

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Annual Shareholder Meeting

Clayton G. Deutsch
CEO and President

Wednesday, April 17, 2013

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.

Certain statements in this presentation that are not historical facts may constitute 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 include, among others, statements regarding our strategy, evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, receipt of regulatory approval for pending acquisitions, success of acquisitions, future operations, market position, financial position, and prospects, plans and objectives of management. You should not place undue reliance on the Company's 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, 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 continued weakness in general economic conditions on a national basis or in the local markets in which the Company operates, including changes that adversely affect borrowers' ability to service and repay our loans; changes in the value of securities in the Company's investment portfolio, changes in loan default and charge-off rates, the adequacy of loan loss reserves, decreases in deposit levels necessitating increased borrowing to fund loans and investments; changes in government regulation; 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; risks related to the identification and implementation of acquisitions; and 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. Forward looking statements speak only as of the date on which they are made. 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.

2012 Performance Highlights

- GAAP net income increased 36% Y-O-Y to \$53.3M
- Core Fees increased 2% Y-O-Y
- FY Net Inflows of \$621M
- Criticized Loans declined 24% Y-O-Y
- ROE increased to 9.2% in 2012, up from 7.3% in 2011
- BPFH stock rose 13.5% and outperformed the KBW Regional Bank Index average of 10.5%

Our Strategy for Increasing Value

Revenue Mix Management

Drive fee revenue growth, with a particular focus on Wealth Management expansion and generation of Banking fees in excess of NII growth

Disciplined Expense Management

Tightly manage expenses, and create positive operating leverage in excess of margin compression

Efficient Capital Management

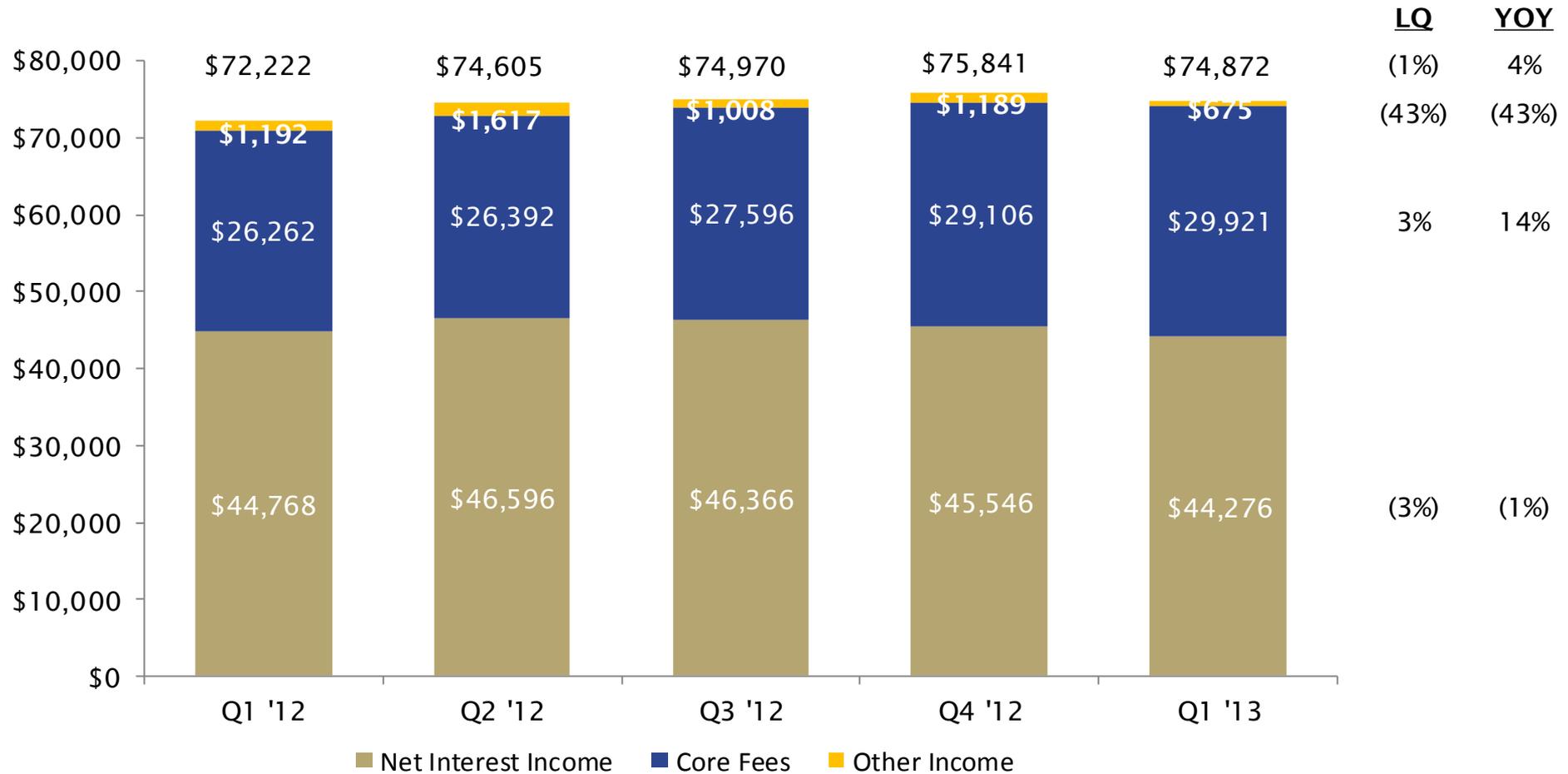
Continue to de-risk; achieve a top quartile risk profile, and fine tune leverage with efficient capital management

Deliver greater cash return to shareholders while adequately reinvesting in our Company's businesses

Q1 2013 Performance Highlights

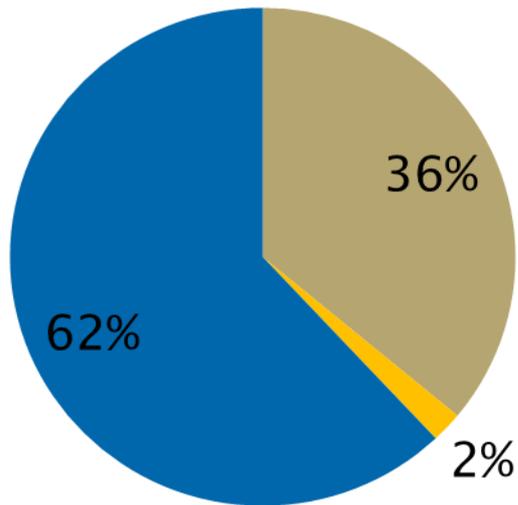
- Earnings increased 39% Y-O-Y
- Core Fees increased for the fifth straight quarter, representing 40% of revenue
- AUM increased 7% LQ and Y-O-Y
- Net inflows of \$181M
- No provision for loan loss
- TCE/TA ratio increased 100 bps Y-O-Y and 50 bps LQ

Spread and Fee-Based Revenues



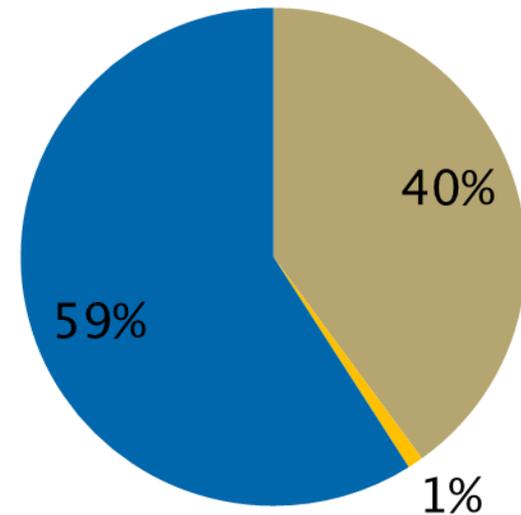
Revenue Mix Development

March 31, 2012



■ Core Fees and Income
■ Other Income
■ NII

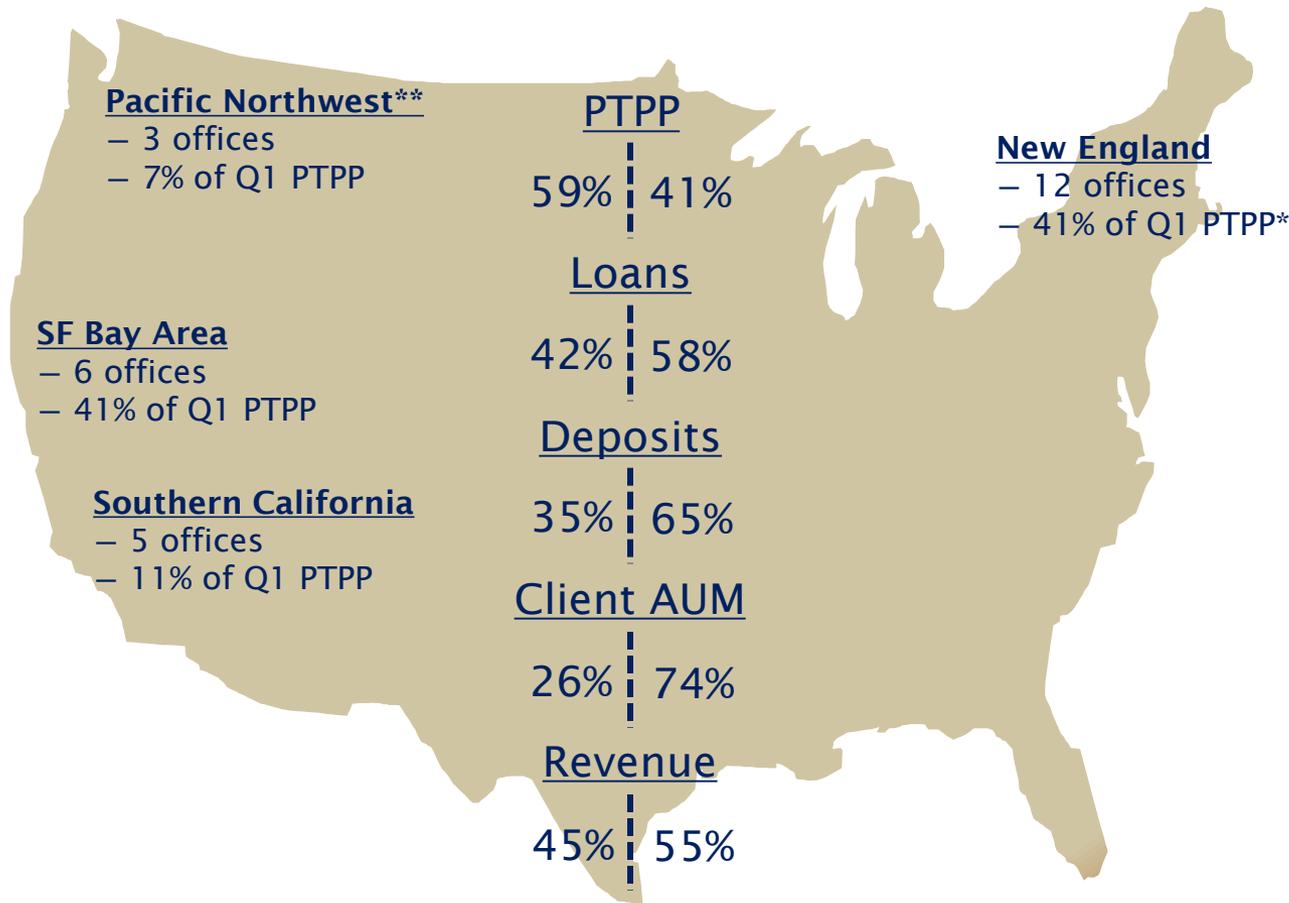
March 31, 2013



■ Core Fees and Income
■ Other Income
■ NII

Private Banking

Boston Private Bank: Fully integrated and branded as of September 2012



- Now branded **Boston Private** in all markets
- All Boston Private business lines staffed and building clients in all markets
- Opened San Jose office in February
- More than doubled San Francisco office space
- Scheduled to open Pasadena office in April
- New Boston Private Investment Management platform (GDP) in roll-out with strong client receptivity

*Q1 2013 pre-tax, pre-provision income

**Pending sale to Sterling Financial Corporation in 1H 2013

Specific Steps We've Taken to Improve Returns

Wealth Management: Priority on growth/client expansion

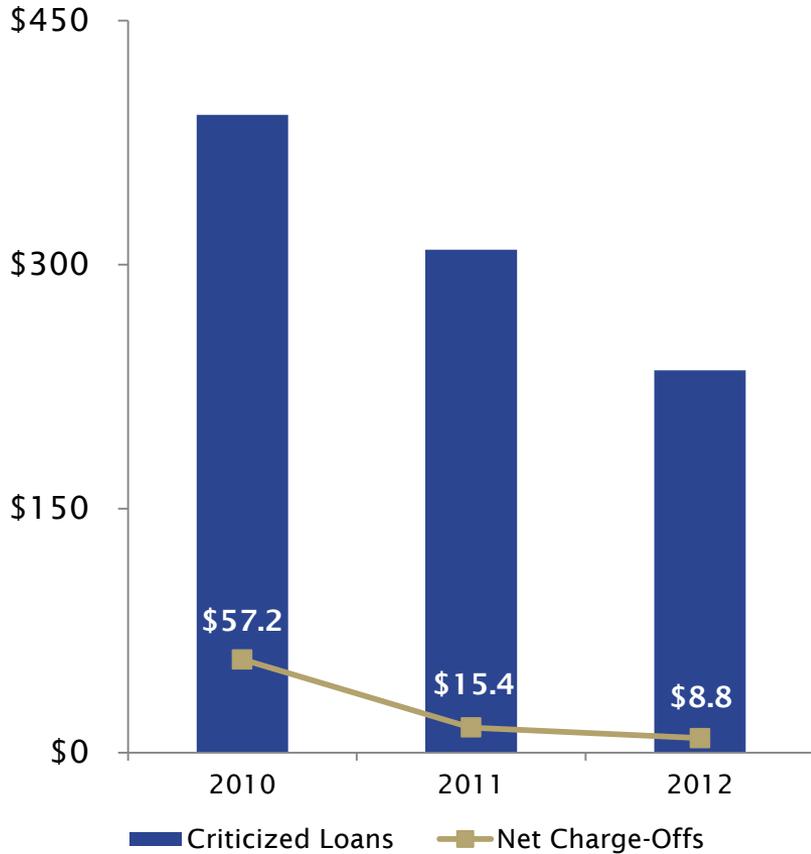
- West Coast Bank IM&T fully staffed; new platform/GDP being introduced in all markets
- Partner expansion at Bingham, Osborn & Scarborough
- Client development focus at KLS with Southern California expansion
- New fund capabilities at Anchor
- Actively exploring wealth management affiliate expansion and add-on opportunities

Private Banking/HoldCo: Priority on disciplined margin management and capital allocation

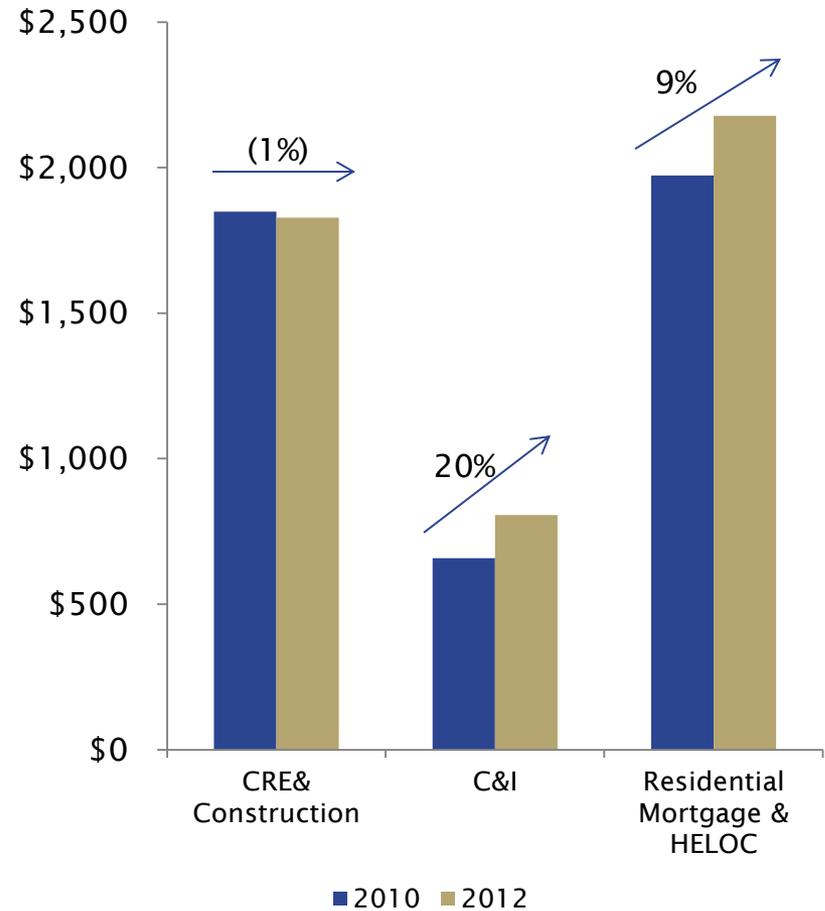
- Disciplined management of loan book and capital allocation
- Committed to capturing \$10M in annual cost saves, realized by 2H 2013
- Opportunities to increase fee-based revenue
 - Mortgage banking
 - Cash management services

Improved Risk Profile

Total Criticized Loans



Loans By Type



Dollars in millions

Steps Taken to Efficiently Manage Capital

- Increased the dividend to \$0.05/share from \$0.01/share
- Authorized a share repurchase program of up to 5% of shares outstanding
- Entered into an agreement to sell Pacific Northwest offices, which will free up approximately \$30M of capital
- Repurchased 5.4M warrants held by The Carlyle Group for \$15M
- Repurchased \$104M of Trust Preferreds since 2009 at a cumulative pre-tax gain of \$30M*
- Entered into an agreement with The Carlyle Group to repurchase all of the BPFH preferred shares held by Carlyle

*Includes purchases through 2/1/13

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