6,965
Total assets	<u>\$ 2,874,148</u>	<u>2,851,416</u>
 Liabilities and Shareholders' Equity		
Liabilities:		
Noninterest-bearing demand deposits	393,574	352,281
Savings, NOW and money-market deposits	1,819,961	1,788,441
Time deposits	83,496	84,232
Total deposits	<u>2,297,031</u>	<u>2,224,954</u>
Official checks	4,863	5,883
Other borrowings	12,144	5,612
Federal Home Loan Bank advances	284,207	334,271
Operating lease liabilities	7,499	7,849
Subordinated debt	50,737	50,712
Deferred tax liability	-	202
Other liabilities	7,267	10,876
Total liabilities	<u>2,663,748</u>	<u>2,640,359</u>
 Shareholders' equity:		
Common stock, \$.01 par value; 50,000,000 shares authorized, 9,068,669 and 8,955,427 shares issued and outstanding in 2021 and 2020	91	90
Additional paid-in capital	123,688	122,629
Retained earnings	85,692	80,120
Accumulated other comprehensive income	929	8,218
Total shareholders' equity	<u>210,400</u>	<u>211,057</u>
Total liabilities and shareholders' equity	<u>\$ 2,874,148</u>	<u>2,851,416</u>
Book Value per Share	23.20	23.57

FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Statements of Earnings (\$ in thousands, except per share amounts) Unaudited

	Three Months Ended March 31,	
	2021	2020
Interest income:		
Loans	\$ 16,475	15,769
Debt securities	2,468	2,861
Dividends on Federal Home Loan Bank stock	165	185
Other	117	138
Total interest income	19,225	18,953
Interest expense:		
Deposits	1,041	3,969
Federal Home Loan Bank advances	2,094	1,906
Subordinated debt	692	453
Total interest expense	3,827	6,328
Net interest income	15,398	12,625
Provision for loan losses	307	1,183
Net interest income after provision for loan losses	15,091	11,442
Noninterest income:		
Trust fees	5,968	5,055
Income from bank-owned life insurance	197	212
Income from solar farms	64	63
Gain on sale of debt securities available for sale	659	2,691
Loss on extinguishment of debt	(555)	-
Other fees and service charges	232	260
Total noninterest income	6,565	8,281
Noninterest expenses:		
Salaries and employee benefits	8,904	7,989
Occupancy	1,529	1,431
Information systems	1,538	1,208
Professional fees	426	350
Marketing and business development	185	494
Regulatory assessments	393	303
Other	1,395	1,251
Total noninterest expense	14,370	13,026
Earnings before income taxes	7,286	6,697
Income taxes	1,714	1,610
Net earnings	\$ 5,572	5,087
Weighted average common shares outstanding - basic	9,023	8,900
Weighted average common shares outstanding - diluted	9,191	9,058
Per share information: Basic earnings per common share	\$ 0.62	0.57
Diluted earnings per common share	\$ 0.61	0.56

FineMark Holdings, Inc.

Consolidated Financial Highlights

First Quarter 2021

Unaudited

\$ in thousands except for share data	1st Qtr 2021	4th Qtr 2020	3rd Qtr 2020	2nd Qtr 2020	1st Qtr 2020	YTD	
						2021	2020
\$ Earnings							
Net Interest Income	\$ 15,398	\$ 15,312	\$ 15,205	\$ 15,032	\$ 12,625	\$ 15,398	\$ 12,625
Provision for loan loss	\$ 307	\$ 610	\$ 630	\$ 2,563	\$ 1,183	\$ 307	\$ 1,183
Non-interest Income (excl. gains and losses)	\$ 6,461	\$ 6,113	\$ 5,858	\$ 5,341	\$ 5,590	\$ 6,461	\$ 5,590
Gain on sale of debt securities available for sale	\$ 659	\$ 584	\$ 1,066	\$ 1,371	\$ 2,691	\$ 659	\$ 2,691
Debt extinguishment losses	\$ (555)	\$ (160)	\$ —	\$ —	\$ —	\$ (555)	\$ —
Non-interest Expense	\$ 14,370	\$ 13,164	\$ 14,069	\$ 12,814	\$ 13,026	\$ 14,370	\$ 13,026
Earnings before income taxes	\$ 7,286	\$ 8,075	\$ 7,430	\$ 6,368	\$ 6,697	\$ 7,286	\$ 6,697
Taxes	\$ 1,714	\$ 1,789	\$ 1,694	\$ 1,520	\$ 1,610	\$ 1,714	\$ 1,610
Net Income	\$ 5,572	\$ 6,286	\$ 5,736	\$ 4,847	\$ 5,087	\$ 5,572	\$ 5,087
Basic earnings per share	\$ 0.62	\$ 0.70	\$ 0.65	\$ 0.54	\$ 0.57	\$ 0.62	\$ 0.57
Diluted earnings per share	\$ 0.61	\$ 0.69	\$ 0.63	\$ 0.54	\$ 0.56	\$ 0.61	\$ 0.56
Performance Ratios							
Return on average assets*	0.78 %	0.93 %	0.90 %	0.80 %	0.92 %	0.78 %	0.92 %
Return on risk weighted assets*	1.37 %	1.60 %	1.54 %	1.34 %	1.46 %	1.37 %	1.46 %
Return on average equity*	10.48 %	12.12 %	11.35 %	10.16 %	11.11 %	10.48 %	11.11 %
Yield on earning assets*	2.81 %	2.95 %	3.13 %	3.32 %	3.59 %	2.81 %	3.59 %
Cost of funds*	0.58 %	0.62 %	0.67 %	0.77 %	1.26 %	0.58 %	1.26 %
Net Interest Margin*	2.25 %	2.36 %	2.50 %	2.58 %	2.39 %	2.25 %	2.39 %
Efficiency ratio	65.43 %	60.24 %	63.58 %	58.92 %	62.31 %	65.43 %	62.31 %
Capital							
Tier 1 leverage capital ratio	7.34 %	7.48 %	7.71 %	7.89 %	8.35 %	7.34 %	8.35 %
Common equity risk-based capital ratio	12.92 %	12.94 %	13.20 %	13.15 %	14.10 %	12.92 %	14.10 %
Tier 1 risk-based capital ratio	12.92 %	12.94 %	13.20 %	13.15 %	14.10 %	12.92 %	14.10 %
Total risk-based capital ratio	17.37 %	17.52 %	16.57 %	16.56 %	17.67 %	17.37 %	17.67 %
Book value per share	\$ 23.20	\$ 23.57	\$ 23.01	\$ 22.08	\$ 20.74	\$ 23.20	\$ 20.74
Tangible book value per share	\$ 23.20	\$ 23.57	\$ 23.01	\$ 22.08	\$ 20.74	\$ 23.20	\$ 20.74
Asset Quality							
Net charge-offs (recoveries)	\$ (6)	\$ 3	\$ 3	\$ 9	\$ (7)	\$ (6)	\$ (7)
Net charge-offs (recoveries) to average total loans	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	— %	0.00 %
Allowance for loan losses	\$ 21,095	\$ 20,782	\$ 20,209	\$ 19,582	\$ 17,028	\$ 21,095	\$ 17,028
Allowance to total loans	1.10 %	1.11 %	1.12 %	1.12 %	1.06 %	1.10 %	1.06 %
Nonperforming loans	\$ 1,599	\$ 1,279	\$ 1,098	\$ 1,560	\$ 1,184	\$ 1,599	\$ 1,184
Other real estate owned	0	0	0	0	0	0	0
Nonperforming loans to total loans	0.08 %	0.07 %	0.06 %	0.09 %	0.07 %	0.08 %	0.07 %
Nonperforming assets to total assets	0.06 %	0.04 %	0.04 %	0.06 %	0.05 %	0.06 %	0.05 %
Loan Composition (% of Total Gross Loans)							
1-4 Family	52.4 %	53.1 %	53.3 %	52.8 %	55.9 %	52.4 %	55.9 %
Commercial Loans	13.1 %	13.5 %	14.9 %	15.3 %	10.9 %	13.1 %	10.9 %
Commercial Real Estate	19.5 %	18.9 %	19.4 %	19.9 %	21.0 %	19.5 %	21.0 %
Construction Loans	7.7 %	7.6 %	6.8 %	6.7 %	6.6 %	7.7 %	6.6 %
Other Loans	7.3 %	7.0 %	5.5 %	5.3 %	5.6 %	7.3 %	5.6 %
End of Period Balances							
Assets	\$ 2,874,148	\$ 2,851,416	\$ 2,606,789	\$ 2,520,831	\$ 2,464,669	\$ 2,874,148	\$ 2,464,669
Debt securities	\$ 668,823	\$ 654,141	\$ 619,016	\$ 618,569	\$ 577,917	\$ 668,823	\$ 577,917
Loans, net of allowance	\$ 1,889,770	\$ 1,850,293	\$ 1,789,905	\$ 1,727,853	\$ 1,584,767	\$ 1,889,770	\$ 1,584,767
Deposits	\$ 2,297,031	\$ 2,224,954	\$ 1,978,922	\$ 1,919,966	\$ 1,824,174	\$ 2,297,031	\$ 1,824,174
Other borrowings	\$ 12,144	\$ 5,612	\$ 14,920	\$ 9,121	\$ 112,527	\$ 12,144	\$ 112,527
Subordinated Debt	\$ 50,737	\$ 50,712	\$ 29,622	\$ 29,610	\$ 29,598	\$ 50,737	\$ 29,598
FHLB Advances	\$ 284,207	\$ 334,271	\$ 354,334	\$ 314,396	\$ 294,458	\$ 284,207	\$ 294,458
Shareholders Equity	\$ 210,400	\$ 211,057	\$ 205,627	\$ 197,174	\$ 185,119	\$ 210,400	\$ 185,119
Trust and Investment							
Fee Income	\$ 5,968	\$ 5,591	\$ 5,337	\$ 4,897	\$ 5,055	\$ 5,968	\$ 5,055
Assets Under Administration							
Balance at beginning of period	\$ 5,091,408	\$ 4,622,464	\$ 4,382,810	\$ 3,932,309	\$ 4,472,585	\$ 5,091,408	\$ 4,472,585
Net investment appreciation (depreciation) & income	\$ 75,199	\$ 349,016	\$ 166,182	\$ 389,677	\$ (706,530)	\$ 75,199	\$ (706,530)
Net client asset flows	\$ 137,955	\$ 119,928	\$ 73,472	\$ 60,824	\$ 166,253	\$ 137,955	\$ 166,253
Balance at end of period	\$ 5,304,562	\$ 5,091,408	\$ 4,622,464	\$ 4,382,810	\$ 3,932,309	\$ 5,304,562	\$ 3,932,309
Percentage of AUA that are managed	89 %	89 %	90 %	89 %	88 %	89 %	88 %
Stock Valuation							
Closing Market Price (OTCQX)	\$ 30.00	\$ 23.41	\$ 19.85	\$ 21.60	\$ 21.00	\$ 30.00	\$ 21.00
Multiple of Tangible Book Value	1.29	0.99	0.86	0.98	1.01	1.29	1.01

*annualized