



## FINEMARK HOLDINGS, INC.

### FineMark Holdings, Inc. Reports Second Quarter 2023 Earnings

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**FORT MYERS, JULY 18, 2023** – FineMark Holdings, Inc. (the “Holding Company”; OTCQX: FNBT), the parent company of FineMark National Bank & Trust (the “Bank”; collectively, “FineMark”), today reported revenues of \$42.5 million and net revenues of \$21.6 million for the second quarter ended June 30, 2023, compared to \$31.0 million and \$27.3 million, respectively, in the second quarter of 2022. Net income was \$1.8 million, or \$.15 per diluted share, compared with net income of \$7 million, or \$.59 per diluted share, for the same period a year ago.

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#### **Joseph R. Catti, Chairman & Chief Executive Officer:**

Following upheavals in the banking sector in early 2023, conditions have broadly improved, and the number of troubled banks appears to be low. This serves as a powerful reminder that a successful bank relies on two key factors: the trust and loyalty of its clients, and a strong balance sheet. We are profoundly grateful for the confidence our clients place in our organization and for our dedicated associates who consistently demonstrate their unwavering commitment to serve our clients at the highest levels. They are the bedrock of our success and we have achieved remarkable top-line growth despite the challenging economic conditions.

Since the implementation of the Federal Reserve's monetary tightening policy in early 2022, we have experienced continued pressure on earnings. The rapid rise in interest rates has resulted in a 30% reduction in net interest income in the second quarter of 2023, compared to the second quarter of 2022. This is due to rising interest expense associated with both deposits and an increase in wholesale borrowings. The wholesale borrowings were used to replace deposits that were transferred to the trust department to be primarily invested in short term treasuries. Since the beginning of the year, \$379 million in deposits has been transferred into the trust department and \$684 million since June 2022. However, when accounting for the deposits transferred into trust accounts, FineMark's total deposits would have increased by 13% since June 2022.

As of June 30, 2023, assets under management and administration totaled \$6.7 billion, reflecting a 23% increase from \$5.5 billion on June 30, 2022. A portion of this increase is a result of the treasury purchases mentioned above and will most likely be temporary. Correspondingly, recurring trust fees grew by 13% in Q2 of 2023 compared to the same quarter last year. These gains can be attributed to expanded relationships with existing clients, new relationships to the Bank, and the broad recovery in equity markets.

#### Highlights from Q2:

- Interest income increased 52% or \$11.6 million in the second quarter 2023 to \$33.7 million, compared to total interest income of \$22.1 million for the same quarter 2022. The increase in interest income is a result of higher interest rates and continued loan growth.
- Net loan growth year-over-year of \$331 million and credit quality remains pristine.
- New trust assets grew \$201 million in the second quarter, compared to \$139 million for the second quarter last year, a 44% increase.



# FINEMARK HOLDINGS, INC.

## Financial Summary

(\$ in thousands, except per share data)

	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Net Interest Income	\$12,799	\$18,386	-30%
Credit Loss Expense	(\$23)	\$836	-103%
Trust Fees	\$7,347	\$6,752	9%
Other Non-Interest Income	\$906	\$896	1%
Salary & Benefits Expense	\$11,555	\$11,386	1%
Other Non-Interest Expense	\$7,833	\$6,314	24%
Pre-Gain/(Loss) Income	\$1,687	\$7,498	-78%
Gains/(Losses)	\$534	\$1,226	-56%
Pre-Tax Income	\$2,221	\$8,724	-75%
Net Income	\$1,830	\$6,977	-74%
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Net Loans	\$2,446,065	\$2,115,137	16%
Investments	\$1,109,339	\$1,181,247	-6%
Total Assets	\$3,802,330	\$3,527,841	8%
Total Deposits	\$2,637,668	\$2,951,656	-11%
Subordinated Debt	\$27,458	\$40,961	-33%
FHLB Borrowings	\$215,000	\$240,000	-10%
Other Borrowings	\$608,092	\$2,543	23816%
Total Equity	\$275,517	\$266,800	3%
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Trust Assets Under Administration	\$6,697,009	\$5,464,847	23%
Net New Trust Business	\$200,658	\$139,467	44%
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Tier 1 Capital Ratio	8.77%	9.16%	
Return on Average Equity	2.63%	10.28%	
Diluted Earnings per Common Share	\$0.15	\$0.59	-74%
Book Value Per Share	\$23.16	\$22.73	-3%



## FINEMARK HOLDINGS, INC.

### Net Interest Income & Margin

For the second quarter of 2023, FineMark's net interest income totaled \$12.8 million, representing a 30% decrease compared to Q2 of 2022. This decline is attributed to higher interest rates from the Fed's stance on controlling inflation. On June 30, 2022, the Fed Funds Effective Rate stood at 1.58%, while it reached 5.08% on June 30, 2023. Despite higher rates leading to increased yields on newly originated and floating rate loans, the volume was only partially sufficient to cover the increase in funding costs. Consequently, the Bank's net interest margin decreased to 1.4% in Q2 2023, down from 2.22% for the same period in 2022.

### Net Interest Income and Margin

(\$ in thousands)	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Investment Income	\$6,551	\$3,956	66%
Loan Income	\$27,134	\$18,145	50%
Total Interest Income	\$33,685	\$22,101	52%
Deposit Expense	\$12,344	\$1,784	592%
FHLB Borrowing Expense	\$2,991	\$1,389	115%
Other Borrowing Expense	\$5,059	\$0	100%
Subordinated Debt	\$492	\$542	-9%
Total Interest Expense	\$20,886	\$3,715	462%
Net Interest Income	\$12,799	\$18,386	-30%
Net Interest Margin	1.40%	2.22%	
Loan Yield	4.61%	3.51%	
Investment Yield	1.62%	1.29%	
Cost of Funds	2.36%	0.46%	

### Non-Interest Income

As of June 30, 2023, FineMark's assets under management and administration totaled \$6.7 billion, reflecting a 23% increase from \$5.5 billion on June 30, 2022. The Bank's investment management and trust fees also experienced a 9% year-over-year growth. Both new and existing clients, coupled with positive equity markets, added \$261 million in assets during the second quarter of 2023. We view the addition of client assets as a testament to the exceptional level of service provided by our dedicated associates.

### Non-Interest Income

(\$ in thousands)	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Trust Recurring Fees	\$7,238	\$6,413	13%
Estate Settlement Fees	\$109	\$339	-68%
Other Non-Interest Income	\$906	\$896	1%
Total Non-Interest Income	\$8,253	\$7,648	8%
Debt Extinguishment Gains/(Losses)	\$534	\$1,226	-56%
Total Gains/(Losses)	\$534	\$1,226	-56%



## FINEMARK HOLDINGS, INC.

### Non-Interest Expense

Non-interest expense for the quarter ended June 30, 2023, rose to \$19.4 million, marking a 10% increase from \$17.7 million in the second quarter of 2022. While salary and employee benefits expenses exhibited modest growth, occupancy expense saw an uptick due to the opening of our newest locations in Naples and Jupiter, Florida. In the second quarter of 2022, there was a gain of \$400,000 from the sale of the Riverwalk bank building in Fort Myers, Florida. As a result, the second quarter non-interest expense was decreased by \$400,000. Additionally, the FDIC increased deposit insurance assessment rates for all banks by 2 basis points, increasing the expense from Q2 2022 by \$475,000. The increase in assessment rate schedules is intended to increase the likelihood that the reserve ratio of the Deposit Insurance Fund (DIF) reaches the statutory minimum of 1.35 percent by the statutory deadline of September 30, 2028.

### Non-Interest Expense

(\$ in thousands)	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Salary Expense	\$9,993	\$9,882	1%
Employee Benefits Expense	\$1,562	\$1,504	4%
Occupancy Expense	\$2,499	\$1,991	25%
Information Systems Expense	\$1,561	\$1,574	-1%
Other Non-Interest Expense	\$3,773	\$2,749	37%
Total Non-Interest Expense	\$19,388	\$17,700	10%
Tax Expense	\$391	\$1,747	-78%

### Balance Sheet Highlights

Despite the rising interest rate environment, loan production totaled \$237 million for the quarter, compared to \$279 million in Q2 of last year, resulting in net loans of \$2.4 billion, compared to \$2.1 billion at June 30, 2022. Deposits experienced a year-over-year decrease of 11% or \$314 million compared to June 30, 2022. As previously mentioned, the decline is due to more than \$684 million being redirected to our investment area to acquire higher yielding Treasury bills for our clients. Deposits totaled \$2.64 billion, compared to \$2.95 billion a year ago. The bond portfolio continues to decline as bonds mature and are not reinvested. The resulting cash flow will be utilized to reduce existing borrowings, enhance cash levels, and fund loans. In the second quarter of 2023, short-term borrowings increased to \$655 million to augment our on-balance sheet liquidity levels and reduce the balance sheet exposure to rising interest rates. The majority of this increase is a result of FineMark taking advantage of the Fed's Bank Term Funding Program, which provides financial institutions an additional source of liquidity at favorable terms for up to one year.



# FINEMARK HOLDINGS, INC.

## Credit Quality

FineMark maintains its commitment to maintaining high credit standards and pristine asset quality through a tailored and relationship-centered approach to lending. Our loan decisions are based on a comprehensive understanding of each borrower's needs and unique financial situation, resulting in minimal loan defaults spanning various economic conditions.

As of June 30, 2023, non-performing loans amounted to \$2.1 million, representing 0.09% of total loans. This marks an increase from \$706 thousand or 0.03% of total loans in the second quarter of 2022. The rise can be attributed to the default of one borrower.

We do not expect any losses associated with the existing non-accrual loans. The current allowance for credit losses stands at \$24.2 million, equivalent to 0.98% of gross loans.

## Credit Quality

(\$ in thousands)	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Gross Loans	\$2,470,229	\$2,136,742	16%
Allowance for Credit Losses	\$24,164	\$21,605	12%
Net Loans	\$2,446,065	\$2,115,137	16%
Net Recoveries/(Charge-Offs)	\$12	\$24	-50%
Non-Accrual Loans	\$2,122	\$706	201%
Non-Accrual Loans/Gross Loans	0.09%	0.03%	
Past Due 30-89 Days	\$317	\$1,400	-77%
Past Due Loans/Gross Loans	0.01%	0.07%	

## Capital

FineMark's capital ratios continue to exceed regulatory requirements for "well-capitalized" banks. On June 30, 2023, FineMark's Tier 1 leverage ratio, on a consolidated basis, stood at 8.77%, while the total risk-based capital ratio was 18.16%. Additionally, the tangible equity to assets ratio reached 7.16% after deducting the net unrealized loss from Tier 1 capital to average assets. Rising interest rates in the past year led to a net unrealized loss of \$69 million on

the Bank's investment portfolio. This is a direct result of the rapid increase in rates rather than a reflection of bond credit quality. Given the short duration of the portfolio of 2.6 years, we anticipate these losses will likely remain unrealized and will continue to decline as bonds mature.

## Capital

(\$ in thousands)	<u>Q2 2023</u>	<u>Q2 2022</u>	<u>% Change</u>
Tier 1 Capital	\$344,986	\$327,643	5%
Net Unrealized Gain/(Loss)	(\$69,469)	(\$60,843)	-14%
Total Capital	\$275,517	\$266,800	3%
Tier 1 Leverage Ratio	8.77%	9.16%	
Risk-Based Capital Ratio	18.16%	20.03%	
ROAE	2.63%	10.28%	



## FINEMARK HOLDINGS, INC.

### Closing Remarks from Chairman & Chief Executive Officer, Joseph R. Catti

We take great pride in our commitment to exceptional service, growth, and stability, even amidst an ever-changing economic landscape. FineMark stands as a trusted partner in these uncertain times. As we move forward, we remain unwavering in our promise to provide unparalleled service to our clients, while bolstering our investment in our associates and technological advancements that will help us work more efficiently and effectively. On behalf of the entire FineMark team, I want to thank our clients and shareholders for their continued support and dedication to our vision.

### 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](http://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	<u>June 30,</u> <u>2023</u> (Unaudited)	<u>December 31,</u> <u>2022</u>
Cash and due from banks	\$ 74,110	18,374
Debt securities available for sale	1,001,037	1,020,612
Debt securities held to maturity	91,070	93,369
Loans, net of allowance for credit losses of \$24,164 in 2023 and \$23,168 in 2022	2,446,065	2,228,236
Federal Home Loan Bank stock	10,914	13,859
Federal Reserve Bank stock	6,318	6,277
Premises and equipment, net	41,061	41,009
Operating lease right-of-use assets	11,872	12,825
Accrued interest receivable	11,145	10,220
Deferred tax asset	27,659	29,955
Bank-owned life insurance	72,703	72,138
Other assets	8,376	7,496
	<u>\$ 3,802,330</u>	<u>3,554,370</u>
<b>Liabilities and Shareholders' Equity</b>		
Liabilities:		
Noninterest-bearing demand deposits	693,020	652,671
Savings, NOW and money-market deposits	1,880,487	2,122,561
Time deposits	64,161	43,259
	<u>2,637,668</u>	<u>2,818,491</u>
Official checks	12,829	13,312
Other borrowings	608,092	118,444
Federal Home Loan Bank advances	215,000	286,100
Operating lease liabilities	11,991	12,900
Subordinated debt	27,458	33,545
Other liabilities	13,775	11,271
	<u>3,526,813</u>	<u>3,294,063</u>
Shareholders' equity:		
Common stock, \$.01 par value 50,000,000 shares authorized, 11,898,165 and 11,773,050 shares issued and outstanding in 2023 and 2022	119	118
Additional paid-in capital	213,546	210,953
Retained earnings	131,321	127,514
Accumulated other comprehensive loss	(69,469)	(78,278)
	<u>275,517</u>	<u>260,307</u>
Total liabilities and shareholders' equity	<u>\$ 3,802,330</u>	<u>3,554,370</u>
Book Value per Share	<u>\$ 23.16</u>	<u>22.11</u>

## FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

	Three Months Ended		Six Months Ended	
	June 30,		June 30,	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Interest income:				
Loans	\$ 27,134	18,145	\$ 51,592	35,177
Debt securities	4,368	3,762	8,183	7,272
Dividends on Federal Home Loan Bank stock	253	100	571	217
Other	1,930	94	2,263	146
Total interest income	<u>33,685</u>	<u>22,101</u>	<u>62,609</u>	<u>42,812</u>
Interest expense:				
Deposits	12,344	1,784	22,475	2,775
Federal Home Loan Bank advances	2,991	1,389	6,085	3,029
Subordinated debt	492	542	983	1,083
Other borrowings	5,059	-	5,568	-
Total interest expense	<u>20,886</u>	<u>3,715</u>	<u>35,111</u>	<u>6,887</u>
Net interest income	12,799	18,386	27,498	35,925
Credit loss (income) expense	(23)	836	1,034	1,285
Net interest income after credit loss (income) expense	<u>12,822</u>	<u>17,550</u>	<u>26,464</u>	<u>34,640</u>
Noninterest income:				
Trust fees	7,347	6,752	13,920	13,750
Income from bank-owned life insurance	408	399	1,073	1,013
Income from solar farms	84	96	151	170
Gain on extinguishment of debt	534	1,226	534	1,844
Other fees and service charges	414	401	829	906
Total noninterest income	<u>8,787</u>	<u>8,874</u>	<u>16,507</u>	<u>17,683</u>
Noninterest expenses:				
Salaries and employee benefits	11,555	11,386	23,147	21,887
Occupancy	2,499	1,991	4,948	3,899
Information systems	1,561	1,574	3,126	3,096
Professional fees	691	592	1,329	1,152
Marketing and business development	486	559	1,166	1,252
Regulatory assessments	876	439	1,244	895
Other	1,720	1,159	3,344	2,519
Total noninterest expense	<u>19,388</u>	<u>17,700</u>	<u>38,304</u>	<u>34,700</u>
Earnings before income taxes	2,221	8,724	4,667	17,623
Income taxes	391	1,747	832	3,774
Net earnings	<u>\$ 1,830</u>	<u>6,977</u>	<u>\$ 3,835</u>	<u>13,849</u>
Weighted average common shares outstanding - basic	11,905	11,740	11,863	11,698
Weighted average common shares outstanding - diluted	11,953	11,923	11,902	11,874
Per share information: Basic earnings per common share	<u>\$ 0.15</u>	<u>0.59</u>	<u>\$ 0.32</u>	<u>1.18</u>
Diluted earnings per common share	<u>\$ 0.15</u>	<u>0.59</u>	<u>\$ 0.32</u>	<u>1.17</u>



# FineMark Holdings, Inc.

## Consolidated Financial Highlights

Second Quarter 2023

Unaudited

\$ in thousands except for share data						YTD	
	2nd Qtr 2023	1st Qtr 2023	4th Qtr 2022	3rd Qtr 2022	2nd Qtr 2022	2023	2022
<b>\$ Earnings</b>							
Net Interest Income	\$ 12,799	\$ 14,699	\$ 15,889	\$ 18,079	\$ 18,386	\$ 27,498	\$ 35,925
Credit Loss (Income) Expense	\$ (23)	\$ 1,057	\$ 1,039	\$ 121	\$ 836	\$ 1,034	\$ 1,285
Non-interest Income (excl. gains and losses)	\$ 8,253	\$ 7,720	\$ 7,224	\$ 7,342	\$ 7,648	\$ 15,973	\$ 15,839
Gain on debt extinguishment	\$ 534	\$ —	\$ —	\$ 505	\$ 1,226	\$ 534	\$ 1,844
Non-interest Expense	\$ 19,388	\$ 18,916	\$ 18,011	\$ 18,660	\$ 17,700	\$ 38,304	\$ 34,700
Earnings before income taxes	\$ 2,221	\$ 2,446	\$ 4,063	\$ 7,145	\$ 8,724	\$ 4,667	\$ 17,623
Income Taxes	\$ 391	\$ 441	\$ 933	\$ 1,757	\$ 1,747	\$ 832	\$ 3,774
Net Earnings	\$ 1,830	\$ 2,005	\$ 3,130	\$ 5,388	\$ 6,977	\$ 3,835	\$ 13,849
Basic earnings per share	\$ 0.15	\$ 0.17	\$ 0.27	\$ 0.46	\$ 0.59	\$ 0.32	\$ 1.18
Diluted earnings per share	\$ 0.15	\$ 0.17	\$ 0.26	\$ 0.45	\$ 0.59	\$ 0.32	\$ 1.17
<b>Performance Ratios</b>							
Return on average assets*	0.19 %	0.22 %	0.36 %	0.62 %	0.80 %	0.21 %	0.80 %
Return on risk weighted assets*	0.34 %	0.39 %	0.63 %	1.12 %	1.43 %	0.35 %	1.42 %
Return on average equity*	2.63 %	3.01 %	4.92 %	7.97 %	10.28 %	2.81 %	9.70 %
Yield on earning assets*	3.68 %	3.39 %	3.17 %	2.92 %	2.66 %	3.54 %	2.61 %
Cost of funds*	2.36 %	1.74 %	1.27 %	0.76 %	0.46 %	2.06 %	0.44 %
Net Interest Margin*	1.40 %	1.75 %	1.90 %	2.16 %	2.22 %	1.57 %	2.19 %
Efficiency ratio	89.82 %	84.37 %	77.93 %	71.98 %	64.93 %	88.10 %	64.73 %
<b>Capital</b>							
Tier 1 leverage capital ratio	8.77 %	9.23 %	9.36 %	9.35 %	9.16 %	8.77 %	9.16 %
Common equity risk-based capital ratio	15.80 %	16.45 %	17.01 %	17.41 %	16.81 %	15.80 %	16.81 %
Tier 1 risk-based capital ratio	15.80 %	16.45 %	17.01 %	17.41 %	16.81 %	15.80 %	16.81 %
Total risk-based capital ratio	18.16 %	19.23 %	19.86 %	20.30 %	20.03 %	18.16 %	20.03 %
Book value per share	\$ 23.16	\$ 23.61	\$ 22.11	\$ 21.81	\$ 22.73	\$ 23.16	\$ 22.73
Tangible book value per share	\$ 23.16	\$ 23.61	\$ 22.11	\$ 21.81	\$ 22.73	\$ 23.16	\$ 22.73
<b>Asset Quality</b>							
Net recoveries	\$ (12)	\$ (10)	\$ (227)	\$ (176)	\$ (24)	\$ (22)	\$ (37)
Net recoveries to average total loans	— %	— %	(0.01)%	(0.01)%	— %	— %	— %
Allowance for credit losses	\$ 24,164	\$ 24,193	\$ 23,168	\$ 21,902	\$ 21,605	\$ 24,164	\$ 21,605
Allowance to total loans	0.98 %	1.03 %	1.03 %	1.02 %	1.01 %	0.98 %	1.01 %
Nonperforming loans	\$ 2,122	\$ 1,215	\$ 730	\$ 692	\$ 706	\$ 2,122	\$ 706
Other real estate owned	—	—	—	—	—	—	—
Nonperforming loans to total loans	0.09 %	0.05 %	0.03 %	0.03 %	0.03 %	0.09 %	0.03 %
Nonperforming assets to total assets	0.06 %	0.03 %	0.02 %	0.02 %	0.02 %	0.06 %	0.02 %
<b>Loan Composition (% of Total Gross Loans)</b>							
1-4 Family	48.5 %	48.8 %	49.0 %	50.2 %	49.5 %	48.5 %	49.5 %
Commercial Loans	10.7 %	9.4 %	9.5 %	9.1 %	9.5 %	10.7 %	9.5 %
Commercial Real Estate	25.3 %	26.3 %	24.4 %	24.1 %	24.3 %	25.3 %	24.3 %
Construction Loans	8.3 %	7.9 %	9.0 %	8.3 %	8.5 %	8.3 %	8.5 %
Other Loans	7.2 %	7.6 %	8.1 %	8.3 %	8.2 %	7.2 %	8.2 %
<b>End of Period Balances</b>							
Assets	\$ 3,802,330	\$ 3,784,609	\$ 3,554,370	\$ 3,455,462	\$ 3,527,841	\$ 3,802,330	\$ 3,527,841
Debt securities	\$ 1,092,107	\$ 1,099,613	\$ 1,113,981	\$ 1,129,272	\$ 1,164,449	\$ 1,092,107	\$ 1,164,449
Loans, net of allowance	\$ 2,446,065	\$ 2,325,912	\$ 2,228,236	\$ 2,125,751	\$ 2,115,137	\$ 2,446,065	\$ 2,115,137
Deposits	\$ 2,637,668	\$ 2,868,954	\$ 2,818,491	\$ 2,919,206	\$ 2,951,656	\$ 2,637,668	\$ 2,951,656
Other borrowings	\$ 608,092	\$ 106,253	\$ 118,444	\$ 40,760	\$ 2,543	\$ 608,092	\$ 2,543
Subordinated Debt	\$ 27,458	\$ 33,626	\$ 33,545	\$ 33,483	\$ 40,961	\$ 27,458	\$ 40,961
FHLB Advances	\$ 215,000	\$ 470,000	\$ 286,100	\$ 175,000	\$ 240,000	\$ 215,000	\$ 240,000
Shareholders' Equity	\$ 275,517	\$ 279,547	\$ 260,307	\$ 256,348	\$ 266,800	\$ 275,517	\$ 266,800
<b>Trust and Investment</b>							
Fee Income	\$ 7,347	\$ 6,573	\$ 6,390	\$ 6,477	\$ 6,752	\$ 13,920	\$ 13,750
<b>Assets Under Administration</b>							
Balance at beginning of period	\$ 6,435,562	\$ 5,944,772	\$ 5,392,768	\$ 5,464,847	\$ 6,009,657	\$ 5,944,772	\$ 6,200,406
Net investment appreciation (depreciation) & income	\$ 60,789	\$ 175,566	\$ 314,992	\$ (204,456)	\$ (684,277)	\$ 236,355	\$ (1,079,401)
Net client asset flows	\$ 200,658	\$ 315,224	\$ 237,012	\$ 132,377	\$ 139,467	\$ 515,882	\$ 343,842
Balance at end of period	\$ 6,697,009	\$ 6,435,562	\$ 5,944,772	\$ 5,392,768	\$ 5,464,847	\$ 6,697,009	\$ 5,464,847
Percentage of AUA that are managed	88 %	88 %	88 %	88 %	88 %	88 %	88 %
<b>Stock Valuation</b>							
Closing Market Price (OTCQX)	\$ 23.30	\$ 28.15	\$ 29.75	\$ 29.25	\$ 29.05	\$ 23.30	\$ 29.05
Multiple of Tangible Book Value	1.01	1.19	1.35	1.34	1.28	1.01	1.28

\*annualized