



# FINEMARK HOLDINGS, INC.

## FineMark Holdings, Inc. Reports Second Quarter 2025 Net Earnings of \$4 million or \$0.24 per share

### Second Quarter 2025 Results:

422% increase in Net Earnings vs Q2 2024		53% increase in Net Interest Income vs Q2 2024		11% increase in Book Value / Share vs Q2 2024	
Consolidated Results		<p>Joseph R. Catti, Chairman &amp; CEO commented on the quarter and the year:</p> <p>On June 16, FineMark announced an agreement to merge with Commerce Bancshares, Inc. (CBSH), a highly respected regional financial institution headquartered in Kansas City, Missouri. After careful evaluation by our executive team and Board of Directors, we are confident this partnership positions FineMark for long-term strength and sustainable growth while continuing to deliver the high level of service our clients expect.</p> <p>Since FineMark was founded in 2007, we have remained committed to our mission to build extraordinary relationships by going above and beyond, and to our vision of making a positive impact in people’s lives. This merger supports both and allows us to expand our capabilities while preserving the core values and relationship-based approach that define our company. FineMark will continue operating under our current name, with no anticipated changes to office locations or the professionals who serve our clients. Our leadership team will remain in place to guide the organization, and I will continue serving as CEO of FineMark, which will become a division of Commerce Bank. Additionally, I will become chairman of Commerce Trust and a member of the Commerce Bank board.</p> <p>The definitive merger agreement is structured as an all-stock transaction. Based on the closing price of Commerce stock on June 13, 2025, the transaction was valued at approximately \$585 million and includes the conversion of outstanding preferred shares. The final transaction value will depend on Commerce’s share price at the time of closing, which is expected on January 1, 2026. FineMark shareholders will receive 0.69 shares of Commerce common stock for each FineMark share owned. Based on Commerce’s share price at the time of the announcement, the agreement reflects a 54.7% premium for our shareholders and, in our view, affirms the significant value our team has built over the past 18 years.</p> <p>As shared in prior earnings letters, scale has become increasingly important in today’s banking environment, particularly in capital strength, technology investment, regulatory complexity, and attracting top talent. We believe this partnership will enhance our ability to meet those demands while preserving the integrity and personalized service that define FineMark.</p> <p>We are honored that a company of Commerce’s caliber recognizes the value in what we have built. Just as important, we are encouraged by the alignment of values between our organizations and the shared commitment to long-term relationships, with clients, communities, and one another.</p> <p>While the merger announcement was a defining moment in the quarter, our business performance also remained strong. In the second quarter of 2025, net interest income increased 4% from the first quarter and 53% year-over-year. Trust fees totaled \$9.7 million, up 9% from the same period in 2024, and assets under management and administration reached \$8.2 billion.</p> <p>Net income declined slightly from the first quarter due to non-recurring transaction-related expenses, including approximately \$800,000 in advisory and legal fees. Additional expenses are anticipated through the remainder of the year. Excluding these one-time costs, our core earnings remain strong, supported by steady growth and client momentum.</p>			
Net interest income: \$17.8 million Q2 2025					
Return on avg assets: 0.40% Q2 2025					
Total risk-based capital ratio: 19.74%					
Banking					
Annual loan growth (net): \$17 million					
Annual deposit growth: \$58 million					
Non-performing loans to total loans: 0.02%					
Trust & Investments					
6% annual increase in relationships (households)					
8.6% annual increase in assets under management & administration					
8.8% annual increase in fees					

## **Net Interest Income & Margin**

In the second quarter, net interest income rose 4% to \$17.8 million from \$17 million the prior quarter. While the federal funds rate remained unchanged for a second straight quarter, the Bank benefited from a 7-basis point increase in the yield on earning assets and a 4-basis point decline in funding costs compared to the first quarter. As a result, net interest margin (NIM) improved to 1.87%, up from 1.81% in Q1 and 1.18% a year ago.

The Bank's investment portfolio experienced \$175 million in bond maturities during the first six months of 2025, primarily low-yielding securities with a weighted average yield of just 1%. These maturities contributed to a \$131 million decline in the portfolio, partially offset by reinvestment in higher-yielding assets. With another \$176 million set to mature in the second half of 2025, we expect continued reinvestment at more favorable rates to drive further growth in net interest income through year-end.

## **Non-Interest Income**

Non-interest income totaled \$10.7 million in the second quarter, up 8% from the same period last year. This growth was driven by continued strength in our trust and investment business. As of June 30, 2025, assets under management and administration reached \$8.2 billion, up from \$7.5 billion a year ago. Trust fees rose to \$9.7 million; a 9% increase compared to the second quarter of 2024.

## **Non-Interest Expense**

In the second quarter, the Bank recorded one-time legal and advisory expenses related to the pending merger with Commerce Bancshares. These additional costs, combined with ongoing investments in personnel and technology, contributed to a 15% increase in non-interest expense compared to the second quarter of 2024. Excluding merger-related expenses, non-interest expense increased 11% compared to the same period in 2024. These strategic investments underscore our commitment to exceptional service, talent retention, and building a solid foundation for future growth.

## **Balance Sheet Highlights**

Gross loan production totaled \$226 million in the second quarter, compared to \$195 million during the same period last year, which is in line with management expectations. While demand remained steady across our markets, net loans increased just 1% year-over-year to \$2.6 billion as of June 30, 2025, and net loan growth year-to-date is down 2% from December 31, 2024; however, this reduction reflects elevated paydowns and payoffs, not client attrition. Clients continue to actively engage with the Bank while repositioning or reallocating capital, and new loan activity remains healthy.

Deposits grew 2% to \$3.1 billion, providing a stable funding base to support both lending activity and overall liquidity. The investment portfolio declined by \$257 million over the past 12 months as a large volume of low-yielding securities, averaging under 2%, matured. Partial proceeds from these maturities are being reinvested at higher market rates and are expected to support continued growth in interest income going forward.

## **Credit Quality**

FineMark maintains conservative credit standards and a disciplined, relationship-based lending approach. As of June 30, 2025, non-performing loans totaled \$650,000, or 0.02% of total loans, down from \$1.2 million, or 0.04%, a year earlier. The allowance for credit losses was \$23.1 million, or 0.87% of gross loans. Given the strength of the Bank's underwriting and consistently low default levels, management believes this reserve remains appropriate for our conservative risk profile.

## **Capital**

All capital ratios continue to exceed regulatory requirements for "well-capitalized" banks. As of June 30, 2025, FineMark's Tier 1 leverage ratio, on a consolidated basis, was 9.91%, and the total risk-based capital ratio was 19.74%.

The Bank's net unrealized loss on its investment portfolio was \$24.8 million at quarter-end, down significantly from \$46.7 million a year earlier. These unrealized losses reflect interest rate movements, not credit deterioration, and are expected to decline further as bonds mature. At June 30, 2025, 90% of the securities portfolio was classified as available-for-sale, with an average duration of 1.9 years.

## **CONTACT:**

Ryan Roberts  
Investor Relations  
239-461-3850  
investorrelations@finemarkbank.com  
8695 College Pkwy Suite 100  
Fort Myers, FL 33919

website: [www.finemarkbank.com](http://www.finemarkbank.com)

## **Background**

FineMark Holdings, Inc. serves as the parent company for FineMark National Bank & Trust. Established in 2007, FineMark National Bank & Trust operates as a nationally chartered bank with its headquarters in Florida. With offices in Florida, Arizona and South Carolina, FineMark provides a comprehensive array of financial services encompassing personal and business banking, lending services, trust, and investment services. The Corporation's common stock is traded on the OTCQX under the symbol FNBT. For investor information, please visit 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 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)

<b>Assets</b>	<b>June 30, 2025</b>	<b>December 31, 2024</b>
	(Unaudited)	
Cash and due from banks	\$ 311,948	366,795
Debt securities available for sale	678,558	807,303
Debt securities held to maturity	78,912	80,944
Loans, net of allowance for credit losses of \$23,114 in 2025 and \$23,576 in 2024	2,632,301	2,672,279
Federal Home Loan Bank stock	19,505	19,494
Federal Reserve Bank stock	7,603	7,548
Premises and equipment, net	41,773	38,367
Operating lease right-of-use assets	7,485	10,282
Accrued interest receivable	12,703	13,637
Deferred tax asset	12,486	15,831
Bank-owned life insurance	76,248	75,267
Other assets	8,829	7,153
Total assets	<u>\$ 3,888,351</u>	<u>4,114,900</u>
<b>Liabilities and Shareholders' Equity</b>		
Liabilities:		
Noninterest-bearing demand deposits	696,635	668,036
Savings, NOW and money-market deposits	2,186,778	2,356,602
Time deposits	<u>174,530</u>	<u>232,843</u>
Total deposits	3,057,943	3,257,481
Official checks	7,281	23,339
Federal Home Loan Bank advances	350,000	350,000
Repurchase agreements	51,948	77,972
Operating lease liabilities	7,610	10,445
Subordinated debt	27,537	27,517
Other liabilities	<u>13,025</u>	<u>13,111</u>
Total liabilities	<u>3,515,344</u>	<u>3,759,865</u>
Shareholders' equity:		
Preferred stock, 10,000,000 shares authorized, \$.01 par value, 50,000 designated 7.25%, Series B Non-Cumulative Perpetual Convertible, 30,000 shares issued and outstanding	-	-
Common stock, \$.01 par value 50,000,000 shares authorized, 12,282,063 and 12,148,343 shares issued and outstanding in 2025 and 2024	122	121
Additional paid-in capital	253,591	251,323
Retained earnings	144,128	137,661
Accumulated other comprehensive loss	<u>(24,834)</u>	<u>(34,070)</u>
Total shareholders' equity	<u>373,007</u>	<u>355,035</u>
Total liabilities and shareholders' equity	<u>\$ 3,888,351</u>	<u>4,114,900</u>
Book Value per Share	<u>\$ 27.94</u>	<u>26.77</u>

# FINEMARK HOLDINGS, INC. AND SUBSIDIARIES

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Interest income:				
Loans	\$ 34,279	33,686	\$ 68,142	65,367
Debt securities	3,482	4,707	7,258	9,137
Interest bearing deposits and other	4,262	4,563	8,043	10,253
Total interest income	42,023	42,956	83,443	84,757
Interest expense:				
Deposits	19,520	22,421	39,108	43,534
Other borrowings	578	5,938	1,285	13,048
Federal Home Loan Bank advances	3,807	2,592	7,573	5,146
Subordinated debt	355	370	715	741
Total interest expense	24,260	31,321	48,681	62,469
Net interest income	17,763	11,635	34,762	22,288
Credit loss expense	-	200	-	620
Net interest income after credit loss expense	17,763	11,435	34,762	21,668
Noninterest income:				
Trust fees	9,660	8,876	19,244	17,409
Income from bank-owned life insurance	494	477	980	947
Gain on extinguishment of debt	-	-	-	367
Other fees and service charges	574	576	1,152	1,101
Total noninterest income	10,728	9,929	21,376	19,824
Noninterest expenses:				
Salaries and employee benefits	14,907	12,844	29,250	24,526
Occupancy	2,647	2,528	5,237	5,027
Information systems	1,889	1,654	3,791	3,326
Professional fees	1,373	566	2,095	1,074
Marketing and business development	496	456	941	945
Regulatory assessments	539	754	1,162	1,516
Other	1,718	1,695	3,379	3,294
Total noninterest expense	23,569	20,497	45,855	39,708
Earnings before income taxes	4,922	867	10,283	1,784
Income taxes	922	101	2,185	207
Net earnings	4,000	766	8,098	1,577
Preferred stock dividends	1,087	562	1,631	562
Earnings available to common shareholders	\$ 2,913	204	\$ 6,467	1,015
Weighted average common shares outstanding - basic	12,284	12,081	12,251	12,046
Weighted average common shares outstanding - diluted	12,555	12,106	12,633	12,072
Per share information: Basic earnings per common share	\$ 0.24	0.02	\$ 0.53	0.08
Diluted earnings per common share	\$ 0.24	0.02	\$ 0.53	0.08

# FineMark Holdings, Inc.

## Consolidated Financial Highlights

Second Quarter 2025

Unaudited

						YTD	
\$ in thousands except for share data	2nd Qtr 2025	1st Qtr 2025	4th Qtr 2024	3rd Qtr 2024	2nd Qtr 2024	2025	2024
\$ Earnings							
Net Interest Income	\$ 17,763	\$ 16,999	\$ 15,269	\$ 13,106	\$ 11,635	\$ 34,762	\$ 22,288
Credit Loss Expense	\$ —	\$ —	\$ 96	\$ —	\$ 200	\$ —	\$ 620
Non-Interest Income (excl. gains and losses)	\$ 10,728	\$ 10,648	\$ 10,992	\$ 10,344	\$ 9,929	\$ 21,375	\$ 19,457
Gain on Sale of Debt Securities Available for Sale	\$ —	\$ —	\$ —	\$ 104	\$ —	\$ —	\$ —
Gain on Debt Extinguishment	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ 367
Non-interest Expense	\$ 23,569	\$ 22,286	\$ 21,640	\$ 21,801	\$ 20,497	\$ 45,854	\$ 39,708
Earnings Before Income Tax Expense	\$ 4,922	\$ 5,361	\$ 4,525	\$ 1,753	\$ 867	\$ 10,283	\$ 1,784
Income Tax Expense	\$ 922	\$ 1,263	\$ 1,021	\$ 471	\$ 101	\$ 2,185	\$ 207
Net Earnings	\$ 4,000	\$ 4,098	\$ 3,504	\$ 1,282	\$ 766	\$ 8,098	\$ 1,577
Preferred Stock Dividends	\$ 1,087	\$ 544	\$ 725	\$ —	\$ 562	\$ 1,631	\$ 562
Earnings Available to Common Shareholders	\$ 2,913	\$ 3,554	\$ 2,779	\$ 1,282	\$ 204	\$ 6,467	\$ 1,015
Basic Earnings per Share	\$ 0.24	\$ 0.29	\$ 0.23	\$ 0.11	\$ 0.02	\$ 0.53	\$ 0.08
Diluted Earnings per Share	\$ 0.24	\$ 0.29	\$ 0.23	\$ 0.11	\$ 0.02	\$ 0.53	\$ 0.08
Performance Ratios							
Return on average assets*	0.40 %	0.41 %	0.34 %	0.12 %	0.07 %	0.41 %	0.08 %
Return on risk weighted assets*	0.71 %	0.72 %	0.60 %	0.22 %	0.13 %	0.72 %	0.14 %
Return on average equity*	4.34 %	4.57 %	3.97 %	1.50 %	0.93 %	4.45 %	1.01 %
Yield on earning assets*	4.42 %	4.35 %	4.40 %	4.49 %	4.34 %	4.38 %	4.28 %
Cost of funds*	2.71 %	2.75 %	2.98 %	3.33 %	3.33 %	2.73 %	3.31 %
Net Interest Margin*	1.87 %	1.81 %	1.56 %	1.30 %	1.18 %	1.84 %	1.13 %
Efficiency ratio	82.72 %	80.61 %	82.41 %	92.56 %	95.05 %	81.68 %	95.12 %
Capital							
Tier 1 leverage capital ratio	9.91 %	9.76 %	9.46 %	9.04 %	9.06 %	9.91 %	9.06 %
Common equity Tier 1 (CET1) risk-based capital ratio	16.33 %	15.97 %	15.29 %	15.09 %	15.12 %	16.33 %	15.12 %
Tier 1 risk-based capital ratio	17.65 %	17.28 %	16.56 %	16.36 %	16.40 %	17.65 %	16.40 %
Total risk-based capital ratio	19.74 %	19.40 %	18.74 %	18.53 %	18.59 %	19.74 %	18.59 %
Book value per share	\$ 27.94	\$ 27.44	\$ 26.77	\$ 26.81	\$ 25.28	\$ 27.94	\$ 25.28
Tangible book value per share	\$ 27.94	\$ 27.44	\$ 26.77	\$ 26.81	\$ 25.28	\$ 27.94	\$ 25.28
Asset Quality							
Net charge-offs (recoveries)	\$ 14	\$ 210	\$ 143	\$ —	\$ (14)	\$ 224	\$ 613
Net charge-offs (recoveries) to average total loans	— %	0.01 %	0.01 %	— %	— %	0.01 %	0.02 %
Allowance for credit losses	\$ 23,114	\$ 23,128	\$ 23,576	\$ 23,569	\$ 23,569	\$ 23,114	\$ 23,569
Allowance to total loans	0.87 %	0.88 %	0.88 %	0.88 %	0.89 %	0.87 %	0.89 %
Nonperforming loans	\$ 650	\$ 658	\$ 639	\$ 295	\$ 1,165	\$ 650	\$ 1,165
Other real estate owned	—	—	—	—	—	—	—
Nonperforming loans to total loans	0.02 %	0.03 %	0.02 %	0.01 %	0.04 %	0.02 %	0.04 %
Nonperforming assets to total assets	0.02 %	0.02 %	0.02 %	0.01 %	0.03 %	0.02 %	0.03 %
Loan Composition (% of Total Gross Loans)							
1-4 Family	50.0 %	49.8 %	48.4 %	48.4 %	47.6 %	50.0 %	47.6 %
Commercial Loans	11.4 %	12.5 %	12.7 %	13.2 %	13.6 %	11.4 %	13.6 %
Commercial Real Estate	23.8 %	23.0 %	23.9 %	24.2 %	24.8 %	23.8 %	24.8 %
Construction Loans	7.5 %	7.6 %	8.4 %	8.1 %	8.2 %	7.5 %	8.2 %
Other Loans	7.4 %	7.1 %	6.6 %	6.1 %	5.9 %	7.4 %	5.9 %
End of Period Balances							
Assets	\$ 3,888,351	\$ 3,965,634	\$ 4,114,900	\$ 4,271,444	\$ 4,134,012	\$ 3,888,351	\$ 4,134,012
Debt securities	\$ 757,470	\$ 796,089	\$ 888,247	\$ 993,098	\$ 1,014,529	\$ 757,470	\$ 1,014,529
Loans, net of allowance	\$ 2,632,301	\$ 2,623,149	\$ 2,672,279	\$ 2,642,940	\$ 2,615,614	\$ 2,632,301	\$ 2,615,614
Deposits	\$ 3,057,943	\$ 3,118,853	\$ 3,257,481	\$ 3,068,162	\$ 2,999,742	\$ 3,057,943	\$ 2,999,742
Other borrowings	\$ 51,948	\$ 70,257	\$ 77,972	\$ 424,022	\$ 486,932	\$ 51,948	\$ 486,932
Subordinated Debt	\$ 27,537	\$ 27,527	\$ 27,517	\$ 27,507	\$ 27,497	\$ 27,537	\$ 27,497
FHLB Advances	\$ 350,000	\$ 350,000	\$ 350,000	\$ 350,000	\$ 250,000	\$ 350,000	\$ 250,000
Shareholders' Equity	\$ 373,007	\$ 366,279	\$ 355,035	\$ 354,030	\$ 335,304	\$ 373,007	\$ 335,304
Trust and Investment							
Non-Recurring Fee Income	\$ 446	\$ 257	\$ 572	\$ 239	\$ 168	\$ 703	\$ 288
Recurring Fee Income	\$ 9,214	\$ 9,327	\$ 9,364	\$ 9,064	\$ 8,707	\$ 18,542	\$ 17,120
Assets Under Administration							
Balance at beginning of period	\$ 7,616,923	\$ 7,676,855	\$ 7,811,512	\$ 7,536,721	\$ 7,373,816	\$ 7,676,855	\$ 6,839,707
Net investment appreciation (depreciation) & income	\$ 365,327	\$ (245,161)	\$ (210,940)	\$ 111,210	\$ (21,279)	\$ 120,166	\$ 320,372
Net client asset flows	\$ 200,549	\$ 185,229	\$ 76,283	\$ 163,580	\$ 184,184	\$ 385,778	\$ 376,643
Balance at end of period	\$ 8,182,799	\$ 7,616,923	\$ 7,676,855	\$ 7,811,512	\$ 7,536,721	\$ 8,182,799	\$ 7,536,721
Percentage of AUA that are managed	88 %	88 %	88 %	88 %	91 %	88 %	91 %
Stock Valuation							
Closing Market Price (OTCQX)	\$ 41.25	\$ 25.80	\$ 26.55	\$ 26.50	\$ 24.35	\$ 41.25	\$ 24.35
Multiple of Tangible Book Value	1.48	0.94	0.99	0.99	0.96	1.48	0.96

\*annualized