

**BOSTON PRIVATE**  
FINANCIAL HOLDINGS, INC.

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**First Quarter 2011 Results**

**Clayton Deutsch**  
President & CEO

**David Kaye**  
Chief Financial Officer

**Mark Thompson**  
CEO, Private Banking Group

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*April 27, 2011*

# Forward Looking Statement

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*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 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.*

# GAAP Net Loss to Common Shareholders

	\$ Amount	EPS Impact
<b>GAAP Net Loss from Continuing Operations</b>	<b>(\$1.1M)</b>	<b>(\$0.01)</b>
Income from Discontinued Operations	\$1.7M	\$0.02
Non-cash equity adjustments	(\$0.4M)	(\$0.01)
Non-controlling interests	(\$0.7M)	(\$0.01)
<b>GAAP Net Loss to Common Shareholders</b>	<b>(\$0.4M)</b>	<b>(\$0.01)</b>

# Private Banking Group Performance Highlights – Linked Quarter

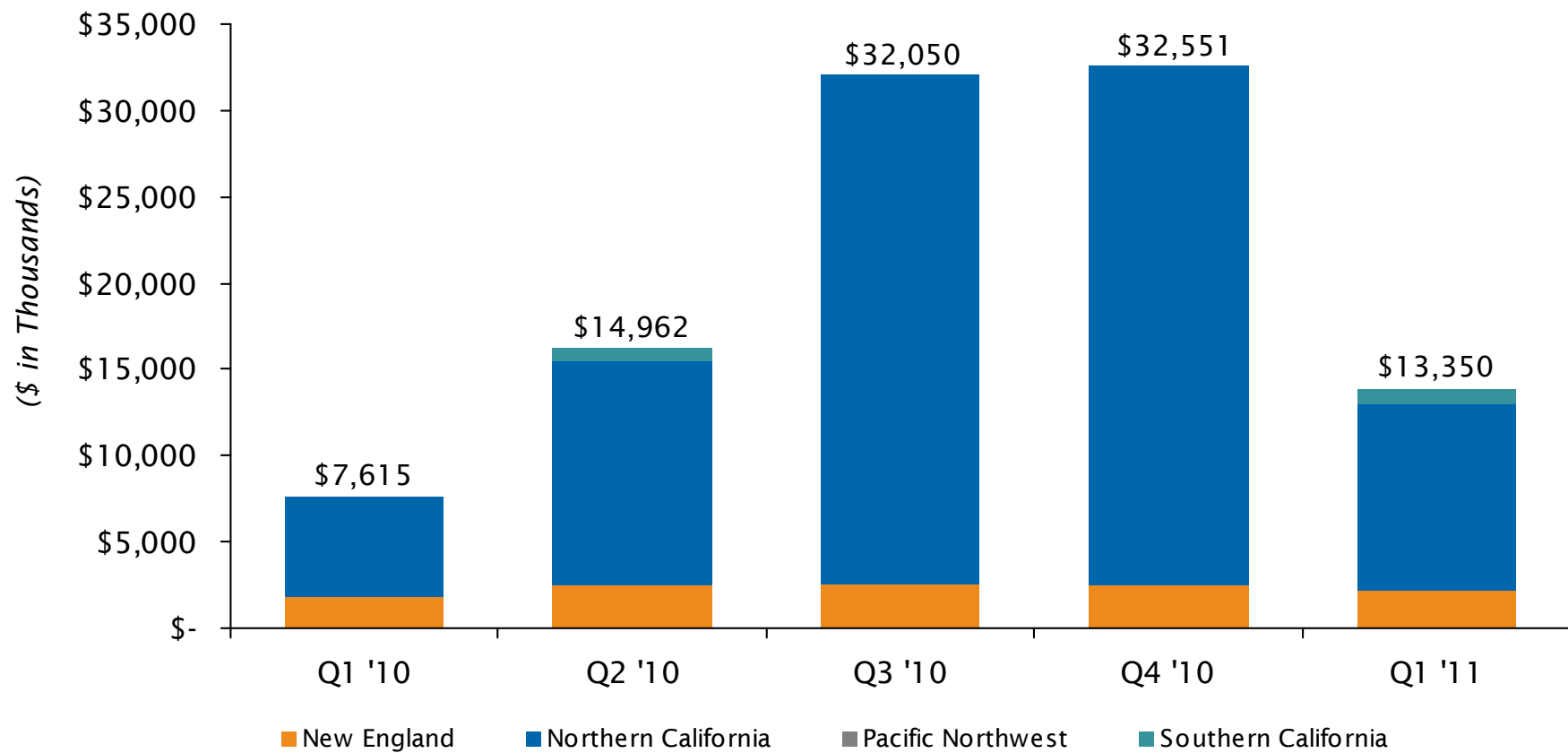
<i>(\$millions)</i>	Q4 2010	Q1 2011	% Change	Results Driven By:
NII	\$47.4	\$45.5	(4%)	Q4 included \$3.6M gain on sale of loans
Fees*	\$7.3	\$7.2	(1%)	
<u>Other Revenue**</u>	<u>\$4.0</u>	<u>\$1.4</u>	<u>(65%)</u>	
<b>Total Revenue</b>	<b>\$58.7</b>	<b>\$54.1</b>	<b>(8%)</b>	
Operating Expenses	\$41.1	\$37.4	(9%)	Severance charges
Restructuring	--	\$0.9	NM	
<b>Total Expenses</b>	<b>\$41.1</b>	<b>\$38.3</b>	<b>(7%)</b>	
<b>PTPP***</b>	<b>\$17.6</b>	<b>\$15.8</b>	<b>(10%)</b>	Provision decline driven by NCal
<u>Provision</u>	<u>\$32.6</u>	<u>\$13.4</u>	<u>(59%)</u>	
<b>Pre-Tax Loss/Income</b>	<b>(\$15.0)</b>	<b>\$2.5</b>	<b>117%</b>	
Efficiency Ratio	70%	71%		

\*Includes IM&T fees and other private banking fees

\*\*Includes gain on sale of investments, loans and other

\*\*\*Pre-tax, pre-provision income

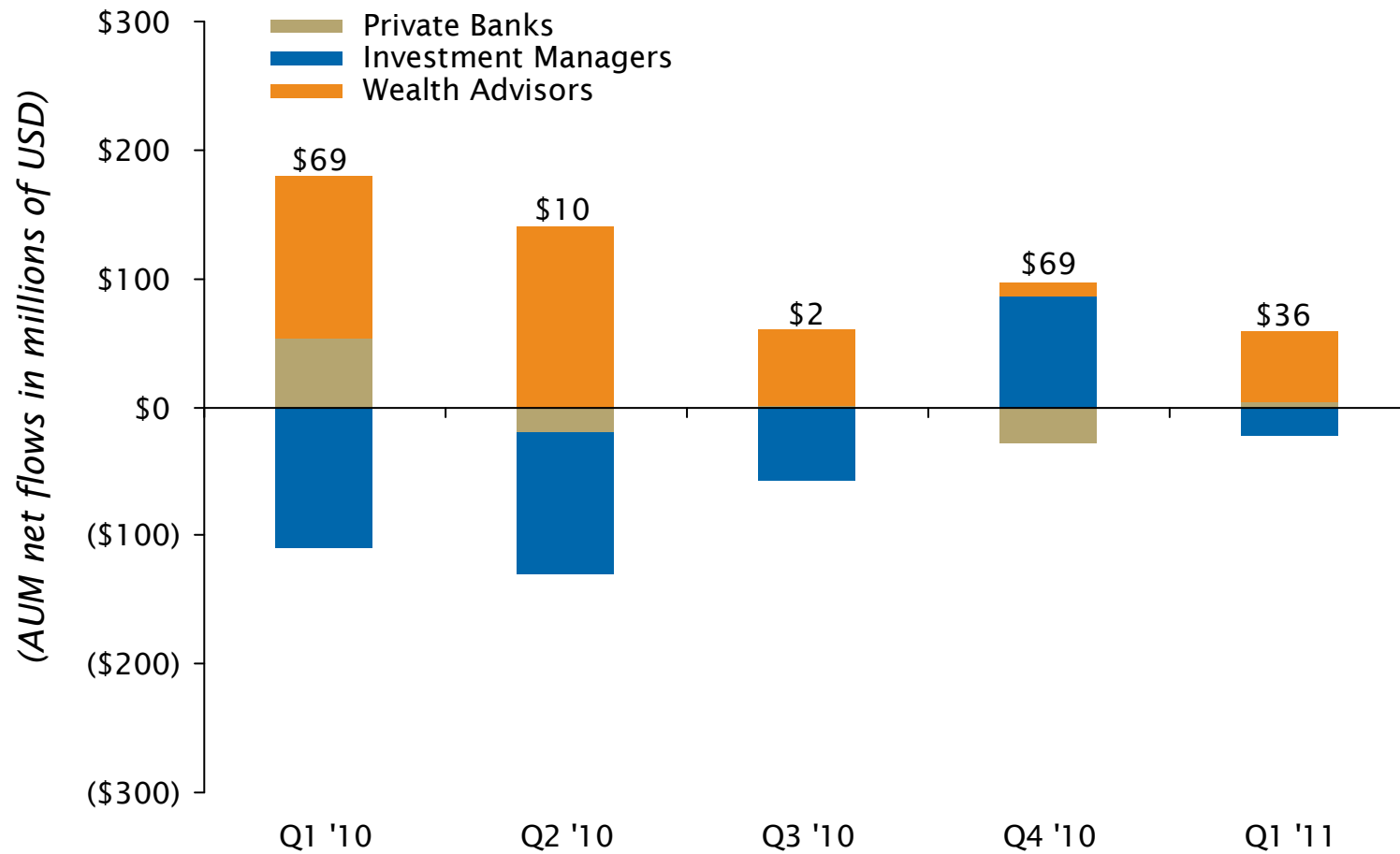
# Provision for Loan Losses



# Wealth Management Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q4 2010	Q1 2011	% Change	Results Driven By:
Inv Mgt Fees	\$9.7	\$10.1	5%	
Wealth Adv Fees	\$9.8	\$10.1	3%	
<b>Total Revenue</b>	<b>\$19.5</b>	<b>\$20.2</b>	<b>4%</b>	Positive operating leverage
<u>Operating Expenses</u>	<u>\$15.5</u>	<u>\$16.0</u>	<u>3%</u>	
<b>Pre-Tax Income</b>	<b>\$4.0</b>	<b>\$4.3</b>	<b>7%</b>	
EBITDA Margin	27%	27%	NM	
Pre-tax Margin	21%	21%	NM	
AUM (\$B)	\$16.0	\$16.5	3%	
Net Flows (\$M)	\$97	\$33	(66%)	

# AUM Net Flows



Excluding market changes and acquisitions

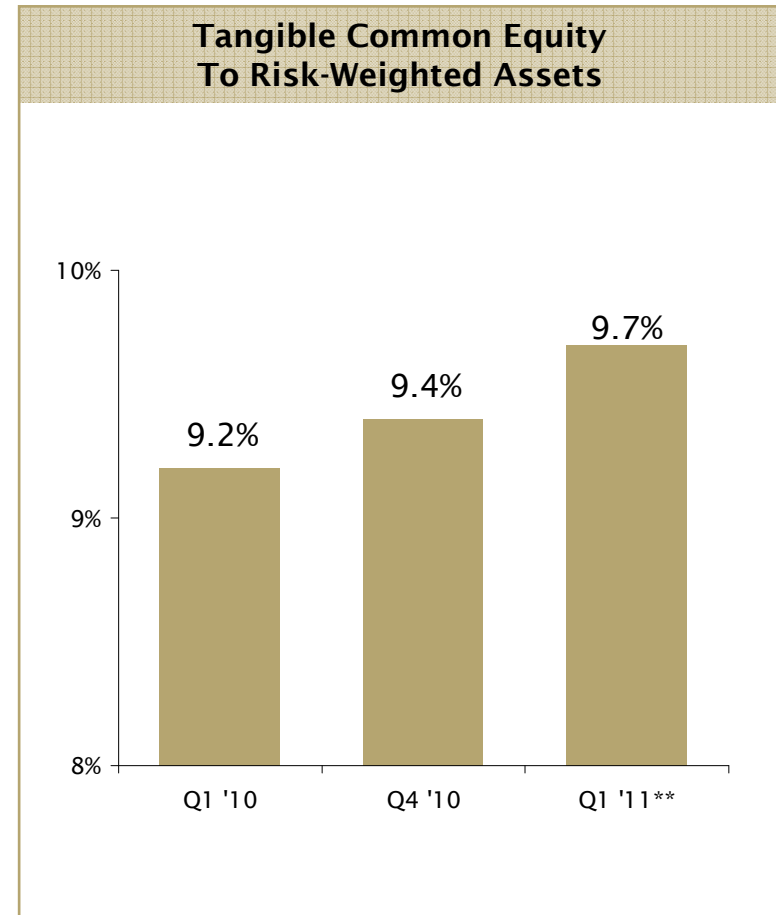
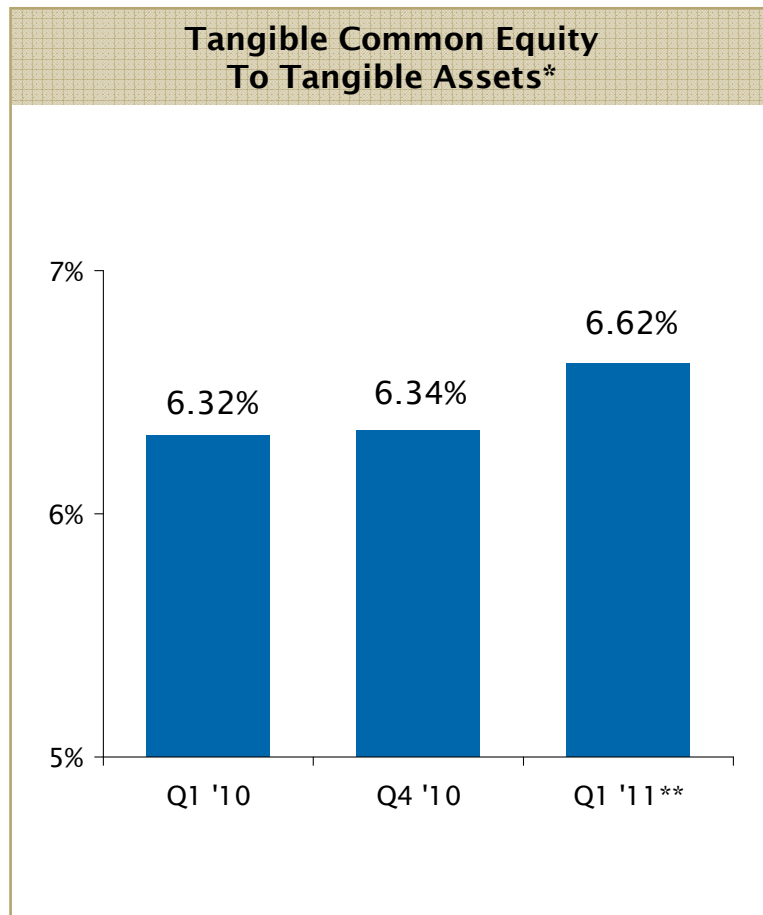
# Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q4 2010	Q1 2011	% Change	Results Driven By:
NII	(\$2.5)	(\$1.8)	28%	
<u>Other Revenue</u>	<u>\$0.6</u>	<u>\$1.3</u>	<u>116%</u>	Includes gain on sale of Coldstream
<b>Total Revenue</b>	<b>(\$1.8)</b>	<b>(\$0.5)</b>	<b>74%</b>	
Operating Expenses	\$6.5	\$6.4	--	
Restructuring	--	\$1.1	--	
<b>Total Expenses</b>	<b>\$6.5</b>	<b>\$7.5</b>	<b>15%</b>	
<u>Westfield Payment*</u>	<u>\$2.5</u>	<u>\$3.0</u>	<u>20%</u>	
<b>HoldCo Pre-Tax</b>	<b>(\$5.8)</b>	<b>(\$5.0)</b>	<b>14%</b>	

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



# Strong Capital Position



\*Includes Carlyle Preferreds and the redeemable non-controlling interest

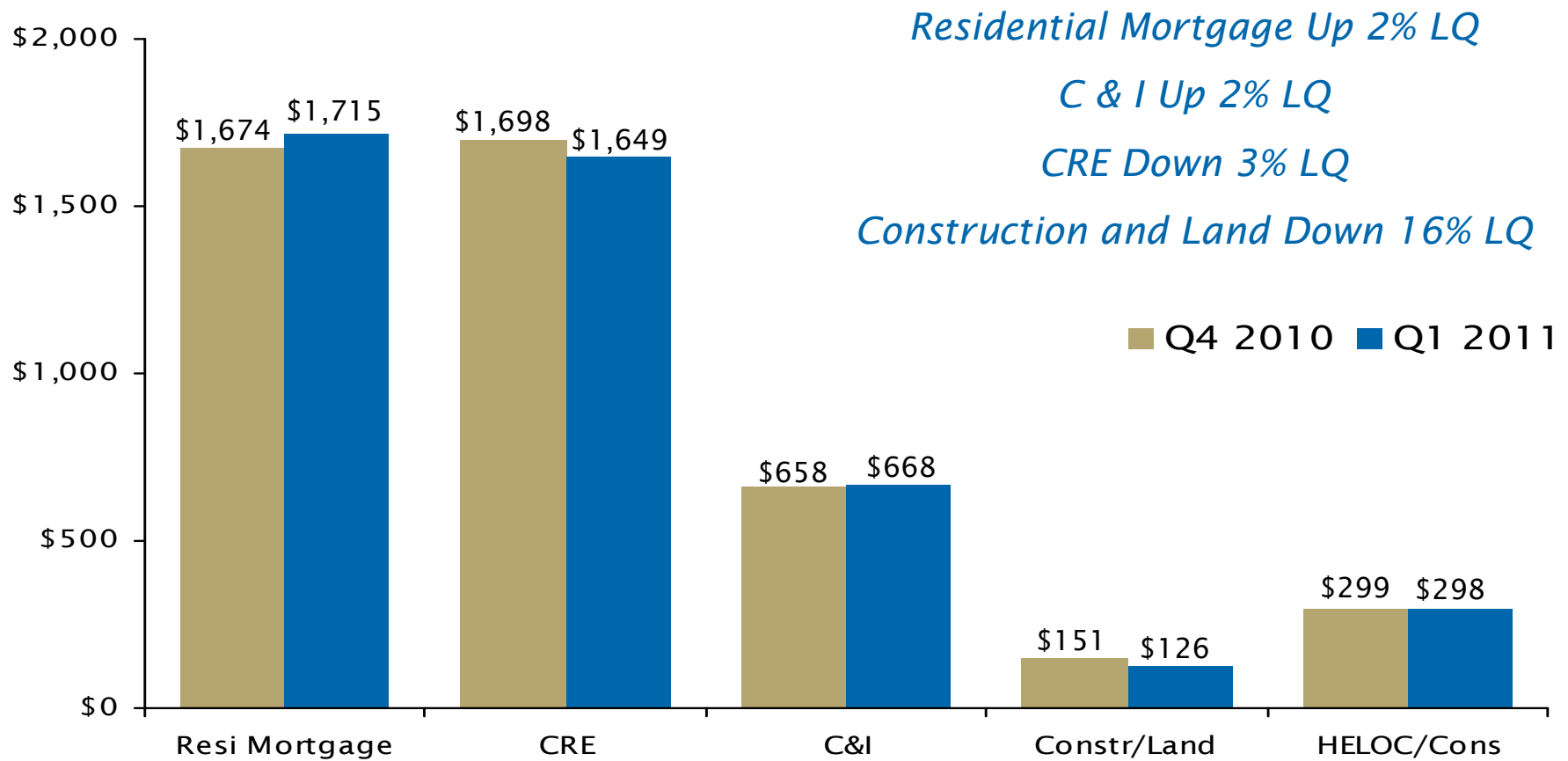
\*\*Pro forma

# Our Loan Portfolio At A Glance

<i>(\$millions)</i>	NE	NCal	Scal	PacNw	Total	<b>Portfolio Facts:</b>
Resi Mortgage	\$1,197	\$306	\$161	\$51	\$1,715	<b>Resi Mortgage</b> 38% of total portfolio 50%+ '09-'10 Vintages NCOs of 5 bps
HELOC/Cons	\$202	\$71	\$17	\$6	\$298	
C&I	\$514	\$61	\$54	\$40	\$668	<b>C&amp;I</b> 15% of total portfolio 77% in NE NCOs of 27 bps
CRE	\$644	\$728	\$180	\$97	\$1,649	<b>CRE/Construction</b> 40% of total portfolio 80% of criticized loans NCOs of 240bps
<u>Constr/Land</u>	<u>\$72</u>	<u>\$40</u>	<u>\$2</u>	<u>\$12</u>	<u>\$126</u>	
<b>Total Loans</b>	<b>\$2,628</b>	<b>\$1,206</b>	<b>\$415</b>	<b>\$206</b>	<b>\$4,457</b>	51% of Non-Accrual Loans are paying as agreed

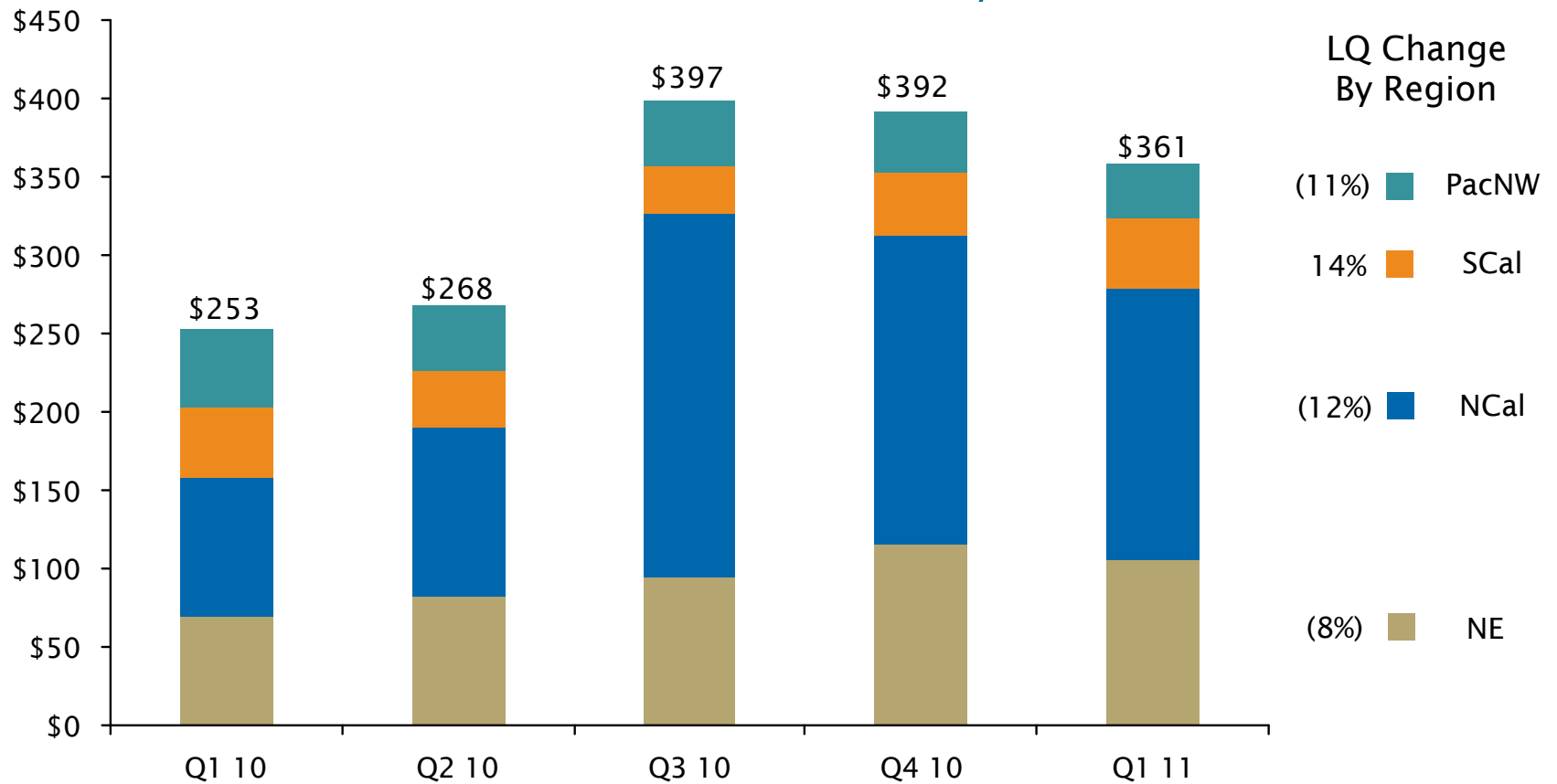
\*Excludes eliminations and misc. non-bank loans

# Restructuring Our Balance Sheet



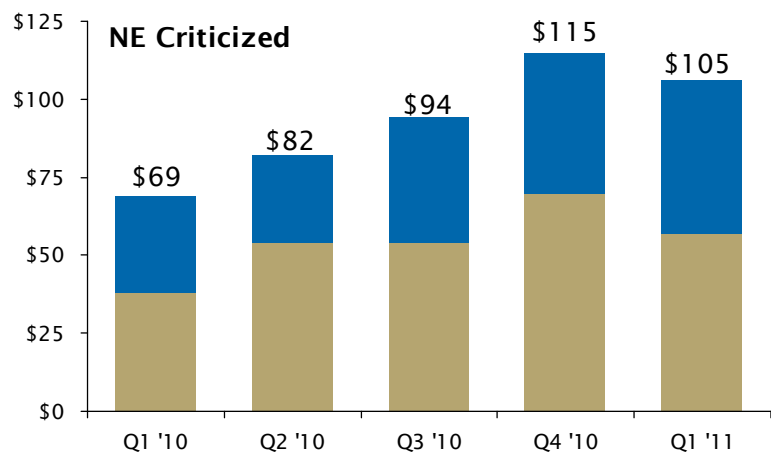
# Criticized Loans By Region (Classified + Special Mention)

*Criticized Loans declined 8% linked quarter*

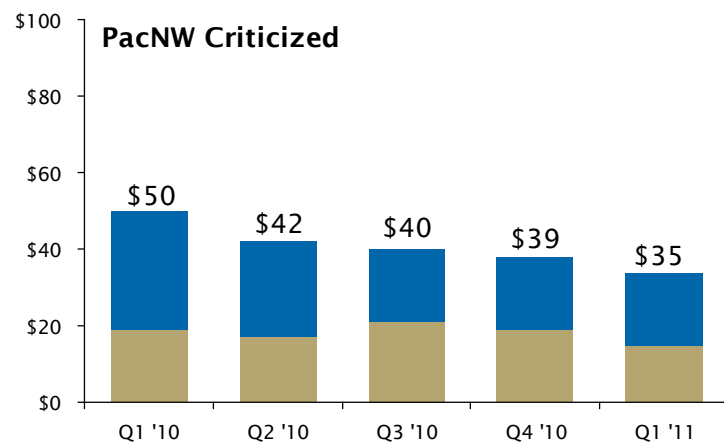
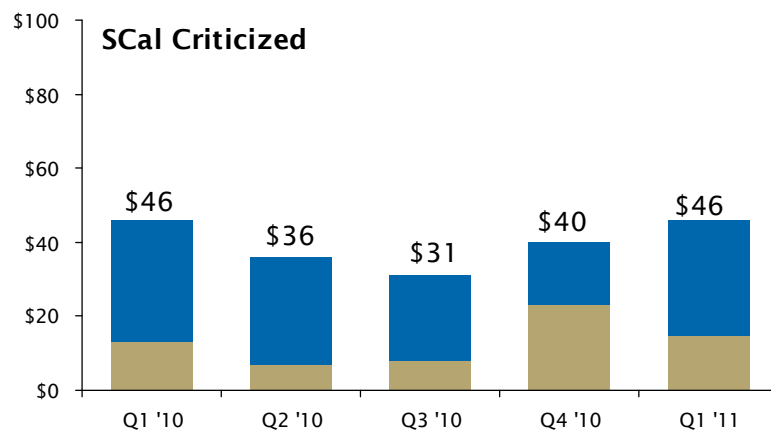


\*Special Mention is a "Pass Rated" loan but is used as a transitory category with higher volatility

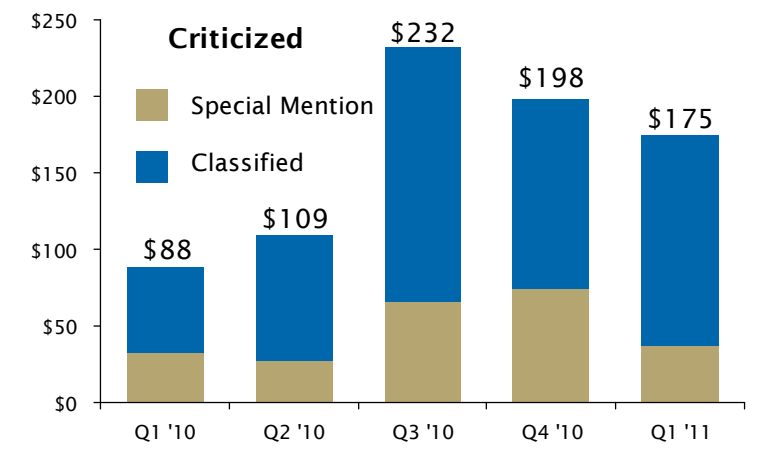
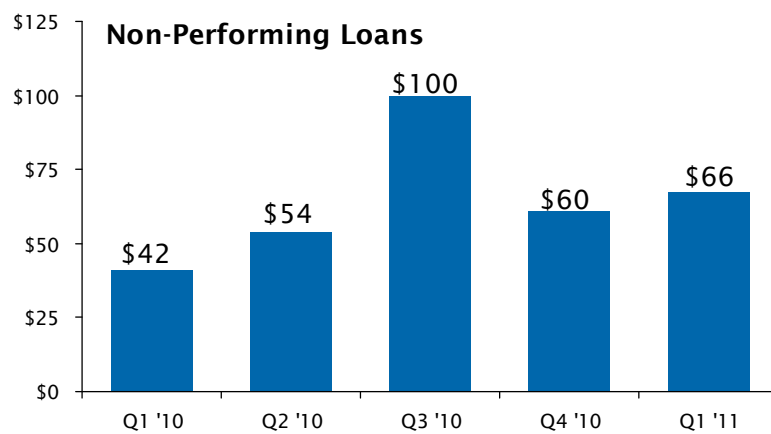
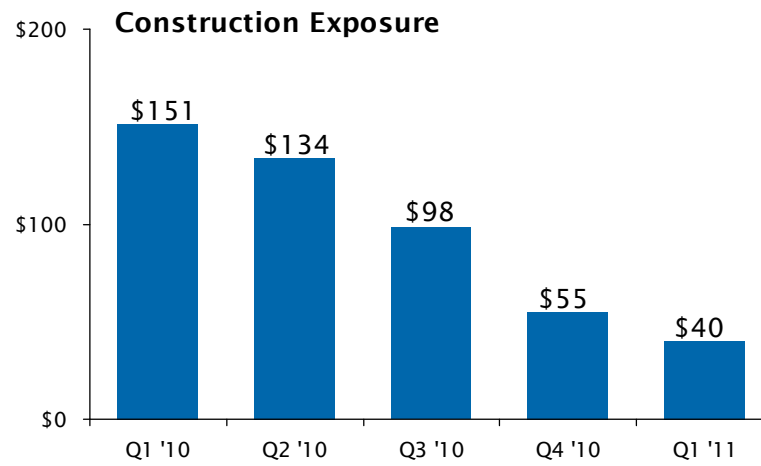
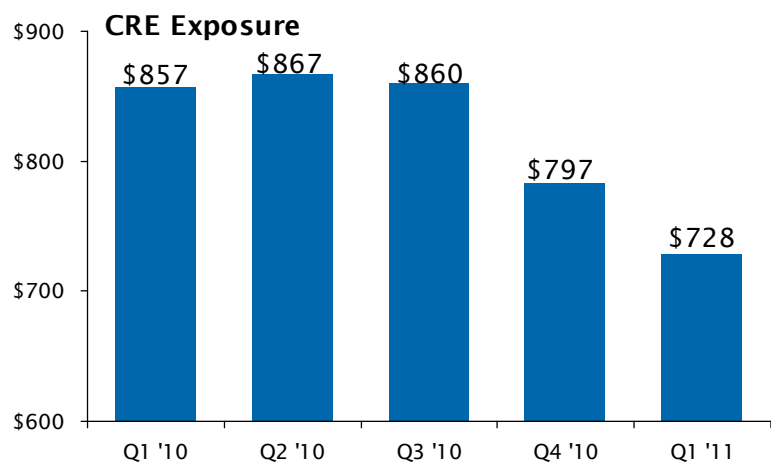
# Criticized Loans: NE, SCal and PacNW



Special Mention  
Classified

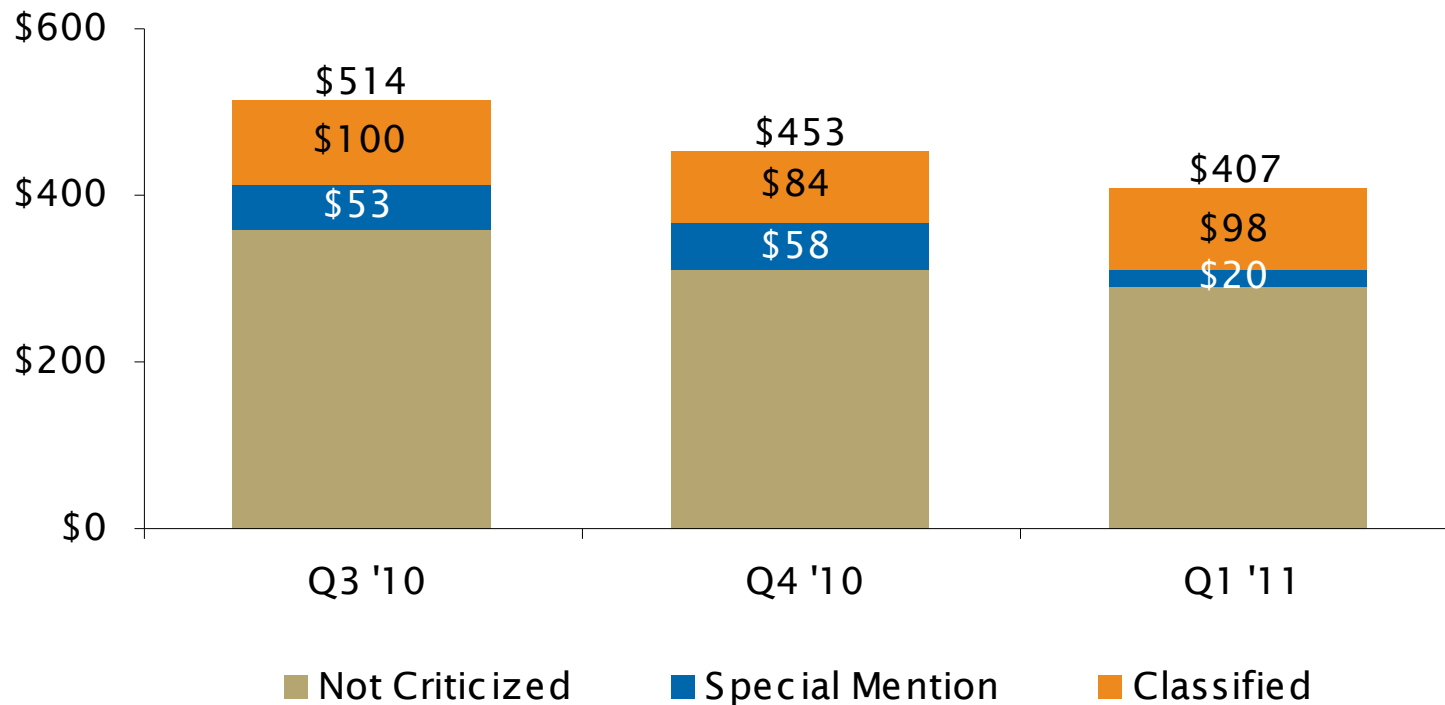


# Northern California Credit Metrics

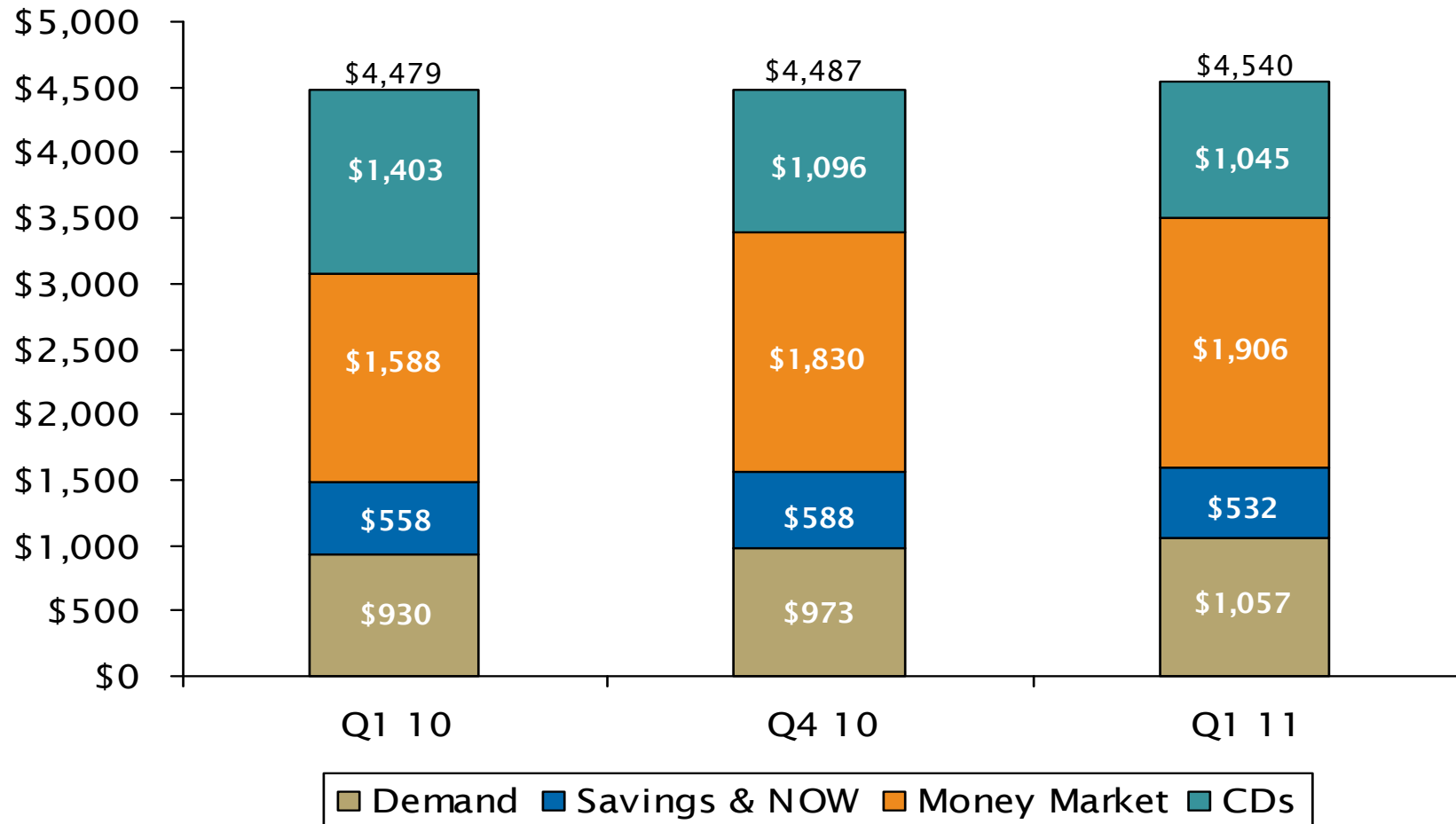


# Northern California CRE By Vintage (2006-2008 Only)

*Loans underwritten during 06-08 represent 34% of Northern California's loan portfolio and 67% of its Criticized Loans*



# Deposits





# Summary of Estimated Financial Effects

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- “Day One” balance sheet is strong
  - Pro forma risk-based capital expected above 12%
  - Improved credit 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 of \$12 million realized by mid-year 2012

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