



BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Investor Presentation

David J. Kaye
CFO

Q4 2010

Forward Looking Statement

This presentation contains financial information determined by methods other than in accordance with accounting principles generally accepted in the United States of America ("GAAP"). The Company's management uses these non-GAAP measures in its analysis of the Company's performance. These measures typically adjust GAAP performance measures to exclude the effects of charges and expenses related to the consummation of mergers and acquisitions, as well as, excluding other significant gains or losses that are unusual in nature. Because these items and their impact on the Company's performance are difficult to predict, management believes that presentations of financial measures excluding the impact of these items provide useful supplemental information that is essential to a proper understanding of the operating results of the Company's core businesses. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures which may be presented by other companies.

Statements in this presentation that are not historical facts are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, and are intended to be covered by the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements involve risks and uncertainties. These statements, which are based on certain assumptions and describe our future plans, strategies and expectations, include, among others, statements regarding our strategy, evaluations of future interest rate trends and liquidity, prospects for growth in assets, and prospects for overall results over the long term. You should not place undue reliance on our forward-looking statements. You should exercise caution in interpreting and relying on forward-looking statements because they are subject to significant risks, uncertainties and other factors which are, in some cases, beyond the Company's control. Forward-looking statements are based on the current assumptions and beliefs of management and are only expectations of future results. The Company's actual results could differ materially from those projected in the forward-looking statements as a result of, among other factors, changes in assumptions or unanticipated factors adversely affecting the timing, among other matters, of expenses or cost savings relating to or resulting from the consolidation of the Company's banking subsidiaries; adverse conditions in the capital and debt markets and the impact of such conditions on the Company's private banking, investment management and wealth advisory activities; changes in interest rates; competitive pressures from other financial institutions; the effects of a continuing deterioration in general economic conditions on a national basis or in the local markets in which the Company operates, including changes which adversely affect borrowers' ability to service and repay our loans; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of loan loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; increasing government regulation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; the risk that goodwill and intangibles recorded in the Company's financial statements will become impaired; and risks related to the identification and implementation of acquisitions; changes in assumptions used in making such forward looking statements, as well as the other risks and uncertainties detailed in the Company's Annual Report on Form 10-K, as updated by the Company's Quarterly Reports on Form 10-Q; and other filings submitted to the Securities and Exchange Commission. The Company does not undertake any obligation to update any forward-looking statement to reflect circumstances or events that occur after the date the forward-looking statements are made.

Forward Looking Statement

Please note that the loan classifications are assessments made by the Company of the status of the loans based on the facts and circumstances known to the Company, including management judgment, at that time of assessment. Some or all of these classifications may change in the future if there are unexpected changes in the financial condition of the borrower, including but not limited to, changes resulting from continuing deterioration in general economic conditions on a national basis or in the local markets in which the Company operates adversely affecting, among other things, real estate values. Such conditions, as well as other changes which adversely affect borrowers' ability to service or repay loans, typically result in changes in loan default and charge-off rates, as well as increased provisions to loan loss reserves, which adversely affect financial performance and financial condition of companies such as Boston Private. These circumstances are not entirely foreseeable and as a result, may not be able to be accurately reflected in the Company's analysis of credit risk.

In particular, loans that form the category "Special Mention" are considered more variable than other categories, since they will typically migrate through categories more quickly.

Agenda

1. Update on our credit situation
2. Update on our business initiatives
 - Appendix

Credit Update

What We Said in Q4 10

- Remix the balance sheet
- Drive down problem loans
 - New mgmt
 - Tighter controls
 - Additional workout resources
- Derisk, control growth, and preserve capital

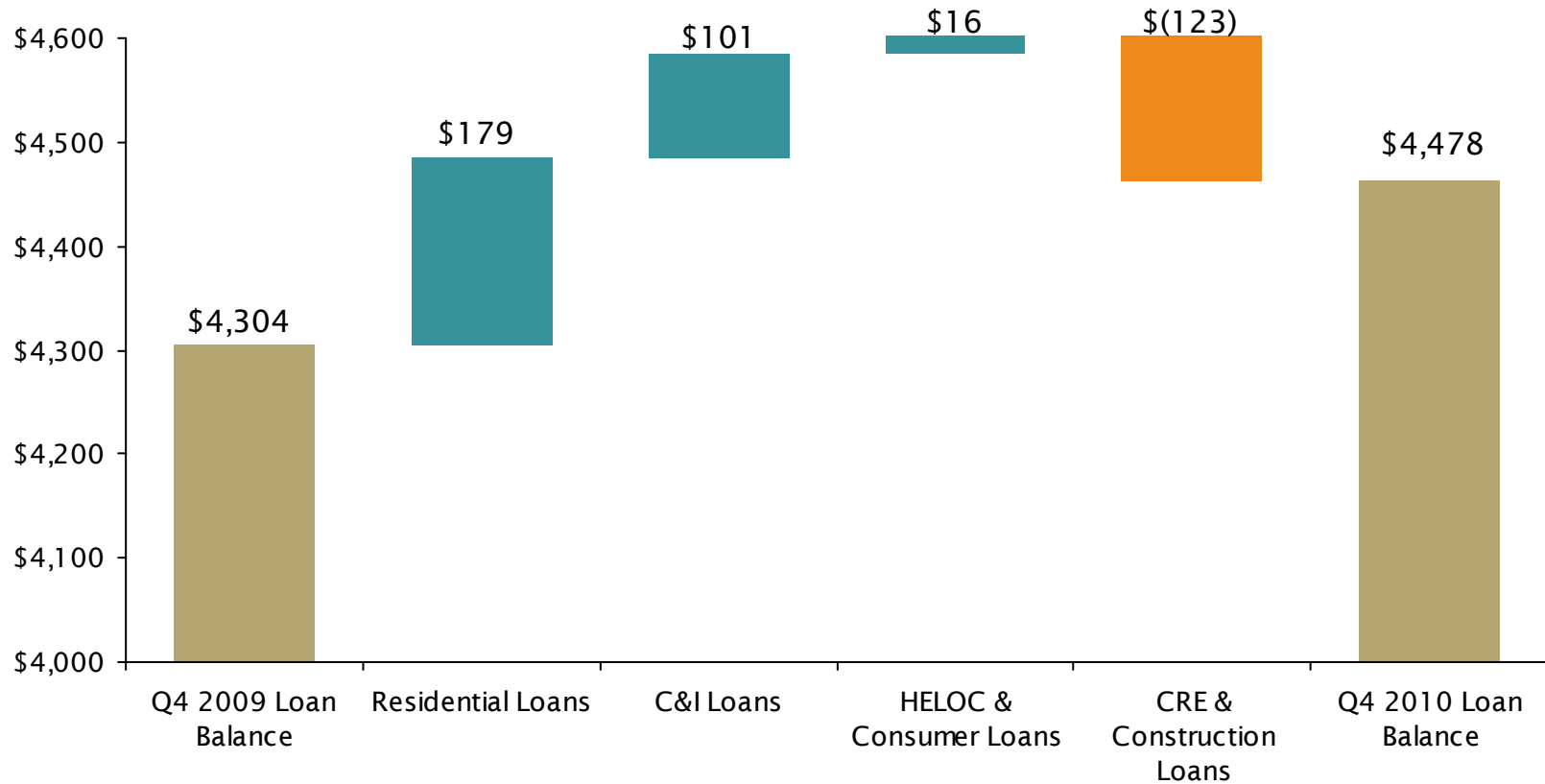
What We've Done

- Construction down 52% YOY
- Residential up 13%;
C&I up 18% YOY
- NPAs down 25% LQ
- TCE/RWA strong at 9.4%

Loan Growth by Type – YOY

Residential Mortgage up 13%; C&I up 18%

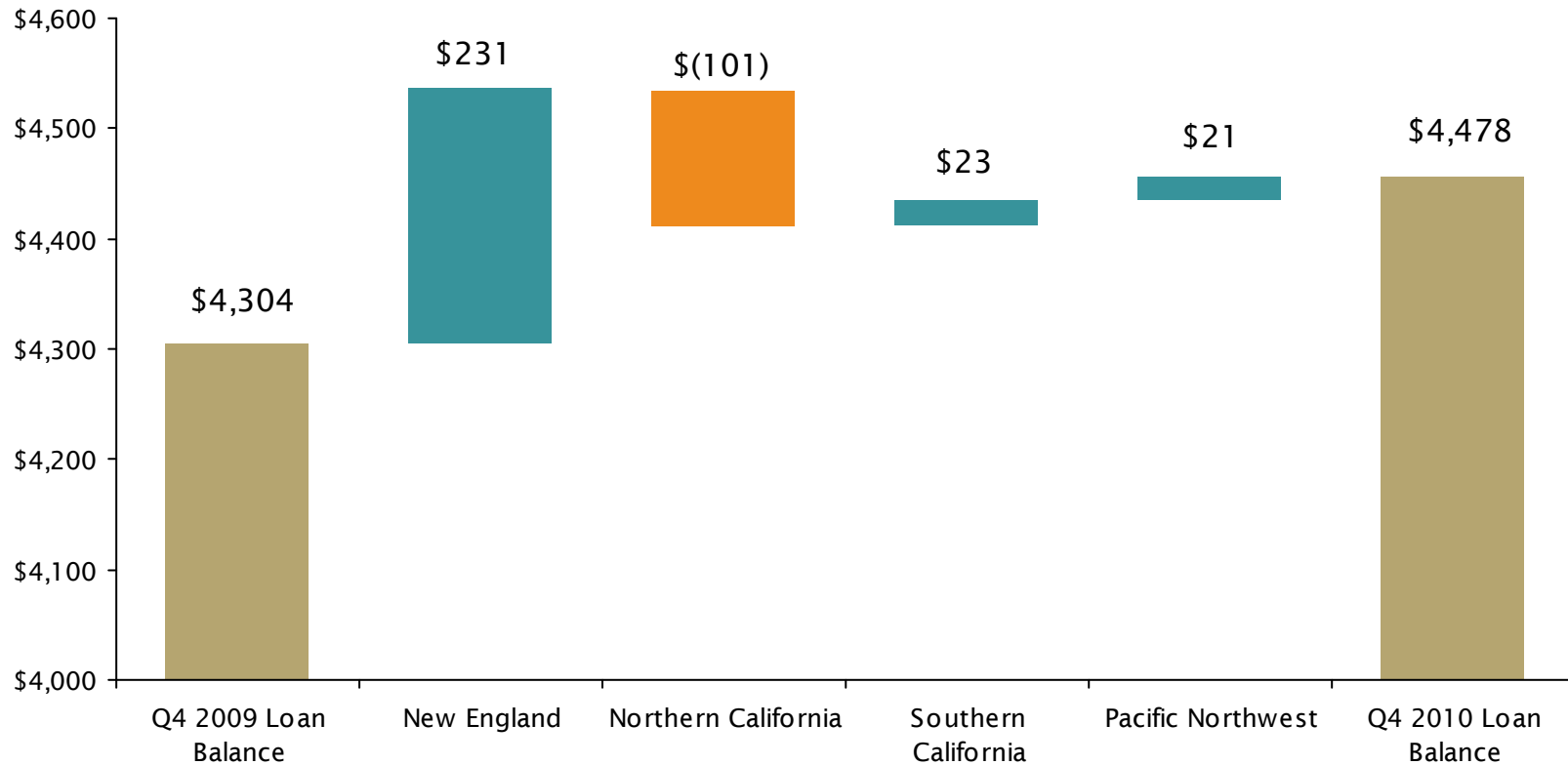
(in \$ millions)



Loan Growth by Region – YOY

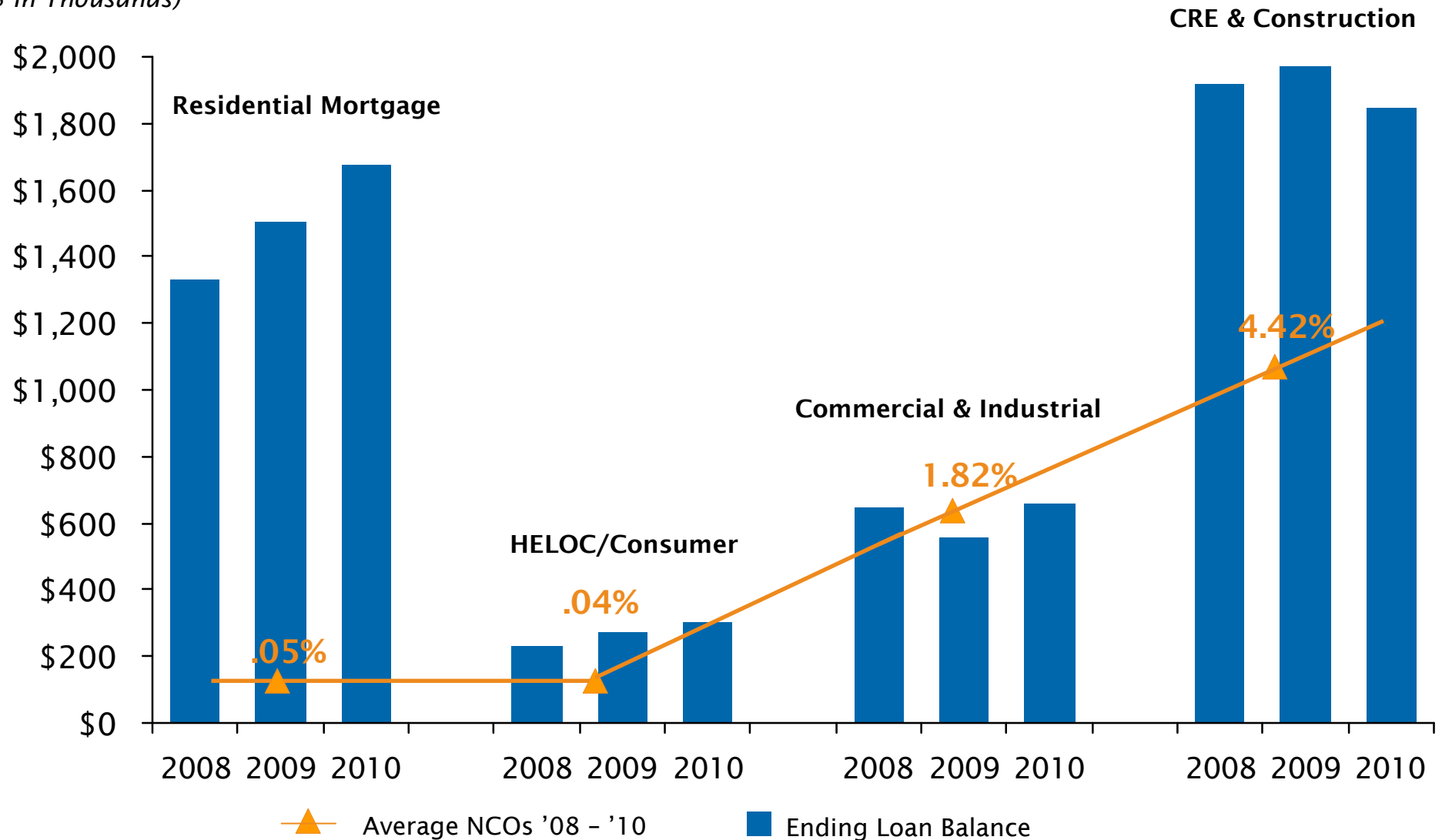
NorCal CRE and Construction/Land Down 15%

(in \$ millions)

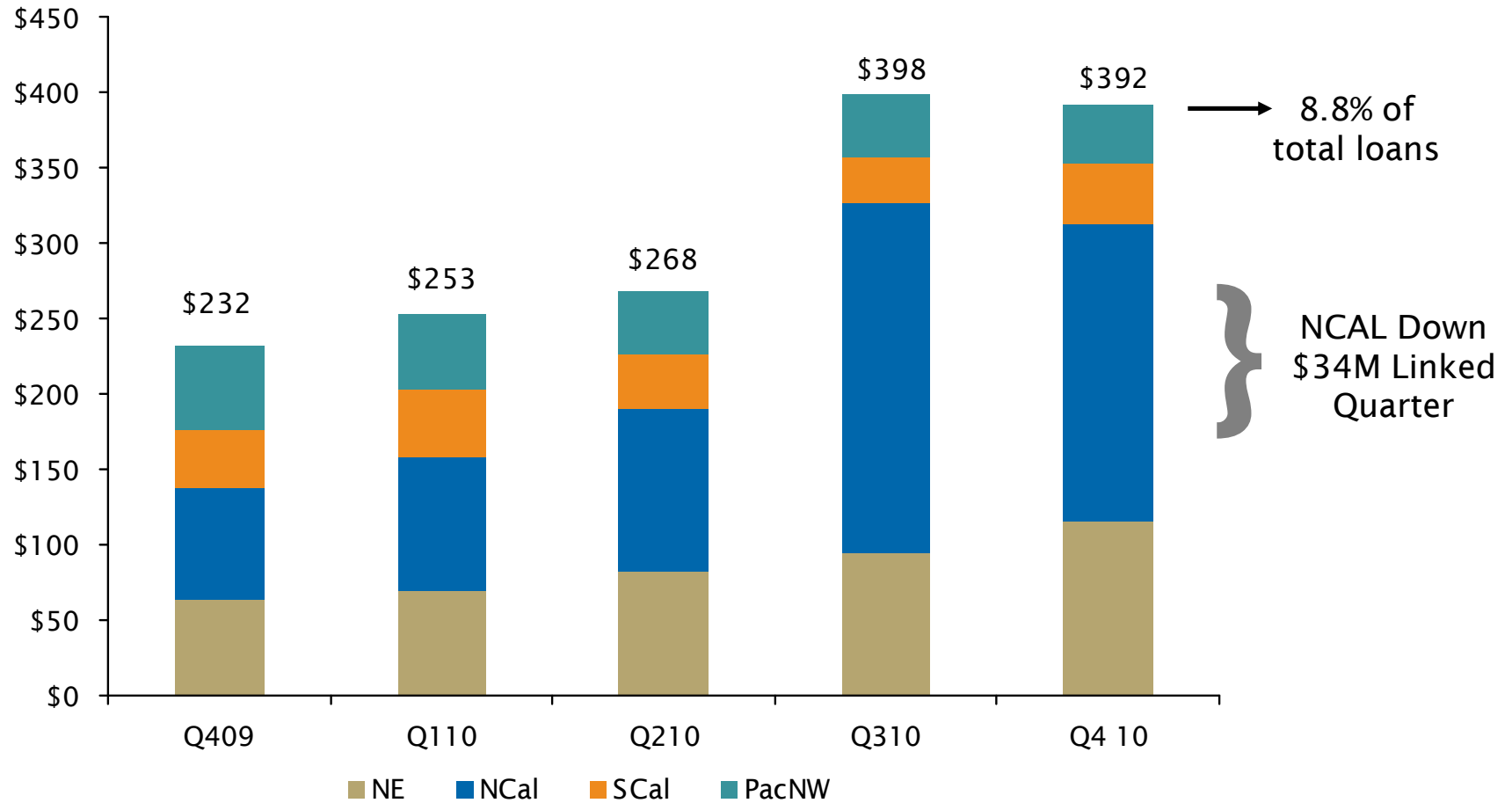


Loan Type Balances and NCOs ('08 - '10)

(\$ In Thousands)

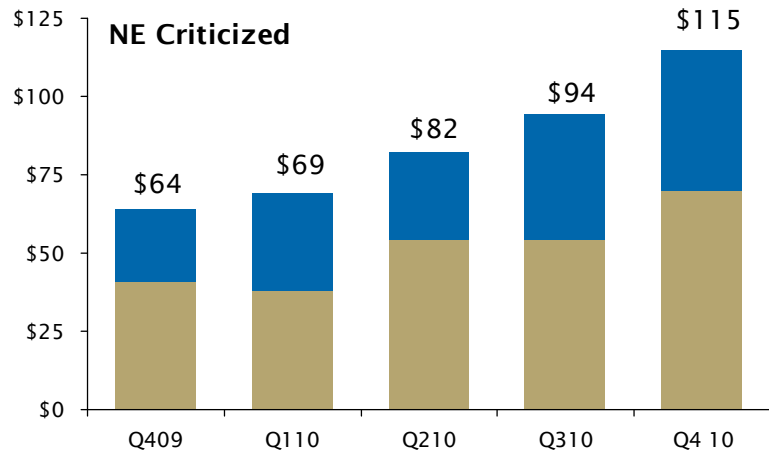


Criticized Loans (Classified + Special Mention) By Region

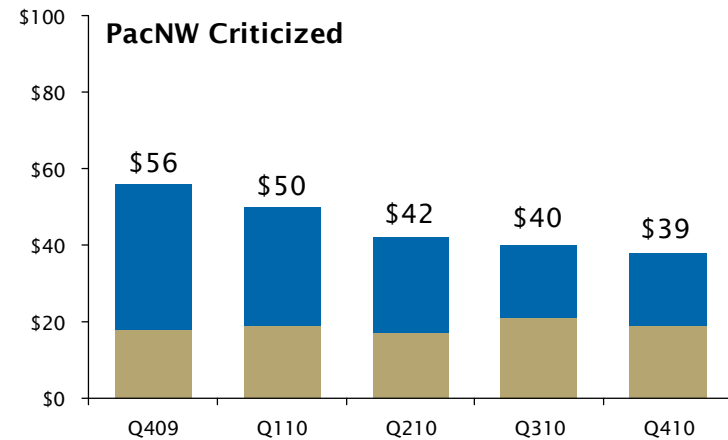
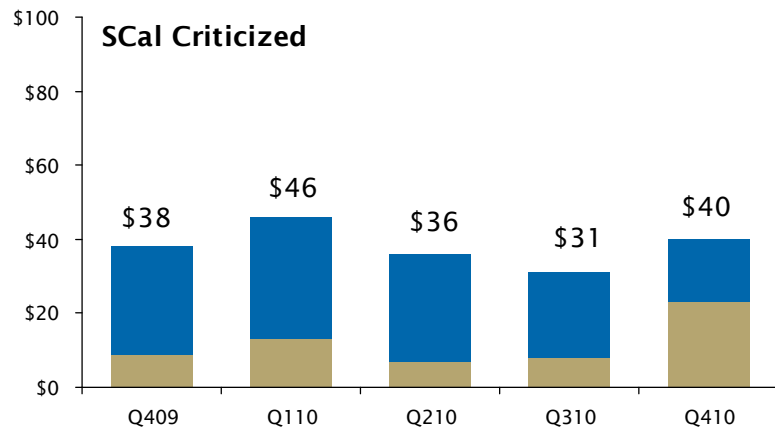


*Special Mention is a "Pass Rated" loan but is used as a transitory category with higher volatility

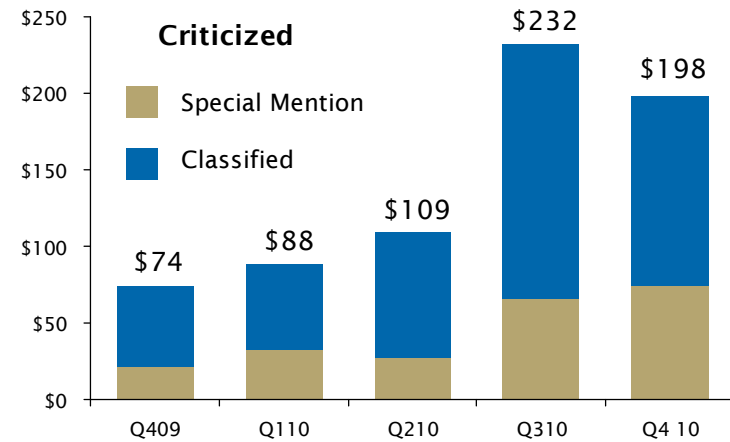
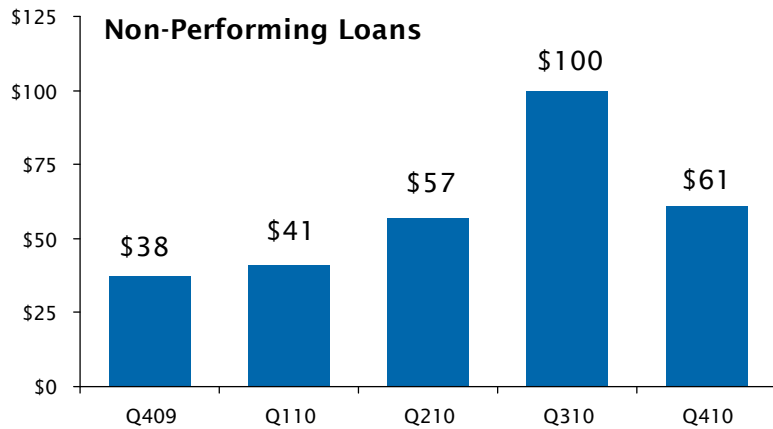
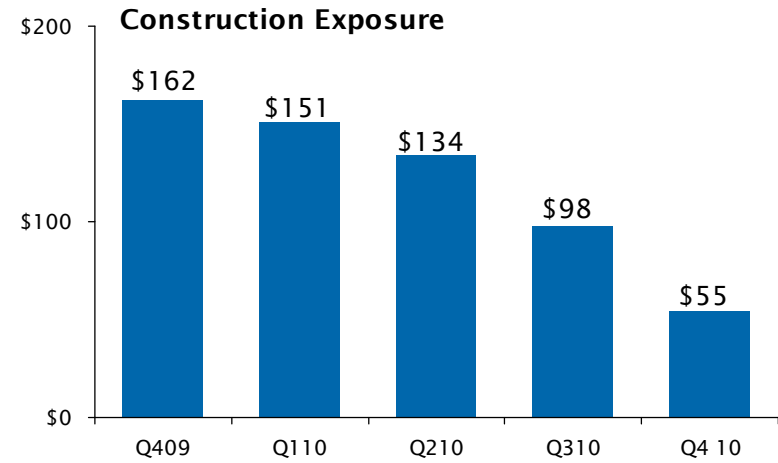
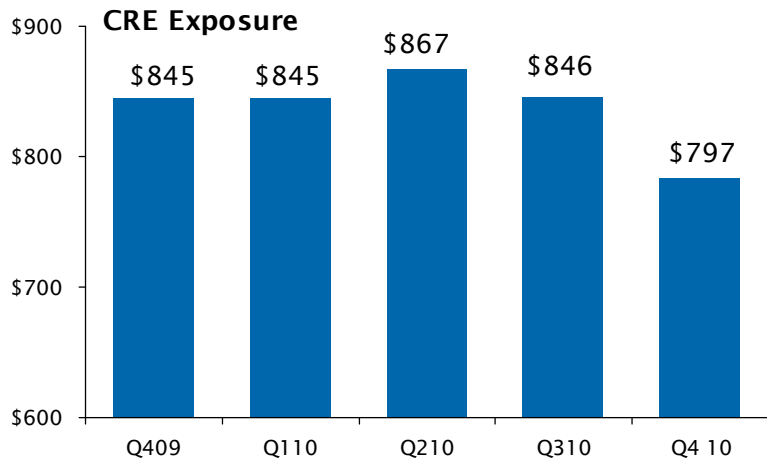
Criticized Loans: NE, SCal and PacNW



Special Mention
Classified

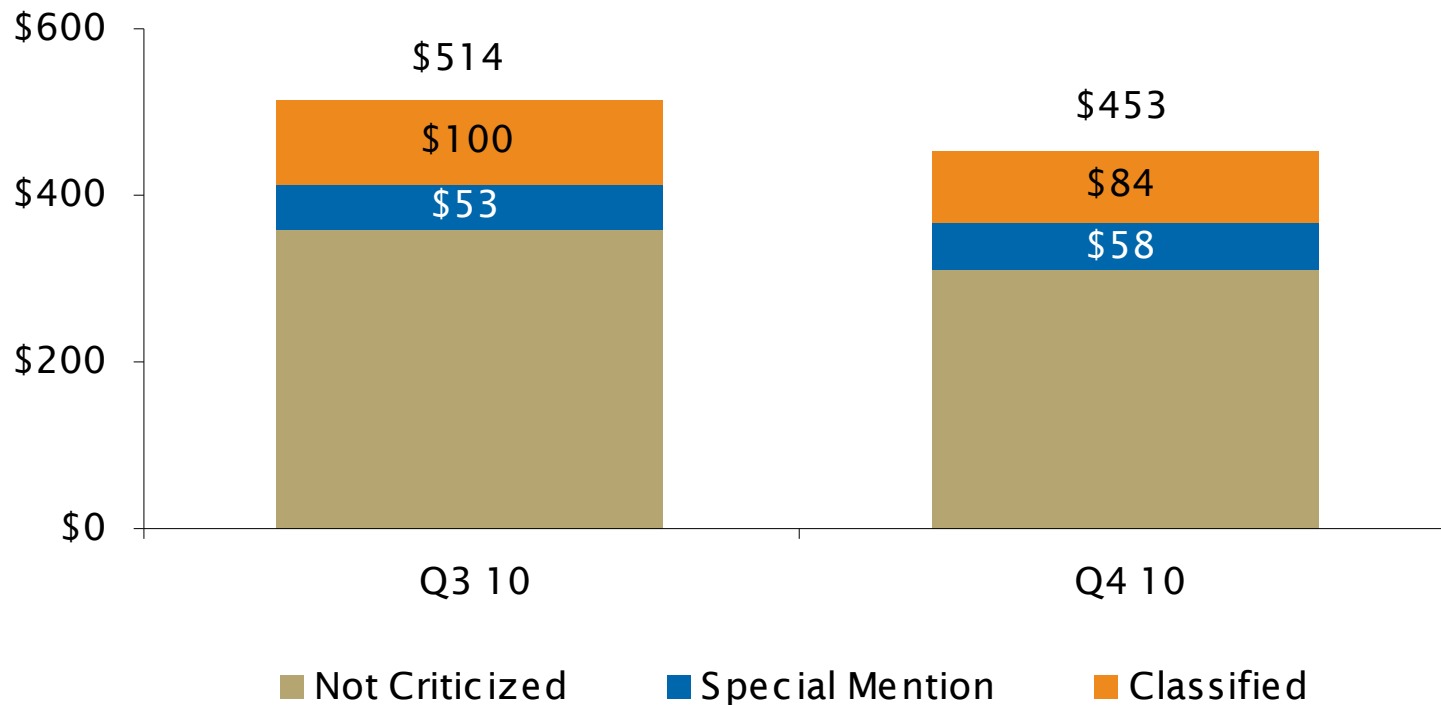


Northern California Credit Metrics

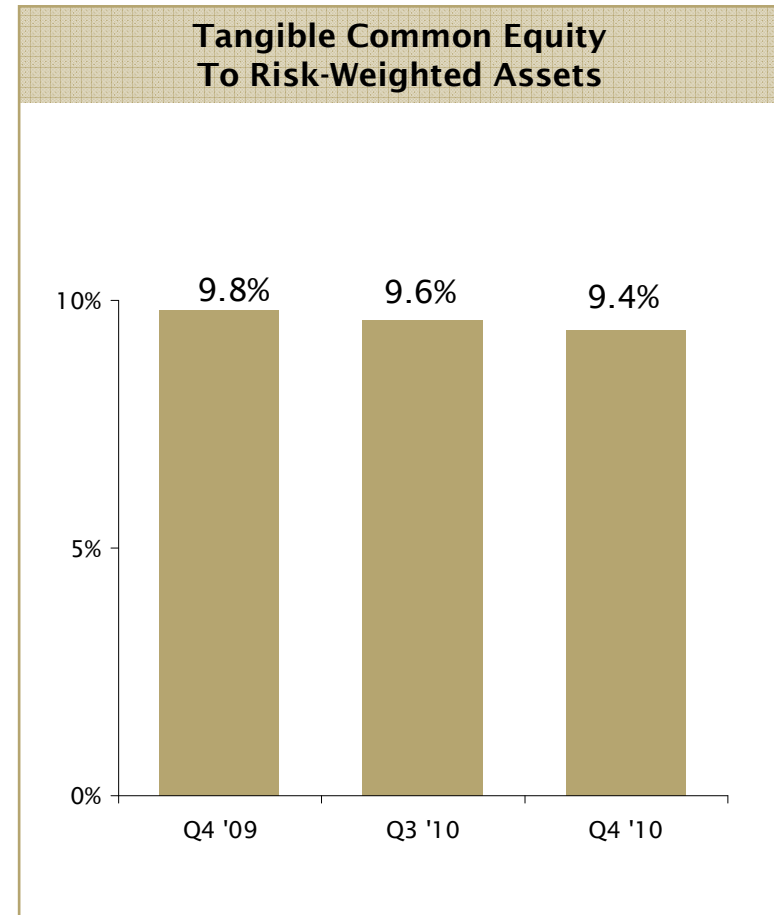
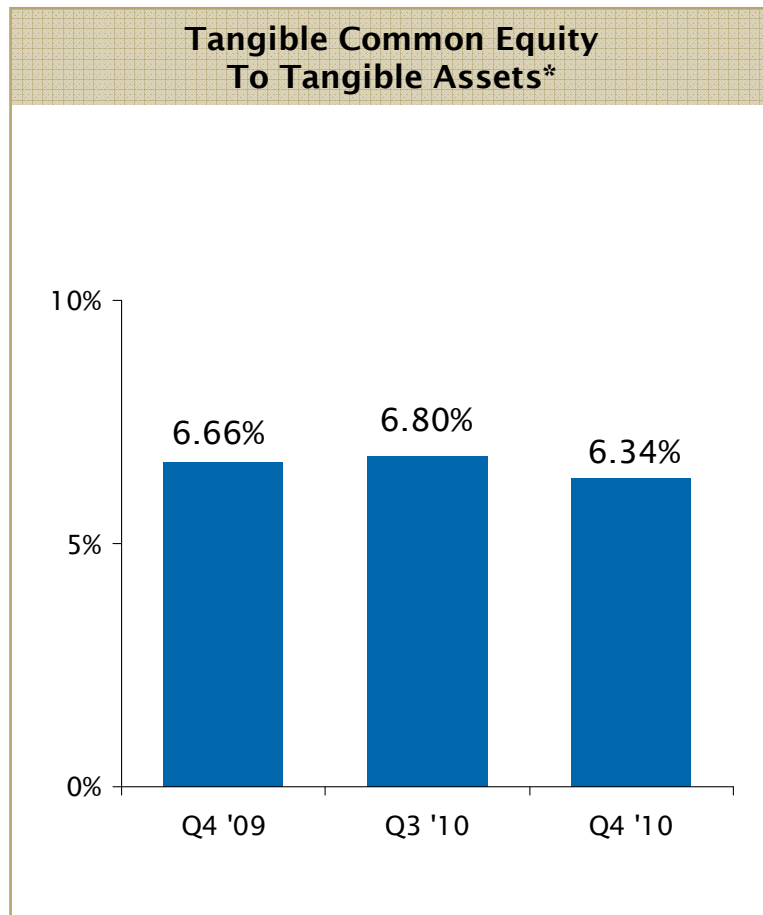


Northern California CRE By Vintage

CRE loans underwritten during 06-08 represent 35% of Borel's loan portfolio and 72% of its problem loans



Strong Capital Position



*Includes Carlyle Preferreds and the redeemable non-controlling interest

Private Banking Update

What We Said Q4 10

- Strengthen our Private Banks in all markets, leveraging power of our offices
- Fully deliver our private banking client model and product suite on the West Coast
- Drive core private banking performance toward 12% ROE threshold

What We've Done

- Announced restructuring plan with four major benefits:
 - Better client service
 - Greater growth across our markets, priority client segments, and most important product types
 - Stronger risk mgmt
 - Improved profitability

Our Private Banking Group Restructuring Plan

- Merge four banks into one
- 12 month consolidation program – detailed timetable and calendar
- Filed for regulatory approval on Feb. 2
- Developed (and now rolling out) target operating model and organization structure

Summary of Estimated Financial Effects

- “Day One” balance sheet is strong
 - Pro forma risk-based capital expected to be above 12%
 - Improved credit and risk metrics
- Cost savings of 8-9% of current Private Banking Group cost structure
- Total transition costs of \$6-\$7 million; full run rate savings realized by mid-year 2012

Private Banking Group Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q3 2010	Q4 2010	% Change	Results Driven By:
NII	\$48.8	\$47.4	(3%)	Loans down 1% Deposits flat NIM** of 3.18%, down from 3.42%
Fees	\$5.6	\$5.7	2%	
<u>Other Revenue</u>	<u>\$3.1</u>	<u>\$5.6</u>	<u>81%</u>	
Total Revenue	\$57.5	\$58.7	2%	Expenses inflated by \$3M due to Q4 legal settlement
<u>Operating Expenses</u>	<u>\$37.5</u>	<u>\$41.1</u>	<u>(10%)</u>	
*PTPP	\$20.1	\$17.6	(12%)	Q3 and Q4 provision driven by NCal CRE (Borel)
<u>Provision</u>	<u>\$32.1</u>	<u>\$32.6</u>	<u>2%</u>	
Pre-Tax Loss	(\$12.0)	(\$15.0)	(25%)	
Efficiency Ratio	65%	70%		

*Pre-tax, pre-provision income

**Consolidated

Private Banking Group Performance Highlights – Full Year

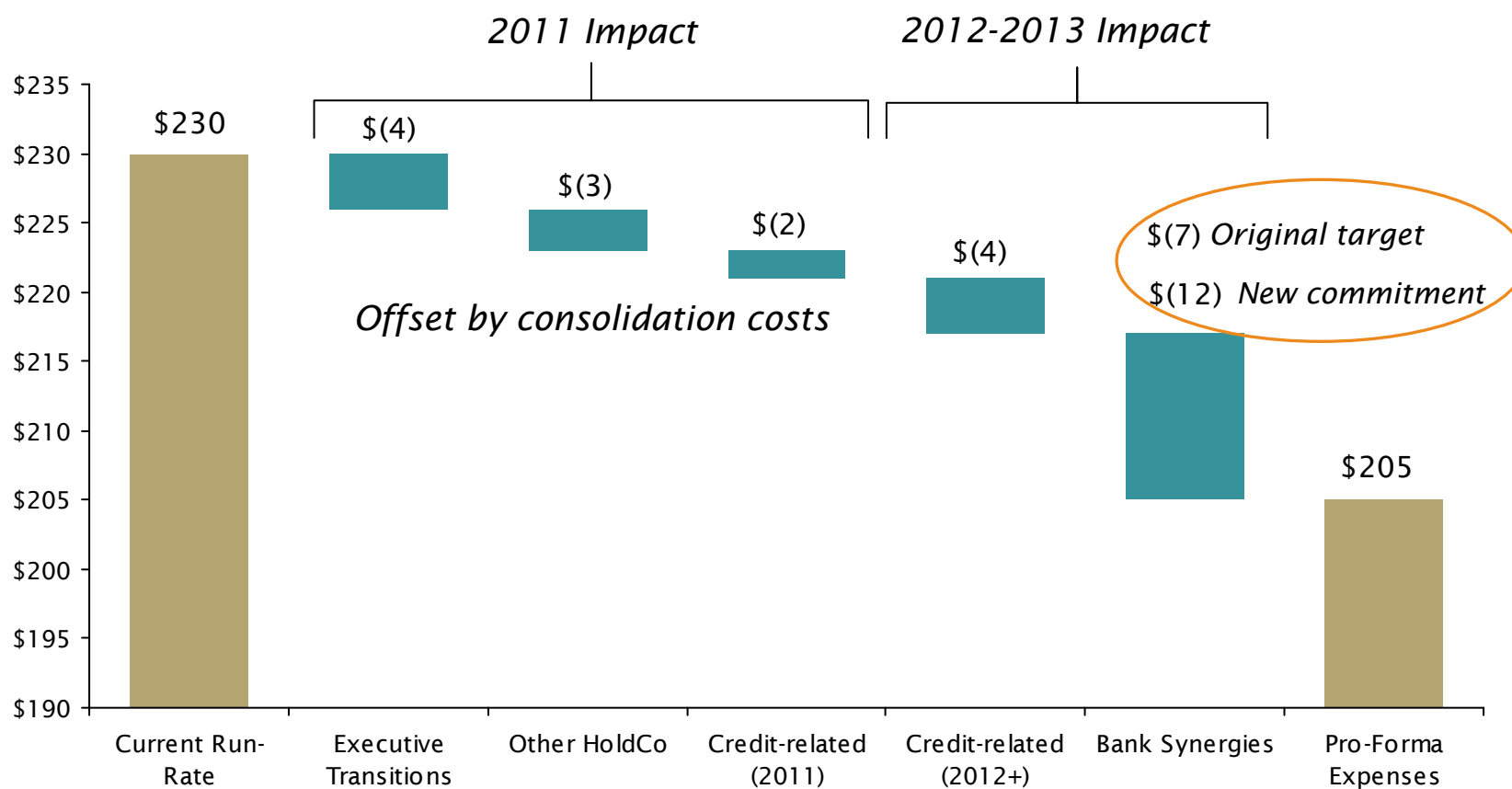
<i>(\$millions)</i>	FY 2009	FY 2010	% Change
NII	\$169.8	\$190.1	12%
Fees	\$20.8	\$22.8	10%
<u>Other Revenue</u>	<u>\$17.7</u>	<u>\$13.3</u>	<u>(25%)</u>
Total Revenue	\$208.3	\$226.2	9%
<u>Operating Expenses</u>	<u>\$144.7</u>	<u>\$150.0</u>	<u>4%</u>
*PTPP	\$63.7	\$76.2	20%
<u>Provision</u>	<u>\$45.0</u>	<u>\$87.2</u>	<u>80%</u>
Pre-Tax Income/(Loss)	\$18.7	(\$11.0)	NM
Efficiency Ratio	69%	66%	

**Pre-tax, pre-provision income*

Update on BPFH Cost Program

Previously announced \$20M target reduction becomes \$25M with consolidation

BPFH \$25mm Cost Reduction Plan (in \$millions)



Wealth Management Update

What We Said Q4 10

- Improve performance of Wealth Advisors and Investment Managers
 - Demonstrate growth at or above market
 - Deliver operating leverage
 - Achieve threshold margins

What We've Done

- AUM up 6% LQ
- Positive flows of \$96M
- Slightly positive operating leverage, more to be done
- Slight margin improvement but still below threshold (26% v. 30% EBITDA margin)
- Divested Coldstream

Wealth Management Performance Highlights – Linked Quarter

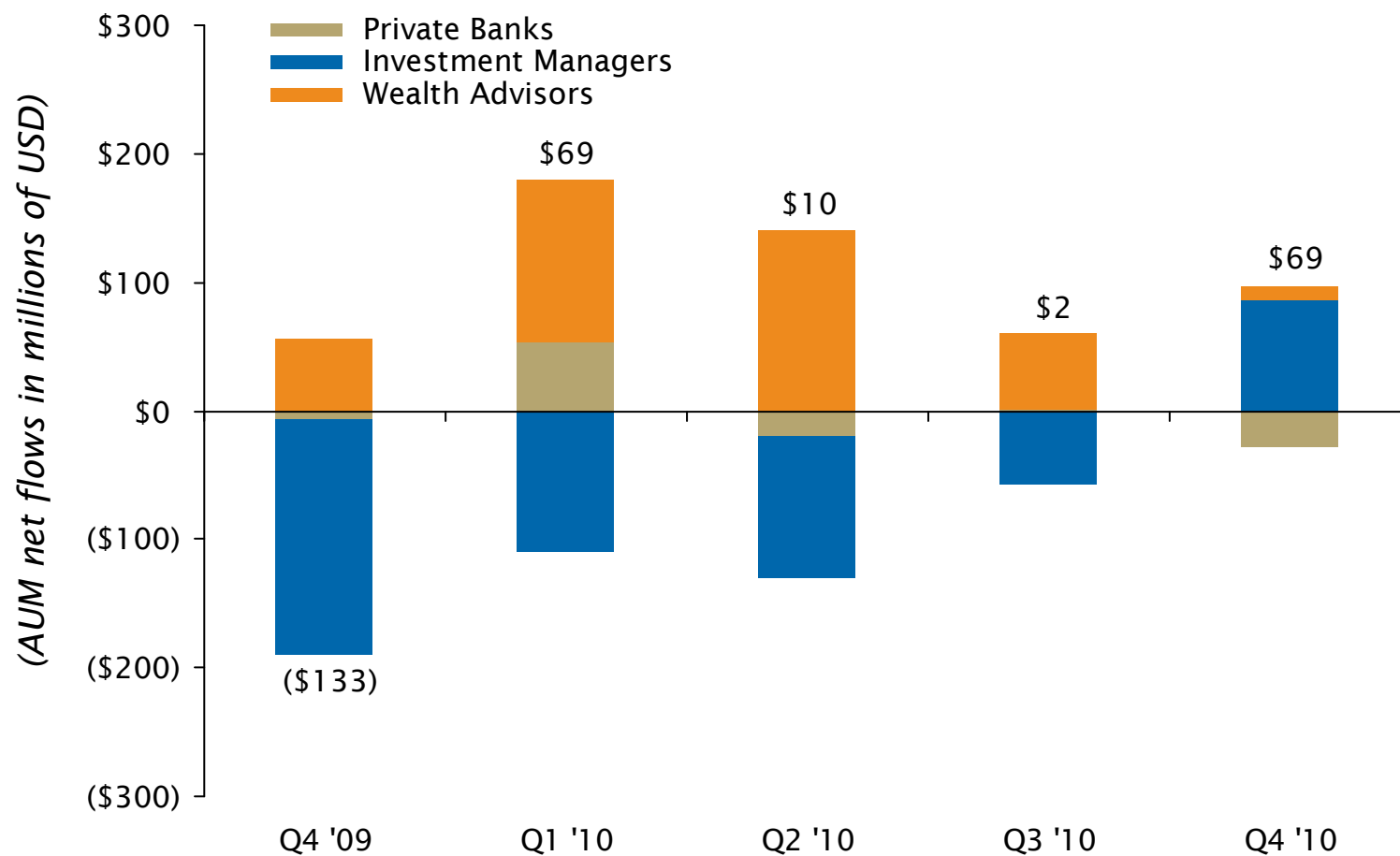
<i>(\$millions)</i>	Q3 2010	Q4 2010	% Change	Results Driven By:
Inv Mgt Fees	\$8.7	\$9.6	10%	
Wealth Adv Fees	\$9.5	\$9.8	3%	
<u>Other Revenue</u>	<u>\$0.1</u>	<u>\$0.1</u>	--	
Total Revenue	\$18.3	\$19.5	7%	Expenses up due to comp
<u>Operating Expenses</u>	<u>\$14.7</u>	<u>\$15.5</u>	<u>6%</u>	
Pre-Tax Income	\$3.6	\$4.0	11%	Positive operating leverage
Profit Margin	20%	21%		
AUM (\$B)	\$15.1	\$16.0	6%	
Net Flows (\$M)	\$1	\$96		

Wealth Management Performance Highlights – FY 2010

<i>(\$millions)</i>	FY 2009	FY 2010	% Change
Inv Mgt Fees	\$33.2	\$36.9	11%
Wealth Adv Fees	\$34.8	\$37.9	9%
<u>Other Revenue</u>	<u>\$0.2</u>	<u>\$0.2</u>	--
Total Revenue	\$68.2	\$75.0	10%
<u>Operating Expenses</u>	<u>\$52.4</u>	<u>\$59.6</u>	<u>14%</u>
*Pre-Tax Income	\$15.8	\$15.4	(3%)
Profit Margin	21%	21%	
AUM (\$Billions)	\$14.2	\$16.0	13%
Net Flows (\$millions)	(\$382)	\$144	

**Excludes impairment*

AUM Net Flows



Excludes market changes and acquisitions

Individual Affiliate Initiatives

Investment Management focus on:

- New markets (US, and ex-US)
- New channels (RIA channel, family office channel)

Wealth Advisory focus on:

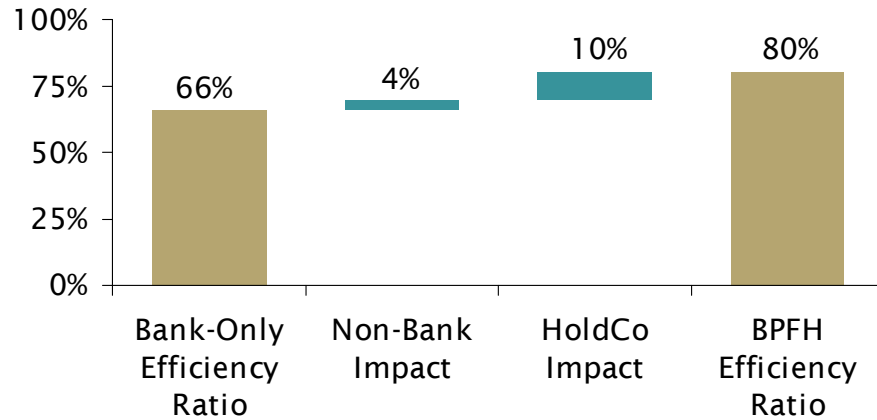
- Client acquisition initiatives, marketing and sales investments
- New markets, and market extension initiatives



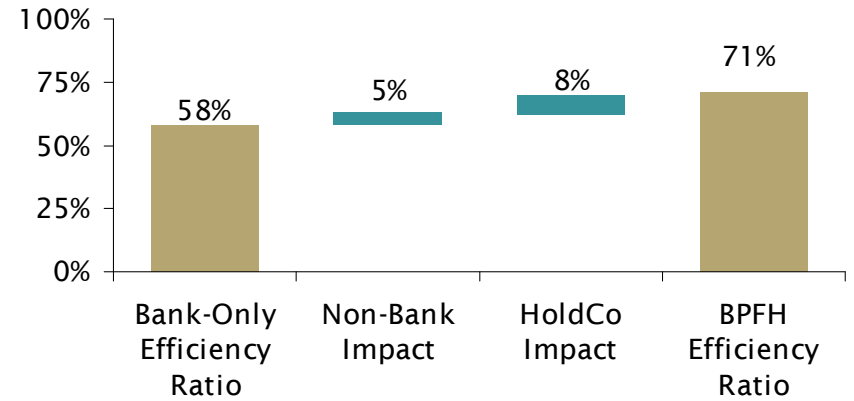
All Wealth Management firms focused on growth in an increasingly positive environment

BPFH Efficiency Ratio

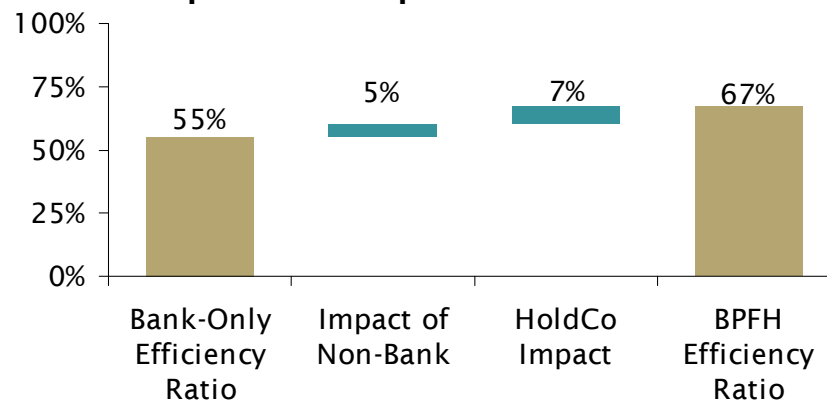
**BPFH Efficiency Ratio
Current State**



**BPFH Efficiency Ratio
Assumes no Revenue Growth but Expense Saves**



**BPFH Efficiency Ratio
Expense Saves plus Revenue Growth**



Appendix

Our Loan Portfolio At A Glance

<i>(\$millions)</i>	NE	NCal	Scal	PacNw	Total
Resi Mortgage	\$1,181	\$294	\$153	\$46	\$1,674
HELOC/Cons	\$201	\$73	\$18	\$7	\$299
C&I	\$501	\$62	\$53	\$42	\$658
CRE	\$625	\$797	\$182	\$94	\$1,698
<u>Constr/Land</u>	<u>\$80</u>	<u>\$55</u>	<u>\$2</u>	<u>\$14</u>	<u>\$151</u>
Total Loans	\$2,588	\$1,281	\$408	\$203	\$4,480

Portfolio Facts:

Resi Mortgage

37% of total portfolio
50%+ '09-'10 Vintages
NCOs of 4 bps

C&I

15% of total portfolio
76% in NE
NCOs of 32 bps

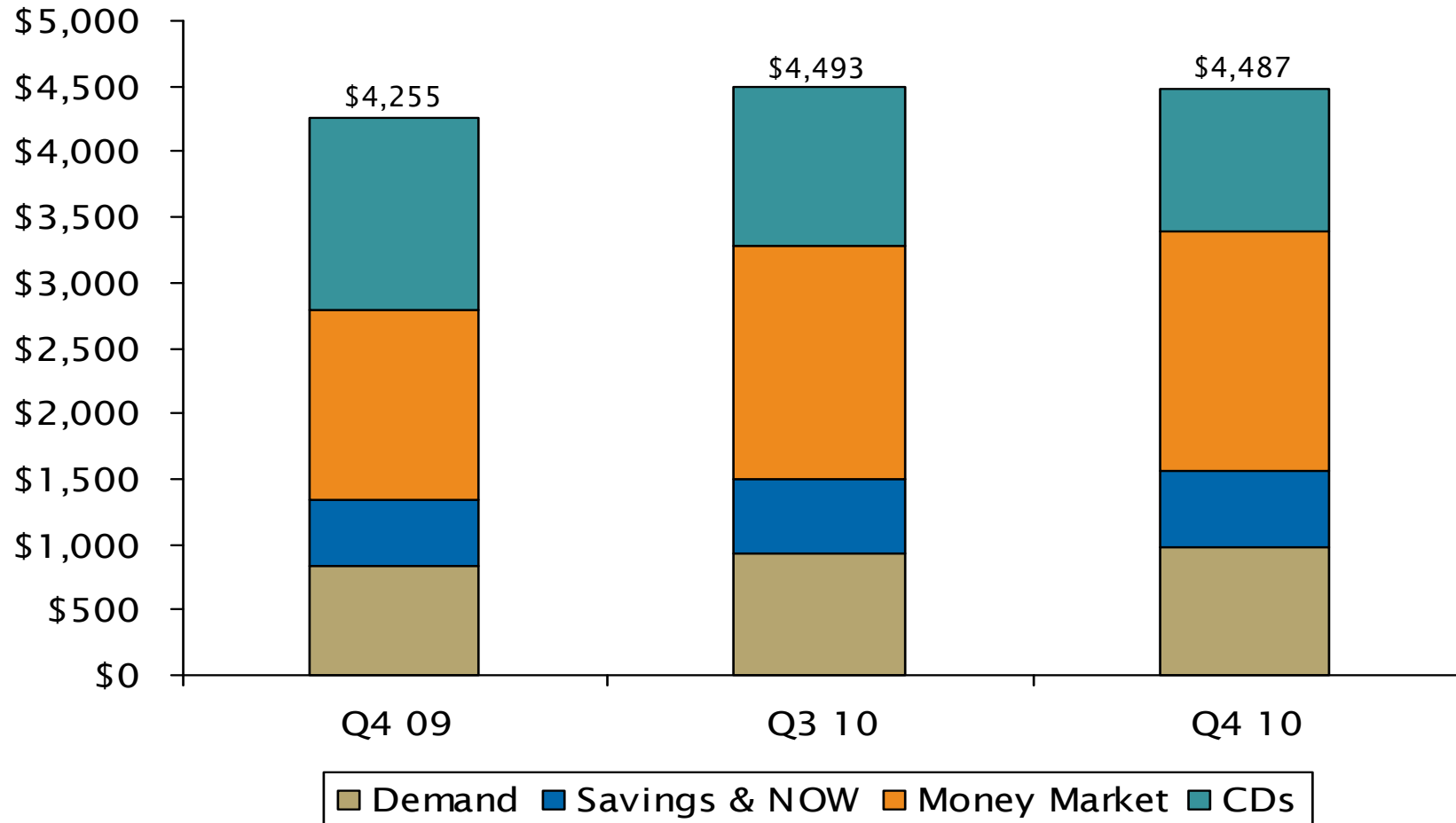
CRE/Construction

41% of total portfolio
80% of criticized loans
NCOs of 722bps

47% of Non-Accrual Loans
are paying as agreed

**Excludes loans in process*

Shift In Deposit Base



Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q3 2010	Q4 2010	% Change
NII	(\$2.4)	(\$2.5)	(4%)
<u>Other Revenue</u>	<u>\$0.3</u>	<u>\$0.7</u>	<u>NM</u>
Total Revenue	(\$2.1)	(\$1.8)	14%
Operating Expenses	\$8.9	\$6.5	(26%)
<u>Westfield Payment*</u>	<u>\$0.3</u>	<u>\$1.9</u>	<u>NM</u>
HoldCo Pre-Tax	(\$11.0)	(\$8.4)	24%

*12.5% revenue share through 2017, shown in Discontinued Ops, net of tax

Holding Company Costs – FY 2010

<i>(\$millions)</i>	YTD 2009	YTD 2010	% Change
NII	(\$10.5)	(\$9.5)	10%
<u>Other Revenue</u>	<u>\$1.1</u>	<u>\$0.9</u>	<u>(18%)</u>
Total Revenue	(\$9.4)	(\$8.6)	9%
Operating Expenses	\$24.2	\$27.3	13%
<u>Westfield Payment*</u>	<u>\$0</u>	<u>\$3.7</u>	<u>NM</u>
HoldCo Pre-Tax	(\$33.6)	(\$32.2)	NM

*12.5% revenue share through 2017, shown in Discontinued Ops, net of tax



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