

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Third Quarter 2011 Results

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October 26, 2011

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 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 decreases in 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; the risk that the Company's deferred tax asset may not be realized; 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.

Q3 2011 GAAP Net Income

	\$ Amount	EPS Impact*
GAAP Net Income from Continuing Operations	\$10.9M	\$0.13
Income from Discontinued Operations	\$1.6M	\$0.02
Non-cash equity adjustments	(\$0.2M)	\$0.00
Non-controlling interests	(\$0.8M)	(\$0.01)
GAAP Net Income Available to the Common Stockholders	\$11.5M	\$0.14

*Diluted basis

Consolidated P&L Highlights – Linked Quarter

(\$millions)	Q2 2011	Q3 2011	% Change	Results Driven By:
NII	\$46.0	\$45.1	(2%)	Stable NIM Pre-payment fees were booked in Q2 11
Fees*	\$27.9	\$27.7	(1%)	
<u>Other Revenue**</u>	<u>\$4.4</u>	<u>\$3.6</u>	<u>(18%)</u>	
Total Revenue	\$78.3	\$76.4	(2%)	Expense reductions at HoldCo, Bank and Wealth Managers
Operating Expenses	\$58.2	\$55.4	(5%)	
Restructuring	\$4.3	\$1.1	(74%)	
<u>Total Expenses</u>	<u>\$62.5</u>	<u>\$56.5</u>	<u>(10%)</u>	Booked \$7.3M (91%) of merger-related restructuring costs to date
PTPP***	\$16.6	\$20.7	25%	
<u>Provision/(Credit)</u>	<u>(\$2.2)</u>	<u>\$4.5</u>	<u>NM</u>	Provision reflects loan growth, without Q2 one-time effects
Pre-Tax (Loss)/Income	\$18.8	\$16.2	(14%)	
Efficiency Ratio	78%	72%	(6 pts)	

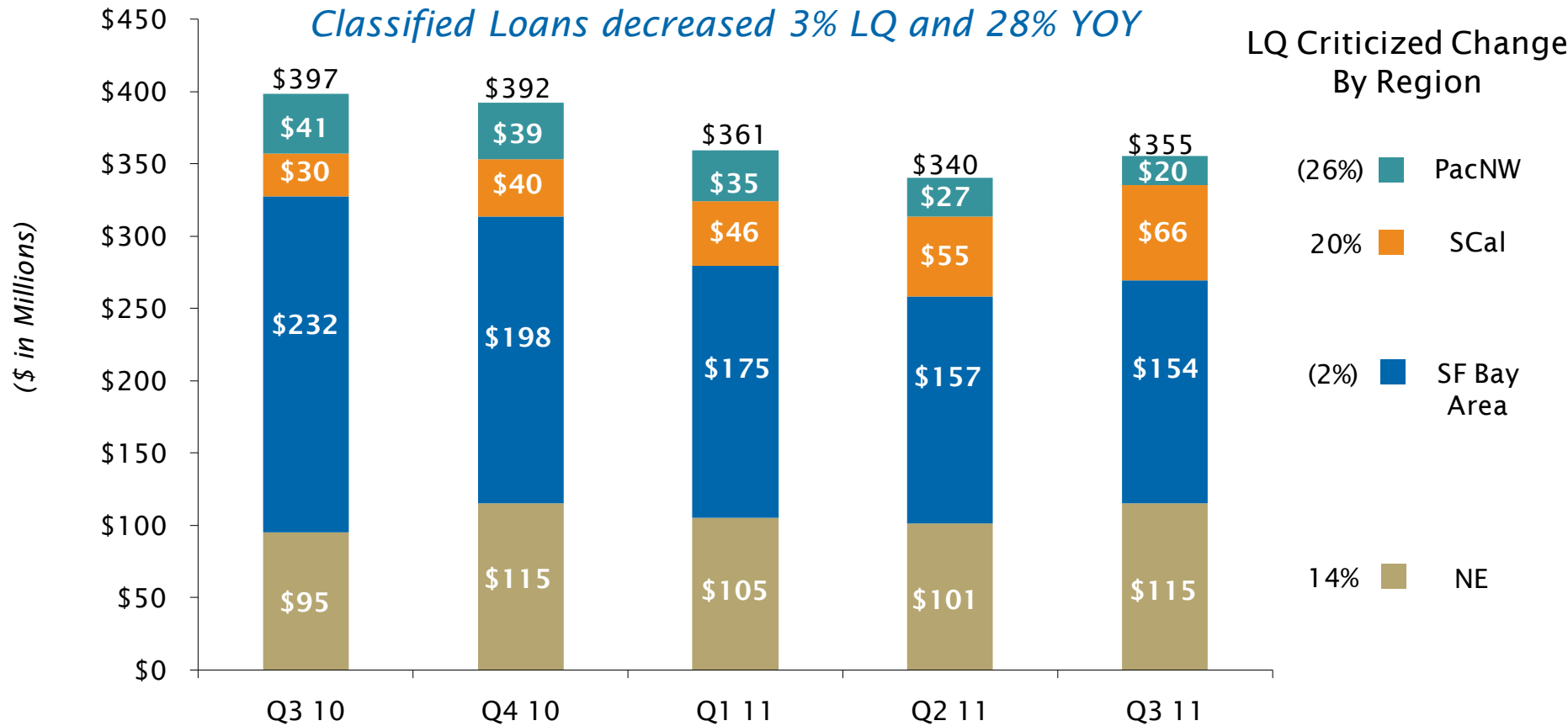
*Includes IM&T fees and other private banking fees

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

***Pre-tax, pre-provision income

Criticized Loans By Region (Classified + Special Mention*)

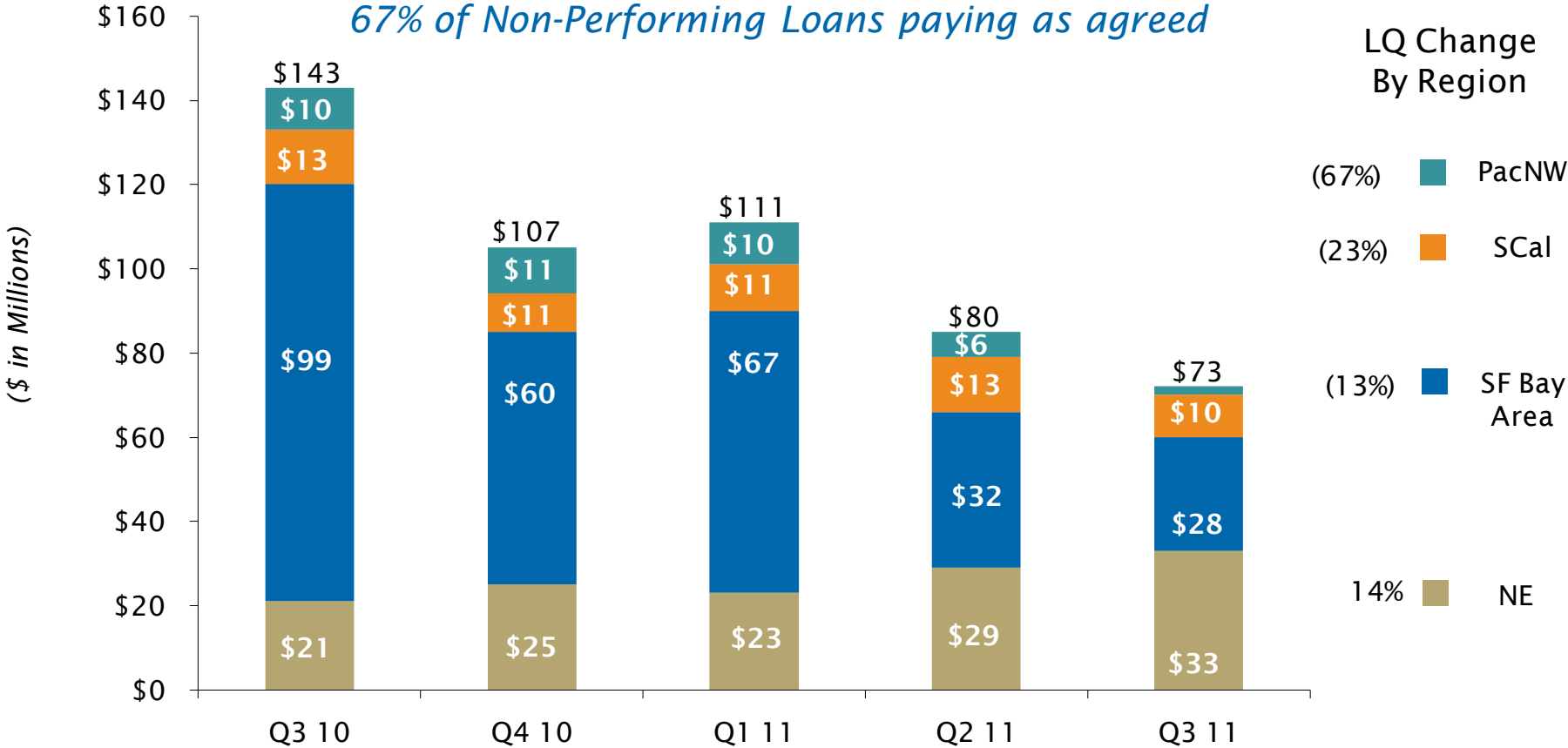
*Criticized Loans increased 4% LQ and declined 11% YOY
Classified Loans decreased 3% LQ and 28% YOY*



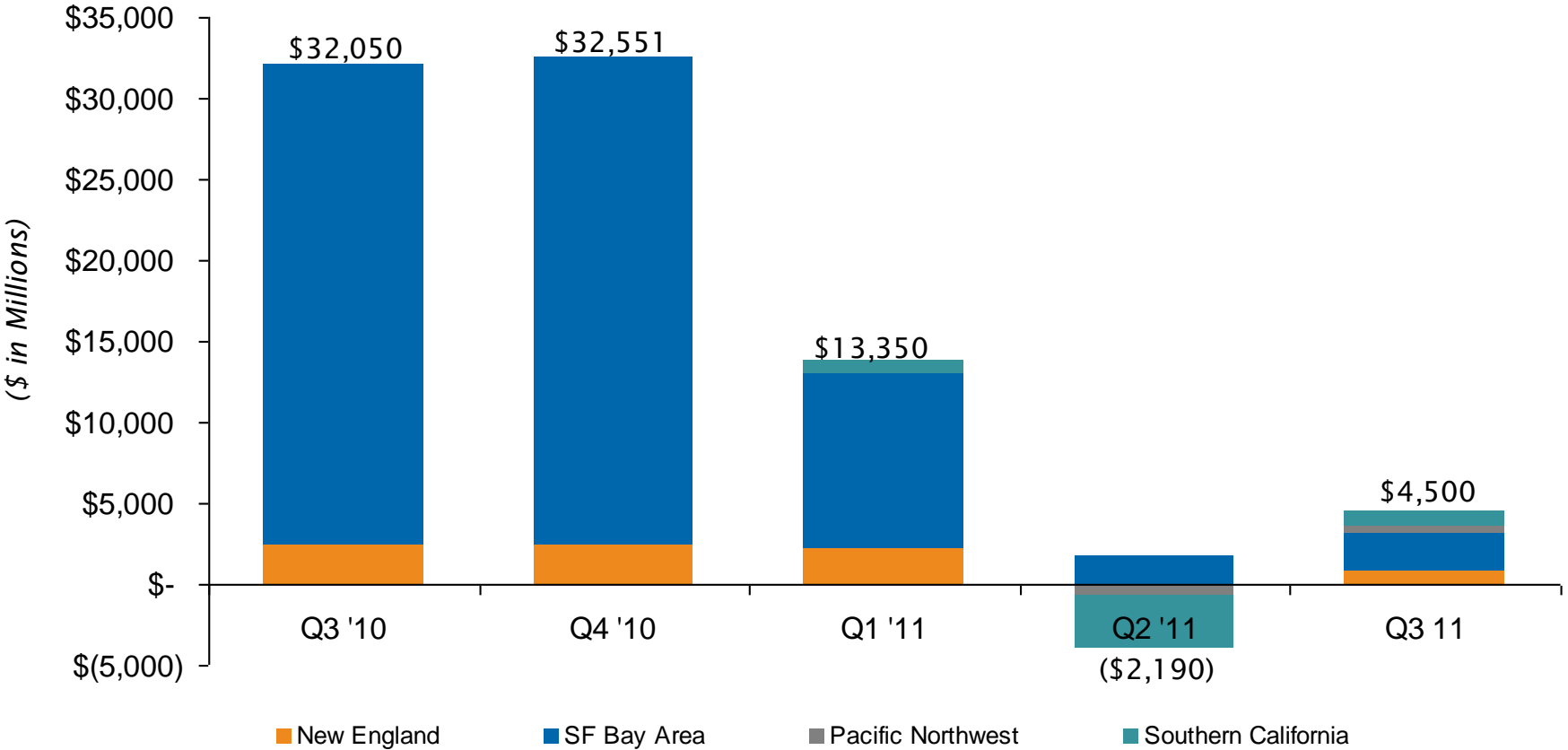
*Special Mention is a "Pass Rated" loan but is used as a transitory category with higher volatility

Non-Performing Loans By Region

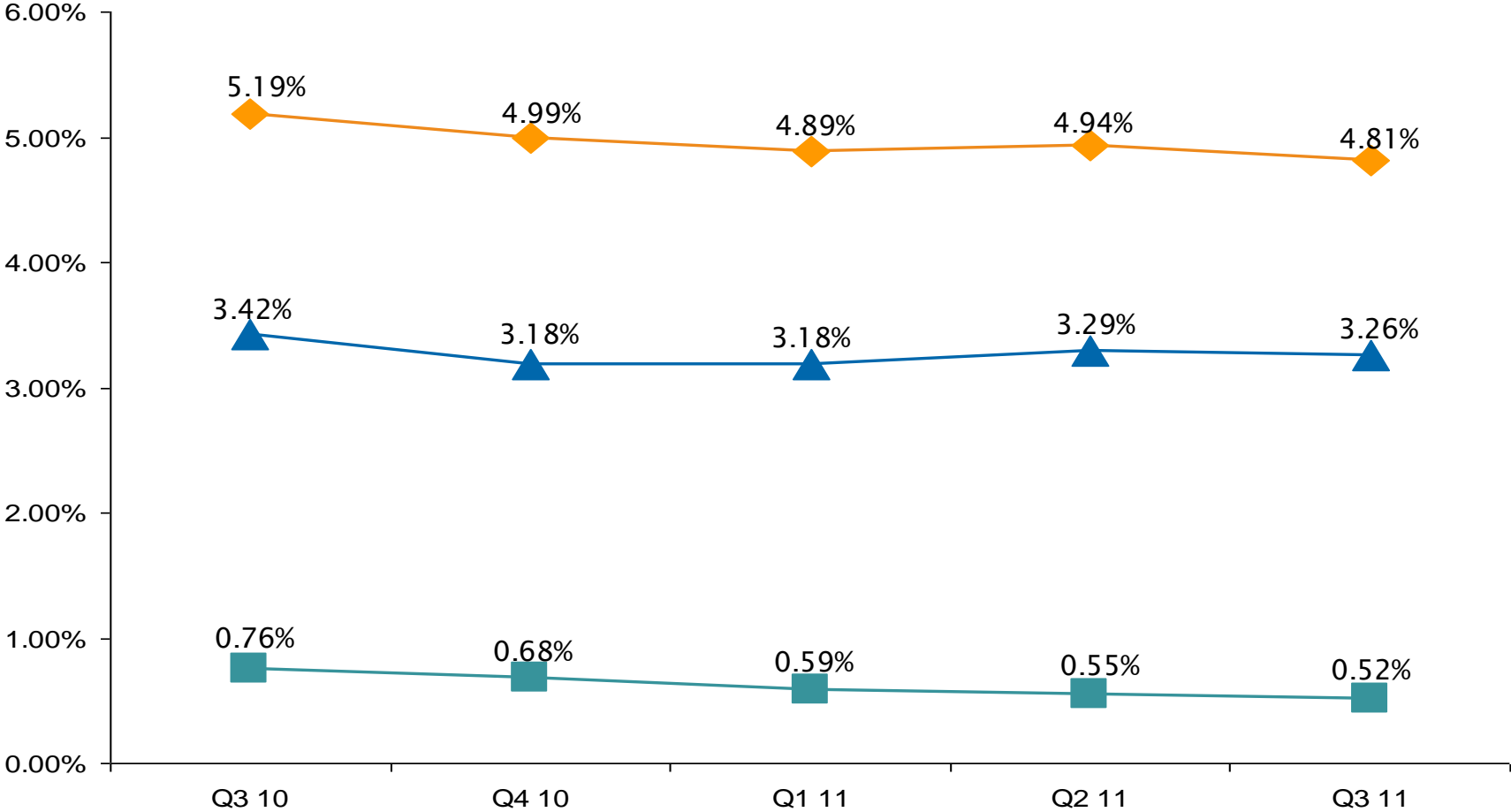
*Non-Performing Loans declined 8% LQ and 49% YOY
67% of Non-Performing Loans paying as agreed*



Provision for Loan Losses



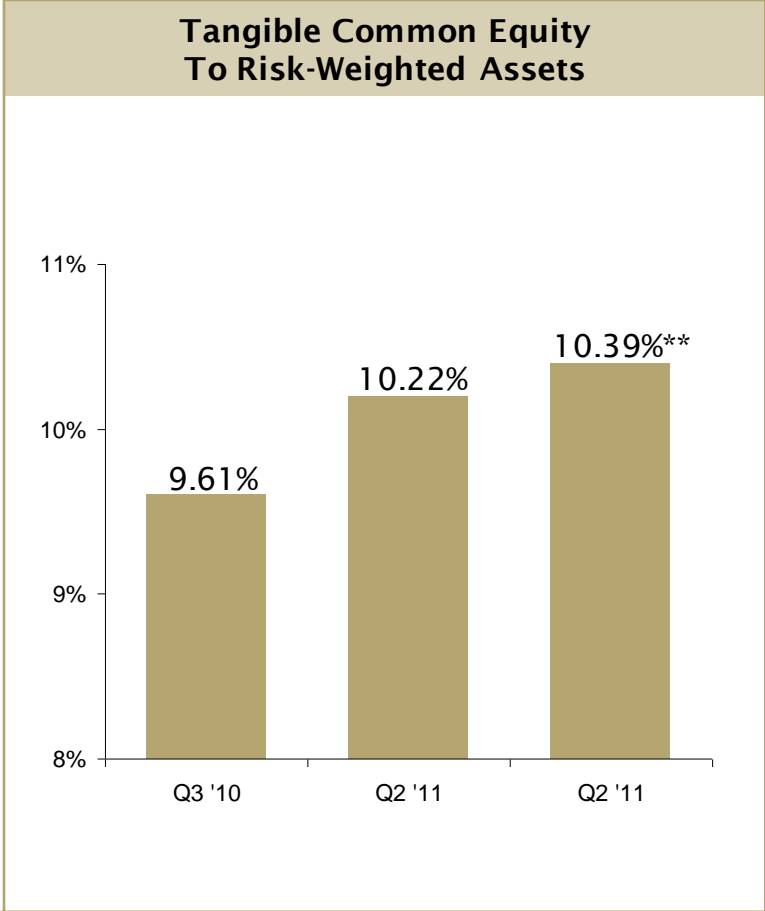
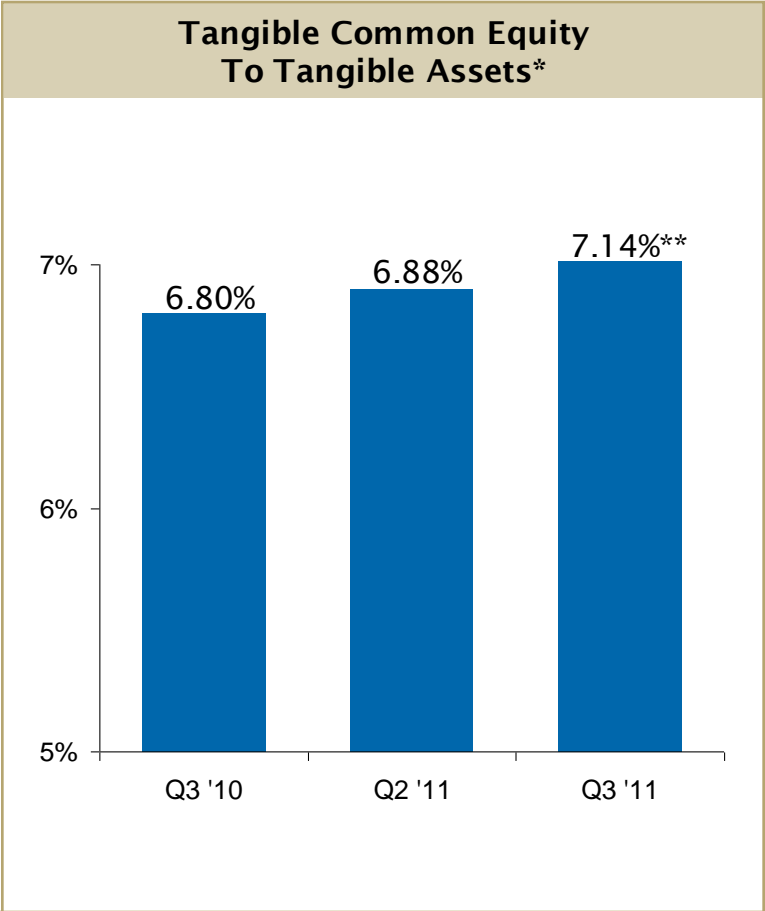
Stable Net Interest Margin



*Including Demand Deposit Accounts

—◆— Loan Yield —■— Deposit Costs* —▲— NIM

Stronger Capital Position



*Includes Carlyle Preferreds and the redeemable non-controlling interest
**Pro forma

Private Bank Performance Highlights – Linked Quarter

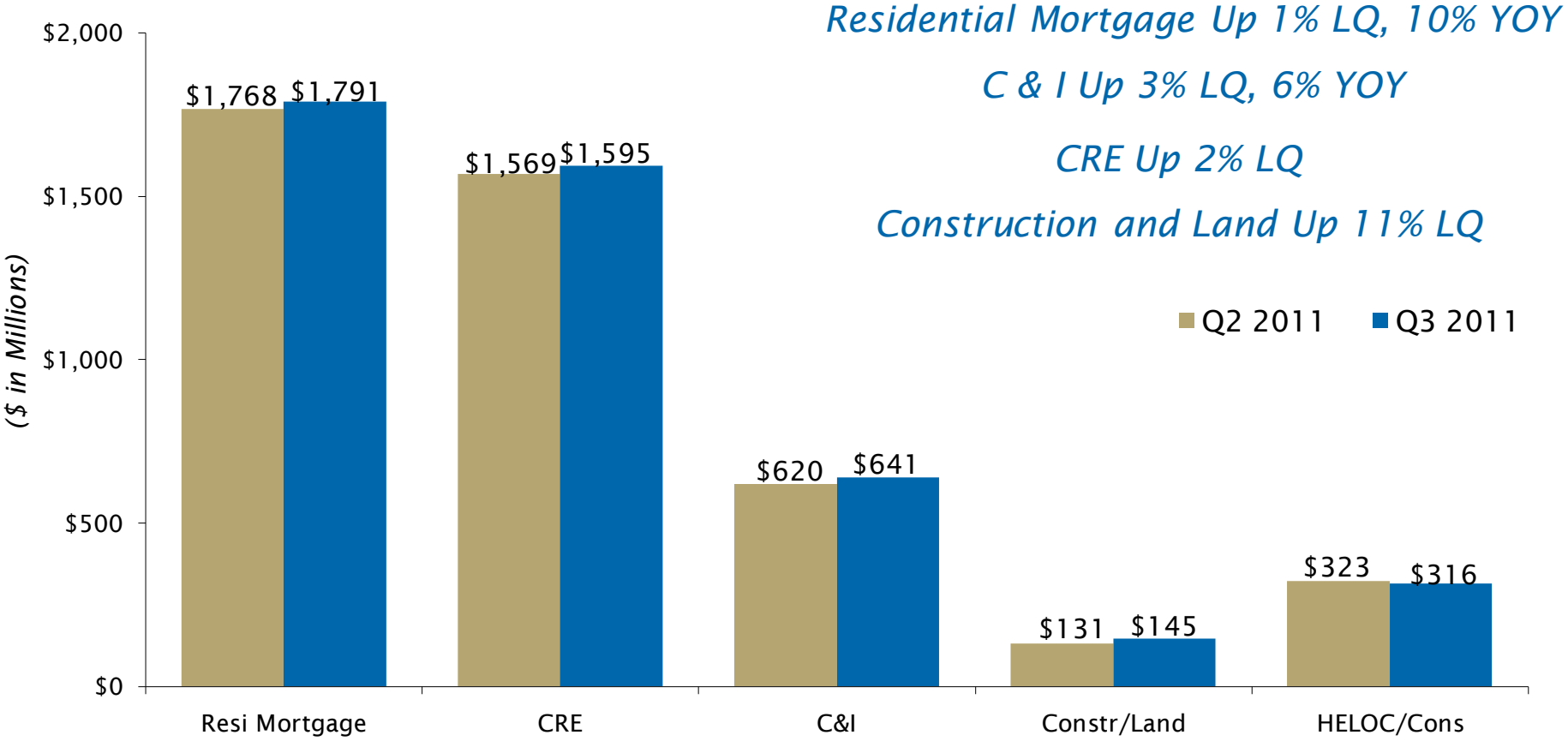
(\$millions)	Q2 2011	Q3 2011	% Change	Results Driven By:
NII	\$47.8	\$46.8	(2%)	Stable NIM Pre-payment fees were booked in Q2 11
Fees*	\$7.3	\$7.2	(1%)	
<u>Other Revenue**</u>	<u>\$2.6</u>	<u>\$3.8</u>	<u>46%</u>	
Total Revenue	\$57.7	\$57.8	--	Merger-related savings beginning to be realized
Operating Expenses	\$37.1	\$35.1	(6%)	
Restructuring	\$3.6	\$0.6	(83%)	Decline driven by reductions in compensation and professional fees
<u>Total Expenses</u>	<u>\$40.7</u>	<u>\$35.7</u>	<u>(12%)</u>	
PTPP***	\$17.0	\$22.1	30%	
<u>Provision</u>	<u>(\$2.2)</u>	<u>\$4.5</u>	<u>NM</u>	Provision reflects loan growth, without Q2 one-time effects
Pre-Tax Income	\$19.2	\$17.6	(8%)	
Efficiency Ratio	68%	60%	(8 pts)	

*Includes IM&T fees and other private banking fees

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

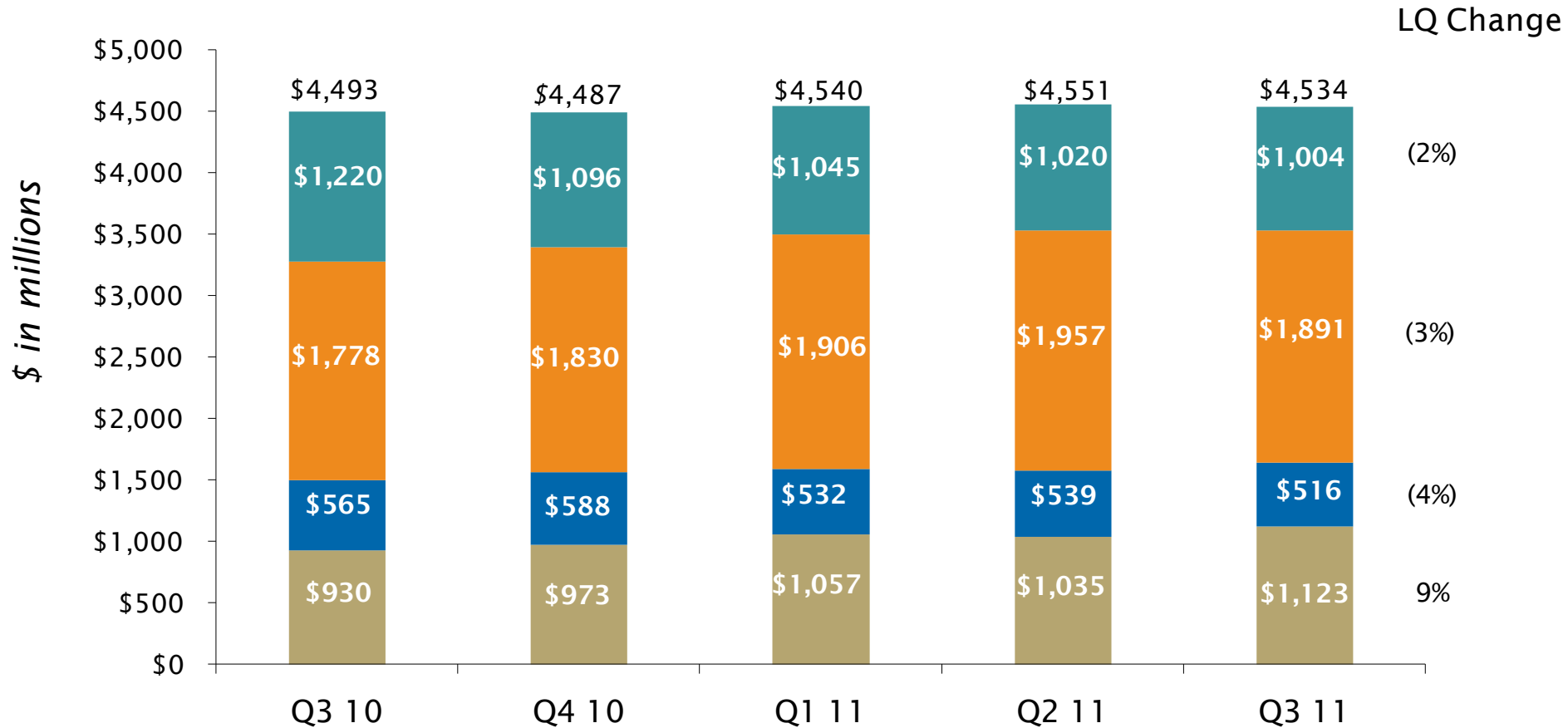
***Pre-tax, pre-provision income

Evolution of Our Loan Portfolio



Consolidated basis

Favorable Mix Of Deposits



■ Demand ■ Savings & NOW ■ Money Market ■ CDs

Merger Update

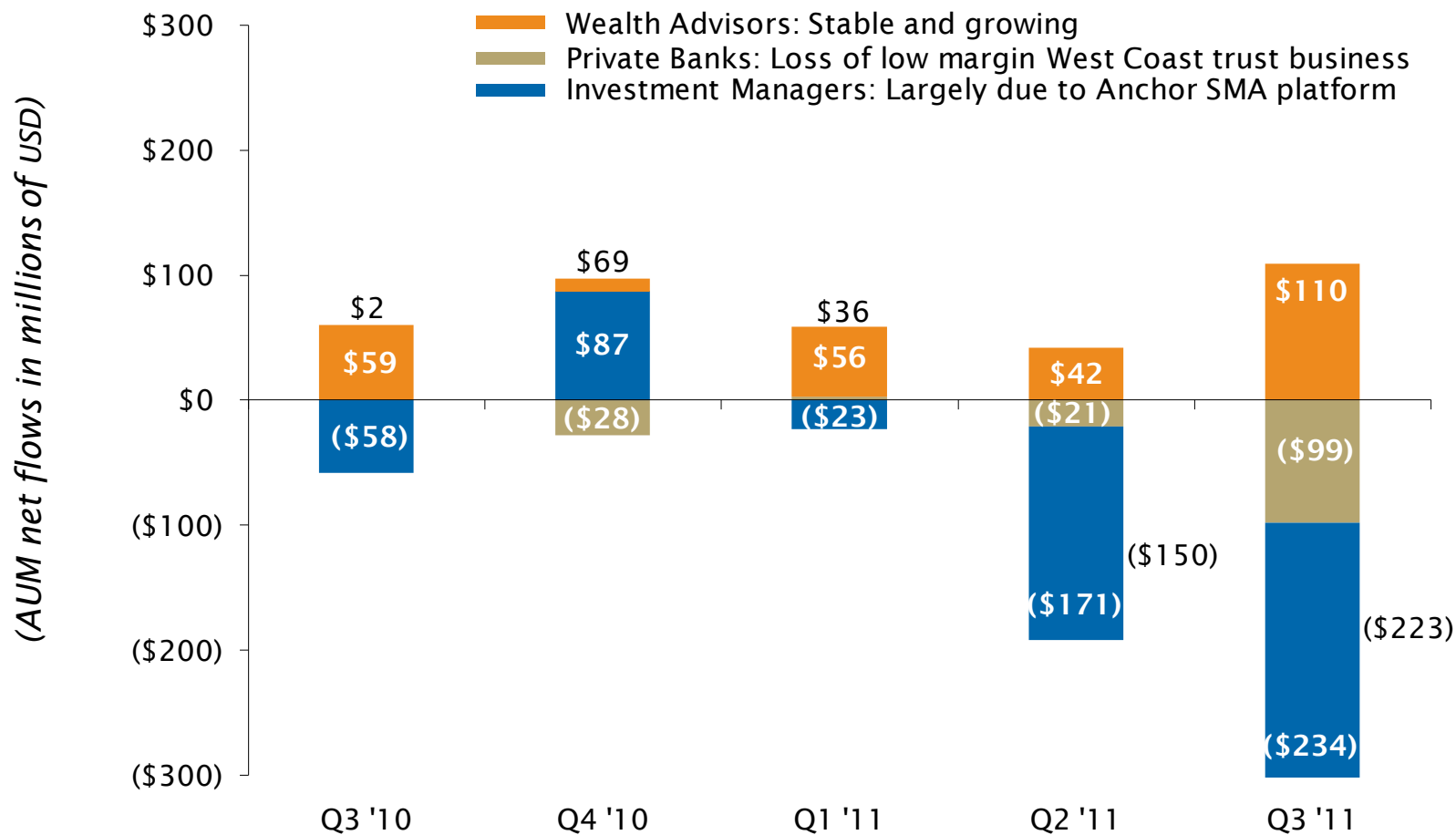
(Four Banks to One As of 5/27/11)

- The merger has already simplified our Bank by reducing the amount of:
 - Board Committees
 - Bank examinations
 - Policies
 - Key controls
 - Third party service providers
- Post-merger consolidation and conversion plan on track vs. end-of-year 2011 and 2012 milestones
- One-time conversion costs revised upward from \$6 - \$7 million to a new total of approximately \$8 million (\$7.3M - 91% - already expensed)
- Merger-enabled cost reductions and savings estimates have risen to \$13.0 million

Wealth Management Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q2 2011	Q3 2011	% Change	Results Driven By:
Inv Mgt Fees	\$10.3	\$10.3	--	Stable revenue driven by timing of Inv Mgt accruals and low correlation between Wealth Adv Fees and equity markets
Wealth Adv Fees	\$10.3	\$10.2	(1%)	
Total Revenue	\$20.6	\$20.5	--	
<u>Operating Expenses</u>	<u>\$15.8</u>	<u>\$15.6</u>	<u>(1%)</u>	Continued improvement in margins (30% target)
Pre-Tax Income	\$4.8	\$5.0	4%	
EBITDA Margin	29%	30%	1%	
Pre-tax Margin	23%	24%	1%	Largely a result of US equity markets
AUM (\$B)	\$16.5	\$14.8	(10%)	
Net Flows (\$M)	(\$129)	(\$125)	\$4	

AUM Net Flows



Excluding market changes and acquisitions

Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q2 2011	Q3 2011	% Change	Results Driven By:
NII	(\$1.8)	(\$1.8)	--	
<u>Other Revenue</u>	<u>\$1.8</u>	<u>(\$0.2)</u>	<u>NM</u>	
Total Revenue	-	(\$2.0)	--	
Operating Expenses	\$5.2	\$4.7	(10%)	
Restructuring	\$0.7	\$0.5	(29%)	
Total Expenses	\$5.9	\$5.2	(12%)	Down from \$8.9 million in Q3 10 Down 41%, 35% normalized
<u>Westfield Payment*</u>	<u>\$2.7</u>	<u>\$2.4</u>	<u>(11%)</u>	
HoldCo Pre-Tax Loss	(\$3.2)	(\$4.8)	(50%)	

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

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