FINEMARK HOLDINGS, INC.

DEAR VALUED SHAREHOLDERS:

On behalf of FineMark Holdings, Inc.—the Board of Directors, the executive management team, and all our dedicated associates—I am pleased to report on the company's performance for the third quarter of 2021.

FineMark Holdings, Inc. (the "Holding Company") (OTCQX: FNBT), the parent company of FineMark National Bank & Trust (the "Bank") (collectively, "FineMark"), today announced third quarter 2021 net income of $7.1 million ($0.61 per diluted share). This compares to net income of $5.7 million ($0.63 per diluted share) reported for the third quarter of 2020.

THIRD QUARTER FINANCIAL HIGHLIGHTS

FineMark's net income rose 23% in the third quarter to $7.1 million, a new quarterly record. This performance reflects growth in the Bank's loan portfolio and trust business, as well as the reversal of $1.25 million in loan loss provision to cover potential pandemic-related write-downs that never materialized. Excluding this one-time event, net income would have totaled $6.1 million, just shy of the previous record of $6.3 million, set in the fourth quarter of 2020.

In the third quarter, the Bank's loan portfolio expanded by 12% year-over-year, net interest income increased by 8.5%, and cost of funds declined. Assets under management and administration increased 24% year-over-year, reflecting strong inflows from new and existing trust clients, as well as gains in the value of investments.

As of September 30, 2021, total bank assets stood at $3.1 billion compared to $2.6 billion a year earlier. Having crossed the $3 billion threshold, FineMark's leverage ratios are now calculated on a consolidated basis. To augment the targeted consolidated Tier 1 capital leverage ratio, a capital raise was completed in the beginning of the third quarter with $27 million of new equity. This was in addition to $55.5 million raised in June, resulting in a total capital raise of $82.5 million.

Major categories affecting third quarter 2021 performance on a year-over-year basis:

1. Net income increased 23% to a record $7.1 million
2. Diluted earnings per share decreased 3% to $0.61 (due to additional shares outstanding from capital raise)
3. Loans, net of allowance, increased 12% to $2.0 billion
4. Total deposits increased 23% to $2.4 billion
5. Net interest income increased 8.5% to $16.5 million
6. Cost of funds decreased 16 basis points
7. Trust fees increased 31% to $7.0 million, representing 29% of total revenue for the period
8. Assets under management and administration increased 24% to $5.7 billion (including $123 million of new assets, a 67% increase from third quarter 2020)

Return on average equity was 9.39% (down from 11.35%) due to a 48% increase in shareholders' equity which includesthe capital raised to meet increased regulatory oversight.

Please refer to the attached abbreviated financial statements for details.

NET INTEREST INCOME AND MARGIN

Net interest income for the third quarter rose 8.5% year-over-year to $16.5 million, as the Bank's outstanding loans continued to grow while reducing the cost of funds. Year-to-date, net interest income is $47.5 million, up almost 11% compared to the third quarter 2020. Deposits increased 23% year-over-year while the Bank's loan portfolio grew 12% year-over-year to $2.0 billion. This growth is particularly strong considering that Paycheck Protection Program (PPP) loan balances continue to decline, and clients are paying down loans with gains realized from the strong equity and real estate markets.

The Bank's average cost of funds declined to 0.51% in the third quarter, compared to 0.57% in the second quarter and 0.67% in the third quarter of 2020. Bond holdings increased to 28% of assets, improving the yield beyond what is available on cash deposited with the Federal Reserve. However, yield on earning assets fell to 2.71% versus 2.79% in the second quarter resulting in a net interest margin of 2.24% for the third quarter, unchanged from the previous quarter. These changes are primarily the result of lower yields on newly purchased bonds and originated loans.

NON-INTEREST INCOME

Trust and investment earnings remained strong in the third quarter. As of September 30, 2021, assets under management and administration totaled $5.7 billion, up 24% year-over-year. During the third quarter, nearly $123 million was added from both existing relationships and new clients to the Bank.

The U.S. equity markets saw muted returns in the third quarter, with the S&P 500 returning 0.60%, while bond prices were adversely impacted by rising interest rates. Despite the foregoing, fee income from trust business increased 31% to $7.0 million in the third quarter, representing 29% of total revenue.

The Bank did not recognize gains from the sale of debt securities in the third quarter 2021, compared to net gains of $1.1 million realized in the third quarter 2020.

NON-INTEREST EXPENSES

As FineMark's loan portfolio, deposit base, and trust business continue to grow, operating overhead has also increased to maintain our high level of client service. Non-interest expenses totaled $15.6 million in the third quarter, an 11% increase over third quarter 2020. This uptick, due largely to the hiring of new professionals and investing in technology, is in line with the Bank's steady expansion. FineMark's efficiency ratio, which measures non-interest expense as a percent of revenues, improved in the third quarter to 64.69% from 66.37% in the second quarter.

CREDIT QUALITY

FineMark's asset quality remains strong. As of September 30, 2021, the allowance for loan losses was $20.8 million, representing 1.0% of total loans, compared to $21.6 million or 1.1% of total loans in the second quarter. No new provisions were made for potential, but not expected COVID-related loan losses and half of the $2.5 million held in COVID-related reserves was released. This release was partly offset by an addition of $416,000 in new provisions associated with recent growth in the loan portfolio.

Management believes the Bank's reserves continue to be sufficient to support risks in the loan portfolio, as the residential real estate market, which represents over half of the Bank's portfolio, continues to be exceptionally strong. Commercial loans, which include declining PPP loan balances, comprise only 11% of total loans. The Bank's ratio of classified loans to total loans is particularly low at 0.9% compared to an industry average of 14.6%. Total non-performing loans declined to 0.05% of total loans in the third quarter compared to 0.1% in the previous quarter. No COVID-related loans are in forbearance.

As expected, the Bank's PPP loan portfolio continues to run off as borrowers obtain loan forgiveness under the program. As of September 30, 2021, the Bank had $23.3 million in PPP loans, compared to $40.8 million at the end of the second quarter.

Management is satisfied with the credit quality of the Bank's loan portfolio and continually monitors conditions to determine whether additional provisions are necessary. Above all, we remain committed to maintaining credit quality through a relationship-based approach to lending that relies on an in-depth understanding of each potential borrower's needs and financial situation.

CAPITAL AND LIQUIDITY

All capital ratios exceed regulatory requirements for "well-capitalized" banks. As of September 30, 2021, FineMark's Tier 1 leverage ratio on a consolidated basis was 9.88%, up from the previous quarter due to the $27 million in additional equity capital raised in the third quarter. The Bank's total risk-based capital ratio as of September 30, 2021 was 20.22%.

Bank assets now exceed $3 billion. As previously mentioned, having crossed the $3 billion threshold in assets, we are prepared for the increased regulatory scrutiny reserved for larger banks and we intend to maintain capital levels consistent with peers of our size.

EXPANSION PLANS

Construction delays have moved the opening of FineMark's newest location in Jupiter, Florida to the first quarter of 2022. The office was originally expected to open this fall. FineMark's 14th location, in the heart of Old Naples, remains on schedule to open in late March or early April of 2022.

CLOSING REMARKS

We sincerely appreciate the trust our clients, and each of you, have placed in FineMark. Our ability to achieve the results reported in this letter, stems from our relationship-based approach and our commitment to provide creative solutions that meet our clients' needs. Without the commitment of our dedicated associates, this would not be possible. We recognize the pandemic is still affecting lives around the world, and we are grateful to hold an optimistic outlook that strong economic growth will continue for the remainder of the year.

Kind regards,

Joseph R. Catti
President & CEO

Background
FineMark Holdings, Inc. is the parent company of FineMark National Bank & Trust. Founded in 2007, FineMark National Bank & Trust is a nationally chartered bank, headquartered in Florida. Through its offices located in Florida, Arizona and South Carolina, FineMark offers a full range of financial services, including personal and business banking, lending services, trust and investment services. The Corporation's common stock trades on the OTCQX under the symbol FNBT. Investor information is available on the Corporation's website at www.finemarkbank.com.

Forward-Looking Statements
This press release contains statements that are "forward-looking statements." You can identify forward-looking statements by the use of the words "believe," "expect," "anticipate," "intend," "estimate," "assume," "outlook," "will," "should," and other expressions that predict or indicate future events and trends and which do not relate to historical matters. You should not rely on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, some of which are beyond our control. These risks, uncertainties and other factors may cause our actual results, performance or achievements to be materially different from the anticipated future results, performance or achievements expressed or implied by the forward-looking statements.

Some of the factors that might cause these differences include: weakness in national, regional or international economic conditions or conditions affecting the banking or financial services industries or financial capital markets; volatility in national and international financial markets; reductions in net interest income resulting from interest rate volatility as well as changes in the balance and mix of loans and deposits; reductions in the market value or outflows of assets under administration; changes in the value of securities and other assets; reductions in loan demand; changes in loan collectability, default and charge-off rates; changes in the size and nature of our competition; changes in legislation or regulation and accounting principles, policies and guidelines; occurrences of cyber-attacks, hacking and identity theft; natural disasters; and changes in the assumptions used in making such forward-looking statements. You should carefully review all of these factors and you should be aware that there might be other factors that could cause these differences.

These forward-looking statements were based on information, plans and estimates at the date of this report. We assume no obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

Consolidated Balance Sheets

($ in thousands, except share amounts)

Assets	**September 30, 2021** (Unaudited)	**December 31, 2020**
Cash and due from banks	$ 57,406	227,921
Debt securities available for sale	811,470	589,233
Debt securities held to maturity	75,774	64,908
Federal Funds Sold	1,351	-
Loans, net of allowance for loan losses of $20,806 in 2021 and $20,782 in 2020	2,002,778	1,850,293
Federal Home Loan Bank stock	12,082	16,155
Federal Reserve Bank stock	5,241	4,397
Premises and equipment, net	41,479	41,303
Operating lease right-of-use assets	7,993	7,674
Accrued interest receivable	7,423	7,604
Deferred tax asset	2,014	-
Bank-owned life insurance	50,581	34,963
Other assets	7,977	6,965
Total assets	$ 3,083,569	2,851,416
Liabilities and Shareholders' Equity		
Liabilities:		
Noninterest-bearing demand deposits	456,773	352,281
Savings, NOW and money-market deposits	1,908,058	1,788,441
Time deposits	65,089	84,232
Total deposits	2,429,920	2,224,954
Official checks	3,125	5,883
Other borrowings	3,456	5,612
Federal Home Loan Bank advances	284,080	334,271
Operating lease liabilities	8,110	7,849
Subordinated debt	40,898	50,712
Deferred tax liability	-	202
Other liabilities	9,198	10,876
Total liabilities	2,778,787	2,640,359
Shareholders' equity:		
Common stock, $.01 par value; 50,000,000 shares authorized, 11,581,050 and 8,955,427 shares issued and outstanding in 2021 and 2020	116	90
Additional paid-in capital	204,867	122,629
Retained earnings	98,144	80,120
Accumulated other comprehensive income	1,655	8,218
Total shareholders' equity	304,782	211,057
Total liabilities and shareholders' equity	$ 3,083,569	2,851,416
Book Value per Share	26.32	23.57

FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

	Three Months Ended September 30, 2021	Three Months Ended September 30, 2020	Nine Months Ended September 30, 2021	Nine Months Ended September 30, 2020
Interest income:				
Loans	$ 17,244	16,004	$ 50,579	47,413
Debt securities	2,538	2,817	7,404	8,713
Dividends on Federal Home Loan Bank stock	81	159	360	532
Other	121	110	339	704
Total interest income	19,984	19,090	58,682	57,362
Interest expense:				
Deposits	932	1,226	2,996	6,927
Federal Home Loan Bank advances	2,015	2,207	6,187	6,215
Subordinated debt	541	452	1,965	1,358
Total interest expense	3,488	3,885	11,148	14,500
Net interest income	16,496	15,205	47,534	42,862
Provision for loan losses	(834)	630	13	4,376
Net interest income after provision for loan losses	17,330	14,575	47,521	38,486
Noninterest income:				
Trust fees	7,012	5,337	19,608	15,289
Income from bank-owned life insurance	221	213	618	635
Income from solar farms	89	86	250	241
Gain on sale of debt securities available for sale	-	1,066	902	5,128
Loss on extinguishment of debt	-	-	(955)	-
Other fees and service charges	295	222	836	624
Total noninterest income	7,617	6,924	21,259	21,917
Noninterest expenses:				
Salaries and employee benefits	9,464	8,313	27,704	23,737
Occupancy	1,667	1,597	4,702	4,515
Information systems	1,585	1,310	4,671	3,831
Professional fees	487	329	1,359	1,048
Marketing and business development	565	454	1,242	1,214
Regulatory assessments	383	385	1,171	1,002
Other	1,448	1,681	4,198	4,562
Total noninterest expense	15,599	14,069	45,047	39,909
Earnings before income taxes	9,348	7,430	23,733	20,494
Income taxes	2,292	1,694	5,709	4,824
Net earnings	$ 7,056	5,736	$ 18,024	15,670
Weighted average common shares outstanding - basic	11,467	8,934	9,890	8,920
Weighted average common shares outstanding - diluted	11,637	9,066	10,058	9,052
Per share information: Basic earnings per common share	$ 0.62	0.64	$ 1.82	1.76
Diluted earnings per common share	$ 0.61	0.63	$ 1.79	1.73

FineMark Holdings, Inc.

Consolidated Financial Highlights
Third Quarter 2021
Unaudited

						YTD	
$ in thousands except for share data	3rd Qtr 2021	2nd Qtr 2021	1st Qtr 2021	4th Qtr 2020	3rd Qtr 2020	2021	2020
$ Earnings							
Net Interest Income	$ 16,496	$ 15,640	$ 15,398	$ 15,312	$ 15,205	$ 47,534	$ 42,862
Provision for loan loss	$ (834)	$ 540	$ 307	$ 610	$ 630	$ 13	$ 4,376
Non-interest Income (excl. gains and losses)	$ 7,617	$ 7,234	$ 6,461	$ 6,113	$ 5,858	$ 21,312	$ 16,789
Gain on sale of debt securities available for sale	$ —	$ 243	$ 659	$ 584	$ 1,066	$ 902	$ 5,128
Debt extinguishment losses	$ —	$ (400)	$ (555)	$ (160)	$ —	$ (955)	$ —
Non-interest Expense	$ 15,599	$ 15,078	$ 14,370	$ 13,164	$ 14,069	$ 45,047	$ 39,909
Earnings before income taxes	$ 9,348	$ 7,099	$ 7,286	$ 8,075	$ 7,430	$ 23,733	$ 20,494
Taxes	$ 2,292	$ 1,703	$ 1,714	$ 1,789	$ 1,694	$ 5,709	$ 4,824
Net Income	$ 7,056	$ 5,396	$ 5,572	$ 6,286	$ 5,736	$ 18,024	$ 15,670
Basic earnings per share	$ 0.62	$ 0.59	$ 0.62	$ 0.70	$ 0.64	$ 1.82	$ 1.76
Diluted earnings per share	$ 0.61	$ 0.58	$ 0.61	$ 0.69	$ 0.63	$ 1.79	$ 1.73
Performance Ratios							
Return on average assets*	0.92 %	0.74 %	0.78 %	0.93 %	0.90 %	0.82 %	0.87 %
Return on risk weighted assets*	1.56 %	1.28 %	1.37 %	1.60 %	1.54 %	2.00 %	1.45 %
Return on average equity*	9.39 %	9.89 %	10.48 %	12.12 %	11.35 %	9.84 %	10.88 %
Yield on earning assets*	2.71 %	2.79 %	2.81 %	2.95 %	3.13 %	2.77 %	3.33 %
Cost of funds*	0.51 %	0.57 %	0.58 %	0.62 %	0.67 %	0.55 %	0.88 %
Net Interest Margin*	2.24 %	2.24 %	2.25 %	2.36 %	2.50 %	2.24 %	2.49 %
Efficiency ratio	64.69 %	66.37 %	65.43 %	60.24 %	63.58 %	65.48 %	61.61 %
Capital							
Tier 1 leverage capital ratio	9.88 %	9.27 %	7.37 %	7.48 %	7.71 %	9.88 %	7.71 %
Common equity risk-based capital ratio	16.80 %	15.96 %	12.91 %	12.94 %	13.20 %	16.80 %	13.20 %
Tier 1 risk-based capital ratio	16.80 %	15.96 %	12.91 %	12.94 %	13.20 %	16.80 %	13.20 %
Total risk-based capital ratio	20.22 %	19.68 %	17.36 %	17.52 %	16.57 %	20.22 %	16.57 %
Book value per share	$ 26.32	$ 25.20	$ 23.20	$ 23.57	$ 23.01	$ 26.32	$ 23.01
Tangible book value per share	$ 26.32	$ 25.20	$ 23.20	$ 23.57	$ 23.01	$ 26.32	$ 23.01
Asset Quality							
Net (recoveries) charge-offs	$ (4)	$ (1)	$ (6)	$ 3	$ 3	$ (11)	$ 5
Net (recoveries) charge-offs to average total loans	— %	— %	— %	— %	— %	— %	— %
Allowance for loan losses	$ 20,806	$ 21,636	$ 21,095	$ 20,782	$ 20,209	$ 20,806	$ 20,209
Allowance to total loans	1.03 %	1.10 %	1.10 %	1.11 %	1.12 %	1.03 %	1.12 %
Nonperforming loans	$ 928	$ 2,001	$ 1,599	$ 1,279	$ 1,098	$ 928	$ 1,098
Other real estate owned	—	—	—	—	—	—	—
Nonperforming loans to total loans	0.05 %	0.10 %	0.08 %	0.07 %	0.06 %	0.05 %	0.06 %
Nonperforming assets to total assets	0.03 %	0.07 %	0.06 %	0.04 %	0.04 %	0.03 %	0.04 %
Loan Composition (% of Total Gross Loans)							
1-4 Family	52.0 %	53.6 %	52.4 %	53.1 %	53.3 %	52.0 %	53.3 %
Commercial Loans	11.0 %	11.1 %	13.1 %	13.5 %	14.9 %	11.0 %	14.9 %
Commercial Real Estate	21.0 %	21.1 %	19.5 %	18.9 %	19.4 %	21.0 %	19.4 %
Construction Loans	8.2 %	6.7 %	7.7 %	7.6 %	6.8 %	8.2 %	6.8 %
Other Loans	7.8 %	7.4 %	7.3 %	7.0 %	5.5 %	7.8 %	5.5 %
End of Period Balances							
Assets	$ 3,083,569	$ 2,982,969	$ 2,874,148	$ 2,851,416	$ 2,606,789	$ 3,083,569	$ 2,606,789
Debt securities	$ 887,244	$ 720,893	$ 668,823	$ 654,141	$ 619,016	$ 887,244	$ 619,016
Loans, net of allowance	$ 2,002,778	$ 1,945,541	$ 1,889,770	$ 1,850,293	$ 1,789,905	$ 2,002,778	$ 1,789,905
Deposits	$ 2,429,920	$ 2,358,263	$ 2,297,031	$ 2,224,954	$ 1,978,922	$ 2,429,920	$ 1,978,922
Other borrowings	$ 3,456	$ 5,790	$ 12,144	$ 5,612	$ 14,920	$ 3,456	$ 14,920
Subordinated Debt	$ 40,898	$ 40,876	$ 50,737	$ 50,712	$ 29,622	$ 40,898	$ 29,622
FHLB Advances	$ 284,080	$ 284,144	$ 284,207	$ 334,271	$ 354,334	$ 284,080	$ 354,334
Shareholders Equity	$ 304,782	$ 271,005	$ 210,400	$ 211,057	$ 205,627	$ 304,782	$ 205,627
Trust and Investment							
Fee Income	$ 7,012	$ 6,628	$ 5,968	$ 5,591	$ 5,337	$ 19,608	$ 15,289
Assets Under Administration							
Balance at beginning of period	$ 5,688,110	$ 5,304,562	$ 5,091,408	$ 4,622,464	$ 4,382,810	$ 5,091,408	$ 4,472,585
Net investment appreciation (depreciation) & income	$ (71,467)	$ 242,924	$ 75,199	$ 349,016	$ 166,182	$ 246,657	$ (150,670)
Net client asset flows	$ 122,908	$ 140,623	$ 137,955	$ 119,928	$ 73,472	$ 401,486	$ 300,549
Balance at end of period	$ 5,739,551	$ 5,688,110	$ 5,304,562	$ 5,091,408	$ 4,622,464	$ 5,739,551	$ 4,622,464
Percentage of AUA that are managed	88 %	89 %	89 %	89 %	90 %	88 %	90 %
Stock Valuation							
Closing Market Price (OTCQX)	$ 34.00	$ 33.00	$ 30.00	$ 23.41	$ 19.85	$ 34.00	$ 19.85
Multiple of Tangible Book Value	1.29	1.31	1.29	0.99	0.86	1.29	0.86

*annualized