BOSTON PRIVATE FINANCIAL HOLDINGS, INC.

2001 EMPLOYEE STOCK PURCHASE PLAN

SUMMARY AND PROSPECTUS

This document constitutes part of a Prospectus dated April 16, 2014 covering securities and interests in the Boston Private Financial Holdings, Inc. 2001 Employee Stock Purchase Plan that have been registered under the Securities Act of 1933.

TABLE OF CONTENTS

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SUMMARY AND PROSPECTUS

1. INTRODUCTION

This document summarizes the provisions of the Boston Private Financial Holdings, Inc. 2001 Employee Stock Purchase Plan, as amended and restated as of January 1, 2014 (the "Plan") and is part of a Prospectus covering securities and interests in the Plan that have been registered under the Securities Act of 1933. (A "prospectus" is a legal document which describes the terms of a stock offering.) The date of this Prospectus is April 16, 2014.

This document contains important information and you should take the time to read it thoroughly. You should keep a copy of this Summary and Prospectus to answer questions you may have in the future about the Plan.

This Summary and Prospectus is provided for your convenience and is not intended to explain every detail of the Plan. In the event that this document conflicts with the Plan, the Plan will control. The terms "you" and "your" are intended to refer only to employees who are eligible to participate in the Plan and to Plan participants. The term "Company" is intended to refer to Boston Private Financial Holdings, Inc.

2. WHAT DOES THE PLAN DO?

The Plan gives eligible employees of the Company and certain subsidiaries of the Company an opportunity to purchase Common Stock of the Company at a price which is below the market price. Eligible employees may purchase Common Stock through post-tax payroll deductions, at a minimum of 1% and up to a maximum of 15% per pay period. The Company will pay all costs of administering and carrying out the Plan.

It is important to understand that prices of the shares of Common Stock can fluctuate. If the Company experiences growth in profitability, which we are all working toward, then the Common Stock may increase in value. However, there can be various factors that can affect the value of the Common Stock and a decline in value is always possible. As with any stock, the value of the Common Stock can go up or down depending on market conditions. Participation in the Plan is completely voluntary, and only you can decide for yourself if it is right for you.

3. WHEN DOES THE PLAN BEGIN AND END?

The Plan was adopted by the Board of Directors of the Company on August 10, 2001, approved by the Company's shareholders on November 19, 2001, and amended and restated by the Board of Directors on November 27, 2001. The Plan was further amended and restated by the Board of Directors first, as of April 26, 2006 and approved by the Company's shareholders on such date, then by the Board of Directors on April 28, 2010 and approved by the Company's shareholders on April 29, 2010, and then by the Board of Directors on January 15, 2014 and approved by the Company's shareholders on April 16, 2014. The Board of Directors of the Company may terminate the Plan at any time.

4. WHO ADMINISTERS THE PLAN?

The Board of Directors of the Company appoints the person or persons who have the authority to administer the Plan as its Administrator. The Administrator serves as long as the Board of Directors desires, and may be removed by the Board of Directors at any time. The current Administrator is the Compensation Committee of the Board of Directors of the Company.

The Administrator has the authority to make rules and regulations for the administration of the Plan, and its decisions about the administration of the Plan are final and conclusive. If you have any questions about the administration of the Plan or the Administrator, you should contact the Company's Senior Vice President, Human Resources, at Ten Post Office Square, Boston, Massachusetts 02109. The telephone number at this location is (617) 912-1900.

5. WHAT KIND OF STOCK WILL BE OFFERED UNDER THE PLAN?

A total of two million seven hundred thousand (2,700,000) shares of Common Stock of the Company have been reserved by the Company to be issued under the Plan. The number of shares of Common Stock may be adjusted, as described in question and answer 27. The Common Stock is traded on the NASDAQ Global Market.

The Common Stock to be issued under the Plan may be from:

- Authorized but unissued Common Stock;
- Common Stock held in the Treasury of the Company; or
- From any other proper source.

6. WHO IS ELIGIBLE TO PARTICIPATE IN THE PLAN?

You are eligible to participate in the Plan on a voluntary basis if you are, on the first day of any offering period:

- An employee of the Company or a Designated Subsidiary; and
- Customarily employed for more than 20 hours per week.

The Designated Subsidiaries are listed on the Appendix. The Board of Directors designates, from time to time, the Designated Subsidiaries whose employees are eligible to participate in the Plan.

7. WHAT IS AN OFFERING PERIOD?

An "offering period" is a six-month period during which you can set aside funds through payroll deduction. On the last business day of an offering period, the amounts you have set aside are used to purchase shares of Common Stock. The next offering period will begin on July 1, 2014 and will end on December 31, 2014. Subsequent offering periods will begin on the first business day occurring on or after each January 1 and July 1 and end on the last business day occurring on or before the following June 30 and December 31, respectively.

8. HOW DO I JOIN THE PLAN?

If you satisfy the eligibility requirements discussed above and want to join the Plan, you should log on to http://netbenefits.com and follow the detailed step-by-step instructions, which include specifying the whole percentage of your compensation you want deducted from your paycheck each pay period. The amount you elect to contribute will be recorded in a separate bookkeeping account for you for the purpose of purchasing Common Stock at the end of each offering period. You must complete the on-line enrollment process at least 15 business days (or by any other deadline established by the Administrator) before the first day of the offering period in which you wish to participate.

Unless you change your enrollment through http://netbenefits.com or by calling a Fidelity Stock Plan Services Representative at 800-544-9354, or withdraw from the Plan, your deductions and purchases will continue at the same percentage of your compensation per pay period for each future offering period, provided you remain eligible to participate in the Plan.

9. HOW DO I PURCHASE SHARES?

On the first day of each offering period, the Company will grant you an option to purchase shares of Common Stock at the Option Price for that offering period. The Option Price will be 85% of the closing price of the Common Stock on the NASDAQ Global Market on either the first or last business day of that offering period, whichever is less.

However, you will not be granted an option under the Plan if you would be treated under certain provisions of the Internal Revenue Code as owning stock possessing 5% or more of the total combined voting power or value of the stock of the Company or any parent or subsidiary, immediately after the option is granted. In addition, you will not be granted an option which permits your rights to purchase Common Stock under the Plan (and under any other employee stock purchase plan of the Company and its parents and subsidiaries) to accrue at a rate which exceeds $25,000 of the fair market value of such Common Stock (determined on the option grant date or dates) for each calendar year in which the option is outstanding at any time.

The maximum number of shares of Common Stock which you may purchase each offering period may be changed from time to time but will not exceed 10,000 shares of common stock, or such other limit established by the Administrator prior to such offering period. The specific number of shares of Common Stock which you may purchase in an offering period is calculated by dividing your total payroll deductions under the Plan for that offering period by the Option Price, up to the maximum noted above.

If you continue to be employed on the last business day of an offering period, you will be deemed to have exercised your option on that day and the amount of your payroll deductions during that offering period will be used to purchase shares of Common Stock at the Option Price directly from the Company, calculated as described above.

At the end of each offering period, any unused payroll deductions will be promptly refunded to you.

Example A:

John elects to join the Plan and participate in the offering period beginning on July 1, 2014. His projected base compensation for the offering period is $20,000, and John elects to contribute $1,000, which is 5% of his base compensation.

Let's assume that the closing price of the Common Stock on July 1, 2014 is $8.00. On December 31, 2014, the last day of the offering period, the closing price of the Common Stock is $10.00.

The Option Price is 85% of the closing price on July 1, 2014 or December 31, 2014, whichever is less. Therefore, the Option Price is 85% of $8.00, or $6.80. John has an option to buy 147.058 shares (calculated as $1,000 divided by 6.80).

On December 31, 2014, John will be deemed to purchase 147.058 shares of Common Stock for $1,000.

Example B:

Let's use the same facts as in Example A. However, let's assume the closing price of the Common Stock on December 31, 2014 is $7.00.

Again, the Option Price is 85% of the closing price on July 1, 2014 or December 31, 2014, whichever is less. Therefore, the Option Price is 85% of $7.00, or $5.95. John has an option to buy 168.067 shares (calculated as $1,000 divided by $5.95).

On December 31, 2014, John will be deemed to purchase 168.067 shares of Common Stock for $1,000.

10. WHAT IS MY COMPENSATION?

Your compensation is your base pay and commissions, prior to 401(k) contributions, pre-tax transportation expenses or cafeteria plan deductions, and excluding overtime, incentive or bonus awards, fringe benefits allowances and reimbursement for expenses such as relocation allowances or travel expenses, income or gains on the exercise of Company stock options, and similar items.

11. IS THERE A MAXIMUM OR MINIMUM INVESTMENT REQUIRED IN ORDER TO PARTICIPATE IN THE PLAN?

You may authorize payroll deductions up to a maximum of 15% of your compensation for each pay period. The minimum is 1% per pay period.

12. CAN I CHANGE THE AMOUNT OF MY PAYROLL DEDUCTION?

During an offering period, you may not increase or decrease your payroll deduction (except by withdrawing from the Plan). However, you may either increase or decrease your payroll deduction for the next offering period (within the above limits) through http://netbenefits.com or by calling a Fidelity Stock Plan Services Representative at 800-544-9354 at least 15 business days before the first day of the next offering period (or by any other deadline established by the Administrator). Unless you change your election, your payroll deduction will continue at the same amount of compensation for each successive offering period.

13. ARE MY PAYROLL DEDUCTIONS MADE ON A PRE-TAX BASIS?

No. Your payroll deductions are made on an after-tax basis. The Company will withhold taxes with respect to such amounts.

14. CAN I WITHDRAW FROM THE PLAN?

You can discontinue your payroll deductions and withdraw your contributions at any time before the last business day of any offering period by through http://netbenefits.com. The entire balance of your contributions will be promptly refunded to you. Upon withdrawal, your enrollment will be canceled and no further payroll deductions will be made for the remainder of the offering period or any subsequent offering period. To rejoin the Plan, you must reenroll through http://netbenefits.com at least 15 business days before the next offering period in which you wish to participate (or by any other deadline established by the Administrator).

15. WHAT IF I WISH TO DO A PARTIAL WITHDRAWAL?

The Plan does not permit partial withdrawal of your contributions.

16. IS THERE ANY INTEREST CREDITED TO MY CONTRIBUTIONS DURING THE OFFERING PERIOD?

No interest is credited to your contributions during the offering period.

17. HOW WILL I KNOW THE AMOUNT CREDITED TO MY ACCOUNT AND THE NUMBER OF SHARES PURCHASED ON MY BEHALF?

The Company will maintain a separate bookkeeping account for you through Fidelity. As soon as practicable after the end of each offering period, you may view a statement showing the total amount of your payroll deductions during the offering period and the total number of shares of Common Stock purchased by you under the Plan at the end of the offering period through http://netbenefits.com.

18. WHAT HAPPENS IF I LEAVE THE COMPANY?

Your rights to purchase Common Stock under the Plan will terminate when you cease to be an employee of the Company or a Designated Subsidiary because of any reason, including your retirement, resignation, lay-off, discharge, transfer to a subsidiary other than a Designated Subsidiary, death, or change of status. The balance in your account will be paid to you or, in the case of your death, to your designated beneficiary.

You will be deemed to have terminated employment if you are an employee of a Designated Subsidiary and the Designated Subsidiary ceases to be a Designated Subsidiary or a subsidiary of the Company, or if you are transferred to any corporation other than the Company or a Designated Subsidiary.

19. MAY I TRANSFER OR ASSIGN MY RIGHTS UNDER THE PLAN?

No. Any option granted to you may only be exercised by you and may not be assigned or transferred to anyone else, except by your will or the laws of inheritance following your death.

There is no provision under the Plan, or pursuant to any contract in connection with the Plan, that would permit any person to create a lien on your payroll deduction account.

You will be treated as a general creditor of the Company at all times with respect to any contributions you make under this Plan.

20. HOW WILL SHARES OF COMMON STOCK BE REGISTERED?

Shares of Common Stock purchased through the Plan will be registered in your name.

21. WHAT HAPPENS IF THE PLAN RUNS OUT OF STOCK?

If the remaining shares of Common Stock reserved to be issued under the Plan are insufficient to satisfy all purchase requirements at the end of an offering period, the available shares will be divided up among all participants in proportion to the amount of payroll deductions accumulated on behalf of each participant that would otherwise be used to purchase Common Stock at the end of the offering period.

22. WHEN CAN I SELL OR TRANSFER MY COMMON STOCK?

You can generally sell or transfer your Common Stock at any time after you purchase it, subject to the limitations explained in question and answer 23. However, the federal securities laws prohibit trading by any person, including any employee, who has material non-public information about the Company.

In all cases, if you sell or transfer any Common Stock within two years of the first day of the offering period in which you purchased Common Stock, you must notify the Company of the sale or transfer.

23. ARE THERE ANY LIMITATIONS ON SELLING THE COMMON STOCK THAT I RECEIVE UNDER THE PLAN?

If you are an "affiliate" of the Company, as defined in Rule 405 of the Securities Act of 1933, or a "Section 16 insider," as defined in Section 16 of the Securities Exchange Act of 1934, your ability to transfer shares of Common Stock may be restricted. Only a few members of top management are affiliates or Section 16 insiders. The Company will notify you if you are or become an affiliate or Section 16 insider and will provide you with further information on the applicable restrictions, such as special notice requirements, limitations on the number of shares of Common Stock you can sell and the short-swing profit rules of Section 16.

You should also be aware that the "insider information" provisions of the federal securities laws impose further restrictions on resales of Common Stock by any employee, whether or not the employee is an affiliate, an officer or a director of the Company or any of its subsidiaries.

Circular 230 Disclosure:

The information set forth in this Summary and Prospectus was not intended or written to be used, and it cannot be used, by any taxpayer for the purpose of avoiding United States federal tax penalties that may be imposed on the taxpayer. The information was written to support the promotion or marketing of the matters addressed in this Summary and Prospectus. Each taxpayer should seek advice based upon the taxpayer's particular circumstances from an independent tax advisor. The foregoing language is intended to satisfy the requirements under the regulations in Section 10.35 of Circular 230.

24. WHAT ARE THE U.S. FEDERAL INCOME TAX CONSEQUENCES TO ME IF I SELL THE SHARES?

The following summary applies only to United States employees who are not subject to any foreign tax laws. It describes only the basic federal income tax rules applicable to employees who sell Common Stock purchased under the Plan. Special rules may apply in particular situations, and state and local taxes may also apply. You should consult a competent tax advisor about your particular circumstances.

The Plan is intended to qualify as an "employee stock purchase plan" within the meaning of Section 423(b) of the Internal Revenue Code of 1986, as amended. Qualification as an employee stock purchase plan means that you will not be taxed at the federal level when the Company grants you an option at the beginning of an offering period or when you exercise your option on the last day of an offering period and purchase Common Stock. You will not have any additional FICA (Social Security) taxes when you exercise your option on the last day of an offering period.

Federal income tax may have to be paid, however, when you sell the Common Stock, as follows:

(a) If you sell Common Stock acquired under the Plan more than two years after the first day of the offering period in which you purchased the Common Stock, you will have no taxable income if the proceeds of the sale are equal to or less than the price paid for the Common Stock. If the proceeds of the sale are higher than the purchase price, you will recognize ordinary income for the year in which the sale occurs equal to the lesser of items (i) and (ii) below:

(i) 15% of the fair market value of the Common Stock on the first day of the offering period in which the shares were purchased; or

(ii) the excess of the amount actually received for the Common Stock over the amount paid.

In addition, you may recognize long-term capital gain or loss in an amount equal to the difference between the proceeds of the sale and your basis in the Common Stock (that is, your purchase price plus the amount taxed to you as ordinary income).

(b) If you sell Common Stock acquired under the Plan two years or less after the first day of the offering period in which you purchased the Common Stock, you will recognize ordinary income equal to the difference between the fair market value of the Common Stock on the last day of the offering period in which the Common Stock was purchased and your purchase price. This amount is reportable as ordinary income, even if no profit was realized on the sale of the Common Stock or the Common Stock was sold at a loss.

In addition, you may recognize long-term or short-term capital gain or loss (depending on whether you have held the shares for more than twelve months) in an amount equal to the difference between the proceeds of the sale and your basis in the Common Stock. The amount reportable as ordinary income will generally be allowed as a tax deduction to your employer.

Example A:

On July 1, 2014, John receives an option to buy shares of Common Stock. Let's assume that the closing price of the Common Stock on that date is $8.00. On December 31, 2014, John purchases 147.058 shares for $1,000, at the Option Price of $6.80 (*i.e.*, 85% of $8.00). On that date, the closing price of the Common Stock is $10.00.

Sale after the two-year holding period

On July 10, 2016, John sells the 147.058 shares for $12.00 per share for a total of $1,764.70. John is required to report $176.47 [(*i.e.*, 147.058 x ($8.00 x 15%)] as ordinary income and $588.23 [*i.e.*, $1,764.70 - ($1,000 + $176.47)] as long-term capital gain.

Sale during the two-year holding period

If John sells the shares before July 2, 2016 for $12.00 per share, he is required to report $470.59 [*i.e.*, 147.058 x ($10.00 - $6.80)] as ordinary income and $294.11 [*i.e.*, $1,764.70 - ($1,000 + $470.59)] as either short-term or long-term capital gain.

Example B:

Let's use the same facts as in Example A, but let's assume that John sells the shares of Common Stock at a loss.

Sale after the two-year holding period

On July 10, 2016, John sells the 147.058 shares for $6.50 per share for a total of $955.88. John has no ordinary income and reports $44.12 (*i.e.*, $1,000 - $955.88) as long-term capital loss.

Sale during the two-year holding period

If John sells the shares before July 2, 2016 for $6.50 per share, he is required to report $470.59 [*i.e.*, 147.058 x ($10.00 -$6.80)] as ordinary income and $514.71 [*i.e.*, ($1,000 + $470.59) - $955.88)] as either short-term or long-term capital loss.

25. WHICH LAWS ARE APPLICABLE TO THE PLAN?

The Plan is governed by Massachusetts law, except to the extent such law is preempted by federal law.

The Plan is not subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended, and is not a qualified plan under Section 401(a) of the Internal Revenue Code of 1986, as amended.

26. CAN THE PLAN BE AMENDED OR TERMINATED?

Yes. The Board of Directors may amend the Plan at any time. However, the Board of Directors cannot amend the Plan to increase the number of shares of Common Stock that may be issued under the Plan or to change the Plan in certain other ways, unless it has shareholder approval.

The Board of Directors may terminate the Plan at any time. If the Plan is terminated, all amounts in your account will be promptly refunded to you.

27. WHAT HAPPENS IF THERE IS A CHANGE IN THE CAPITALIZATION OF THE COMPANY?

If there is a change in the Company's capital structure, such as the subdivision of outstanding shares of Common Stock or the payment of a dividend in Common Stock, the number of shares of Common Stock approved for issuance under the Plan or any share limitations applicable to the Plan will be adjusted appropriately by the Administrator. The Administrator or the Board of Directors may make any other adjustments in its sole discretion to properly reflect the event. In the event of a merger, liquidation or similar event affecting the Company, the Administrator, in its sole discretion, may take any actions with respect to the Plan that it deems equitable in the circumstances.

28. WHAT ELSE DO I NEED TO KNOW?

Boston Private Financial Holdings, Inc. is a corporation organized and existing under the laws of Massachusetts and currently maintains its principal executive offices at Ten Post Office Square, Boston, Massachusetts 02109. The telephone number at this location is (617) 912-1900. You may contact the Company at this address, attention Vice President, Human Resources, for further information concerning the Plan and its administration.

A copy of the Company's most recent Annual Report to stockholders has been provided to each Plan participant, and additional copies will be provided, without charge, to each participant upon written or oral request to the Administrator at the address provided above.

In addition, any person receiving a copy of this Summary and Prospectus may obtain a copy of any of the documents listed below, without charge, upon written or oral request to the Administrator at the above address. These documents are incorporated by reference in this Summary and Prospectus:

- any or all of the documents which have been or may be incorporated by reference in Item 3 of Part II of the Registration Statement relating to the shares described herein, other than exhibits to such documents unless such exhibits are specifically incorporated by reference into such documents, including, without limitation, the Company’s annual report on Form 10-K and the Company’s quarterly reports for the current fiscal year; and

- any other documents which Rule 428(b) of the Securities Act requires to be delivered to participants.

Each Plan participant will receive a copy of all reports, proxy statements and other communications distributed to the Company’s stockholders, unless he or she otherwise receives those materials.

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APPENDIX

WHICH COMPANIES ARE DESIGNATED SUBSIDIARIES? (Question 6)

The Designated Subsidiaries under the Plan are, as of April 16, 2014:

- Boston Private Bank and Trust Company