

Second Quarter 2015 Results

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BOSTON PRIVATE

Forward Looking Statements

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, prospects for growth in assets, and prospects for overall results over the long term. 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 weakness in general economic conditions on a national basis or in the local markets in which the Company operates; changes in the value of securities and other assets; changes in loan default and charge-off rates, the adequacy of loan loss reserves, or 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, dispositions and restructurings; 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 statement is made.

Consolidated Performance Metrics

(\$ in millions except per share data)

	2Q15	1Q15	2Q14
Return on Average Common Equity	9.9%	10.9%	13.5%
Return on Average Tangible Common Equity	14.6%	16.2%	17.8%
Core Fee Income Ratio	46%	46%	42%
Efficiency Ratio (FTE)	67%	69%	64%
Tier 1 Common Equity Ratio	9.7% ¹	9.8%	10.0%
Total AUM	\$29,642	\$30,025	\$25,370
Diluted EPS	\$0.20	\$0.21	\$0.25

Notes:

(1) Estimated.

Consolidated Income Statement

(\$ in millions)				% Change	
	2Q15	1Q15	2Q14	LQ	Y/Y
Net Interest Income	\$45.1	\$46.1	\$46.3	(2%)	(3%)
Core Fees	40.3	40.2	34.1	0%	18%
Total Other Income	2.3	1.2	0.2	NMF	NMF
Total Revenue	\$87.7	\$87.4	\$80.6	0%	9%
Operating Expenses	62.4	63.4	54.4	(2%)	15%
Pre-tax Pre-Provision Income	\$25.3	\$24.0	\$26.2	6%	(3%)
Provision Expense / (Credit)	-	(2.5)	(5.0)	NMF	NMF
Pre-tax Income from Continuing Operations	\$25.3	\$26.5	\$31.2	(4%)	(19%)
Taxes	8.0	8.6	10.3	(7%)	(23%)
Discontinued Operations	1.5	2.1	1.5	(26%)	7%
NCI	1.3	1.2	1.0	3%	23%
Net Income	\$17.6	\$18.8	\$21.3	(6%)	(17%)

Comments

- Core Fees and Income increased 18% year-over-year due to the impact of the Banyan acquisition and organic growth
- 2Q15 Other Income includes \$1.1 million related to the fair-value accounting for the contingent payment liability and \$0.6 million in gains on partnership investments

Consolidated Expense Trends

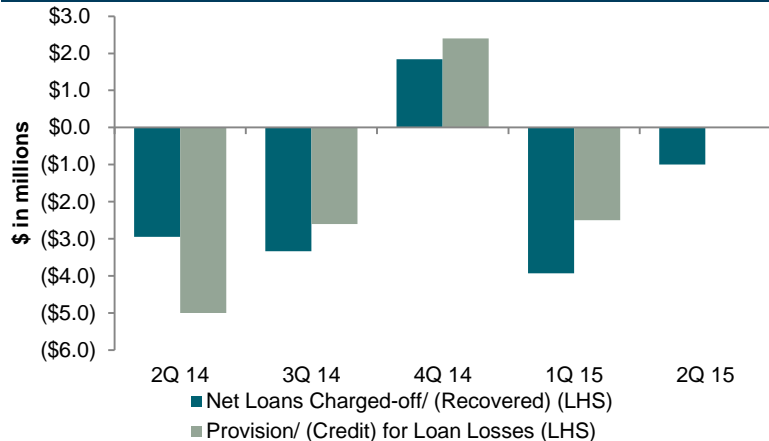
(\$ in millions)	% Change				
	2Q15	1Q15	2Q14	LQ	Y/Y
Operating Expenses:					
Salaries and employee benefits	\$39.8	\$42.1	\$34.3	(5%)	16%
Occupancy and equipment	9.1	9.0	7.3	1%	24%
Professional services	3.2	3.0	3.5	6%	(9%)
Marketing and business development	1.7	1.3	2.7	27%	(38%)
Contract services and data processing	1.5	1.4	1.4	4%	3%
Amortization of intangibles	1.7	1.6	1.0	3%	58%
FDIC insurance	1.0	1.0	0.9	(5%)	13%
Restructuring	0.2	-	-	NMF	NMF
Other	4.3	3.8	3.1	11%	37%
Total Operating Expenses	\$62.4	\$63.4	\$54.4	(2%)	15%

Comments

- First quarter Salaries and Employee Benefits includes \$1.5 million of seasonal compensation expense
- Marketing and Business Development expense increased linked quarter due to the timing of marketing campaigns
- Other expense includes \$0.3 million related to settlements in 2Q15

Asset Quality

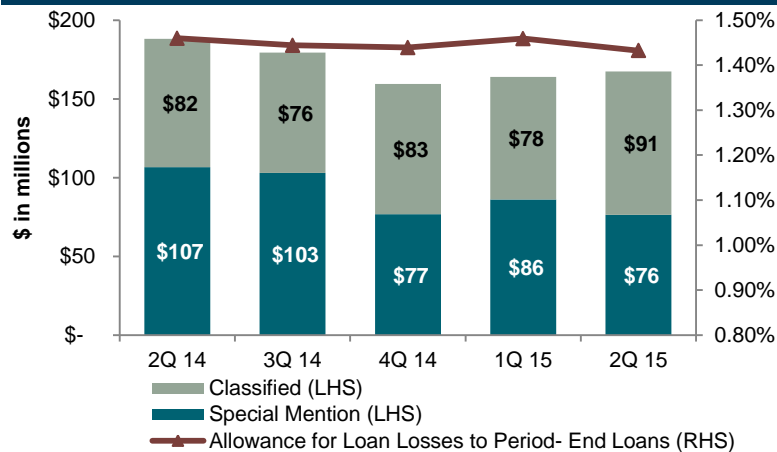
Net-Chargeoffs & Provision for Loan Losses



Comments

- Over the past five quarters, Provision for Loan Losses has largely tracked Net-Charge Offs / Net Recoveries
- The Company recorded no provision for loan loss in 2Q15 due to net recoveries of \$1 million, offset by loan growth and loan downgrades

Criticized Loans & Allowance for Loan Losses



- Total Criticized Loans decreased 11% year-over-year to \$167 million
- Allowance for Loan Losses as a percent of Total Loans finished the quarter at 1.43%



Private Bank Performance Highlights

(\$ in millions)					
	2Q15	1Q15	2Q14	LQ	YY
Net Interest Income	\$46.0	\$47.0	\$47.2	(2%)	(3%)
Core Fees	2.4	2.2	3.4	8%	(29%)
Total Other Income	1.0	0.6	0.1	NMF	NMF
Total Revenue	\$49.5	\$49.8	\$50.7	(1%)	(2%)
Operating Expenses	\$28.3	\$28.8	\$27.9	(2%)	2%
Pre-tax Pre-Provision Income	\$21.2	\$21.0	\$22.8	1%	(7%)
Provision Expense / (Credit)	-	(2.5)	(5.0)	NMF	NMF
Pre-tax Income from Continuing Operations	\$21.2	\$23.5	\$27.8	(10%)	(24%)
Taxes	6.8	7.8	9.7	(12%)	(29%)
Net Income	\$14.3	\$15.7	\$18.1	(9%)	(21%)

Comments

- 2Q15 Net Interest Income includes \$0.1 million of interest recovered on previous non-accrual loans while 1Q15 and 2Q14 includes recoveries of \$1.7 million and \$2.5 million, respectively
- Efficiency Ratio was 54% in 2Q15 compared to 55% in 1Q15 and 53% in 2Q14
- Average Loan-Deposits ratio decreased to 98% in 2Q15 from 101% in 2Q14

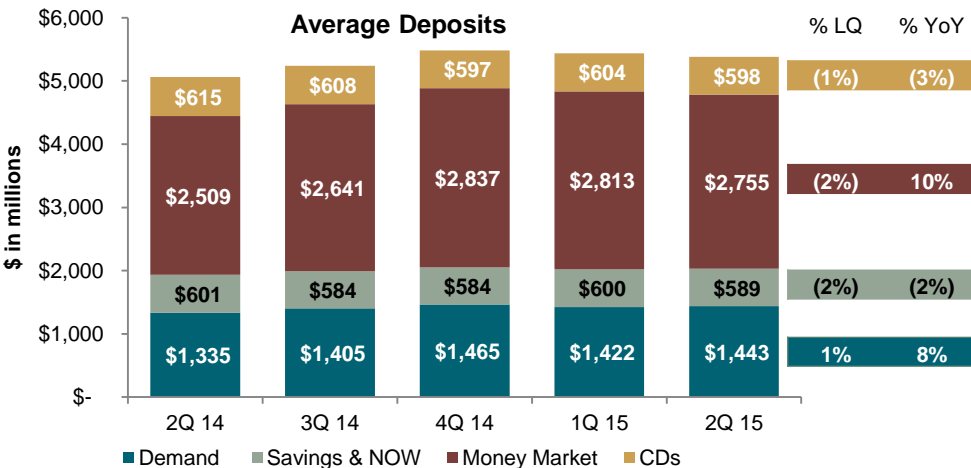
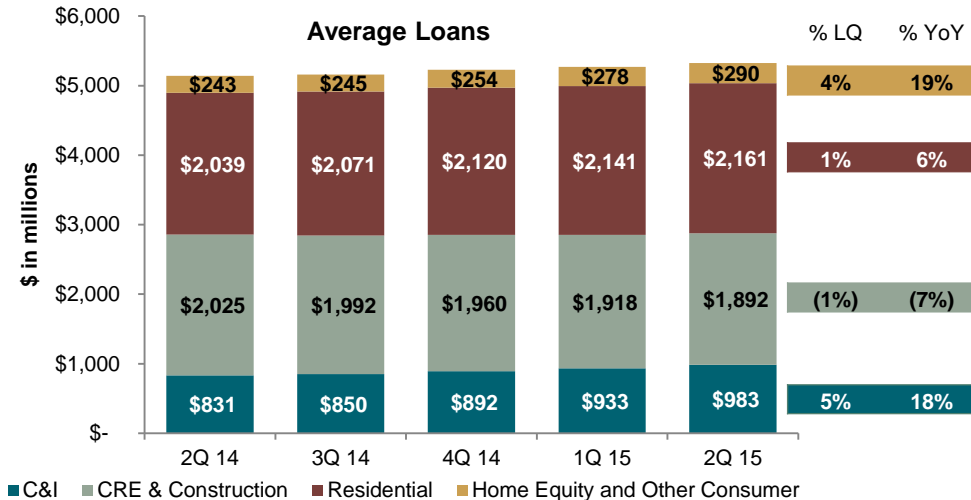
Key Statistics

	2Q15	1Q15	2Q14
Efficiency Ratio (FTE)	54%	55%	53%
Net Interest Margin	2.97%	3.07%	3.21%
Average Loan-to-Deposits Ratio ¹	98%	96%	101%

Notes:

(1) Reflects bank subsidiary only.

Balance Sheet Highlights



Comments

- Average total loans increased 4% year-over-year, led by C&I (+18%) and Residential (+6%)
- CRE & Construction decreased 7% year-over-year, due in part to the loan sale executed in 2Q14 along with timing of new loans originated in the quarter
- Average Total Deposits increased 6% year-over-year to \$5.4 billion
- Demand Deposits (+8%) and Money Market (+10%) both posted strong growth year-over-year
- CDs continue to trend lower, down 1% linked quarter and 3% year-over-year



Regional Deposits

(\$ in millions)

New England

	2Q15	1Q15	2Q14
DDA	\$987	\$918	\$906
Savings & NOW	379	373	379
Money Mkt	1,883	1,911	1,754
CDs	389	411	363
Total	\$3,638	\$3,613	\$3,402
Total Ex CDs	\$3,250	\$3,202	\$3,039

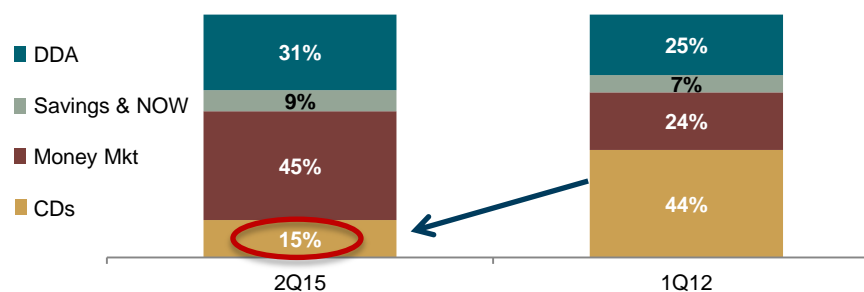
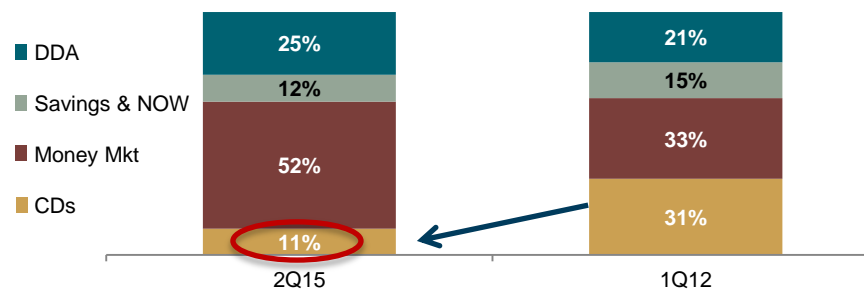
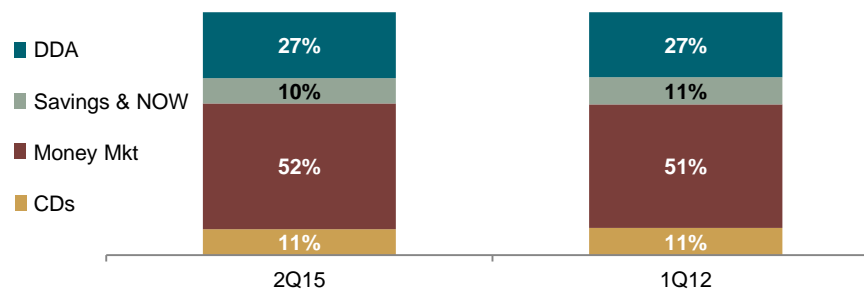
San Francisco Bay

	2Q15	1Q15	2Q14
DDA	\$348	\$340	\$288
Savings & NOW	159	179	168
Money Mkt	707	674	540
CDs	146	149	170
Total	\$1,360	\$1,342	\$1,166
Total Ex CDs	\$1,214	\$1,193	\$996

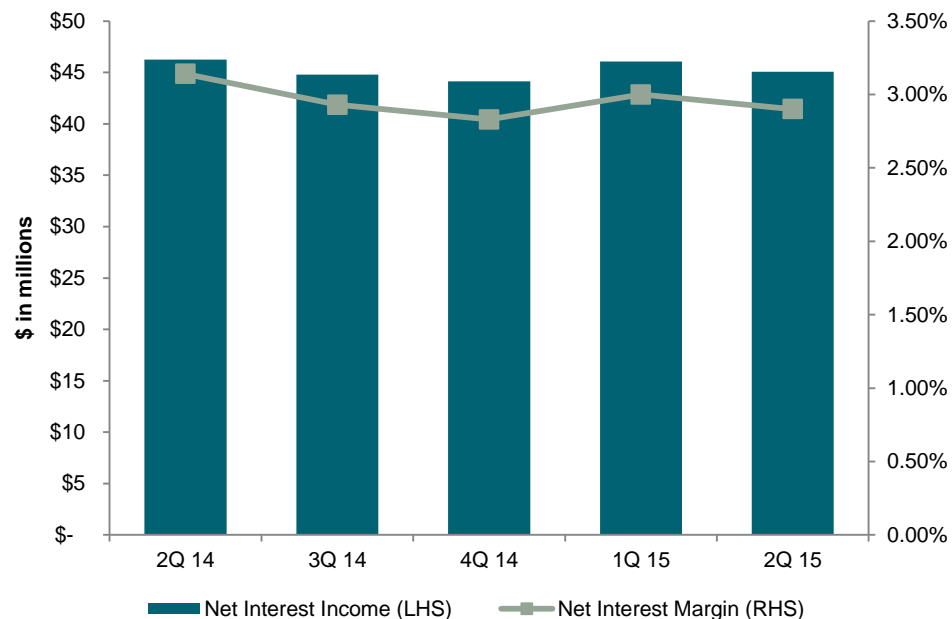
Southern California

	2Q15	1Q15	2Q14
DDA	\$154	\$145	\$130
Savings & NOW	44	46	40
Money Mkt	222	204	169
CDs	76	84	95
Total	\$496	\$479	\$434
Total Ex CDs	\$419	\$396	\$339

Deposit Mix



Net Interest Margin



Comments

- Excluding interest recovered on previous nonaccrual loans, Net Interest Margin was up 1 basis point linked quarter and down 7 basis points year-over-year to 2.90%
- Yield on Cash and Investments increased 15 basis points linked quarter as interest bearing cash was re-deployed into Agencies, MBS and Tax Exempt Municipal securities
- Yield on Loans, excluding interest recoveries, was 3.66% in 1Q15 and 3.76% in 2Q14 vs. 3.63% for 2Q15
- Cost of Funds (including DDA) of 0.45% was flat linked quarter and down 2 basis points year-over-year

Yield/ Cost

	2Q 14	3Q 14	4Q 14	1Q 15	2Q 15
Cash and Investments	1.64%	1.43%	1.41%	1.78%	1.93%
Loans	3.95%	3.81%	3.71%	3.80%	3.63%
Interest-Bearing Deposits	0.36%	0.37%	0.39%	0.39%	0.39%
Total Interest-Bearing Liabilities	0.61%	0.61%	0.60%	0.60%	0.59%
Cost of Funds Including DDA	0.47%	0.47%	0.46%	0.45%	0.45%
Net Interest Margin (FTE)	3.14%	2.93%	2.83%	3.00%	2.90%

Boston Private Wealth Performance Highlights

(\$ in millions)	% Change				
	2Q15	1Q15	2Q14	LQ	Y/Y
Total Revenue	\$14.6	\$14.0	\$7.0	5%	108%
Operating Expenses	\$12.8	\$12.3	\$5.3	4%	141%
Pre-tax Income from Continuing Operations	\$1.9	\$1.6	\$1.7	15%	8%
Taxes	0.8	0.7	0.7	16%	11%
Net Income	\$1.1	\$0.9	\$1.0	14%	5%
Memo EBITDA:					
Pre-tax Income from Continuing Operations	\$1.9	\$1.6	\$1.7	15%	8%
Depreciation & Amortization	0.8	0.8	0.1	8%	NM
EBITDA	\$2.7	\$2.4	\$1.8	13%	53%

Comments

- 2Q15 Total Revenue includes a \$1.1 mm gain related to the fair-value accounting for the contingent payment liability
- 2Q15 Operating Expenses includes \$220k of restructuring expense
- New flows were negative \$243 million as new business was offset by client drawdowns and lost clients

Key Statistics

	2Q15	1Q15	2Q14
Net Flows (\$ in mm)	(\$243)	(\$96)	\$5
Total AUM (\$ in mm)	\$9,028	\$9,305	\$4,716
EBITDA Margin	18%	17%	25%
Pre-Tax Margin	13%	12%	25%

Investment Management Performance Highlights

(\$ in millions)				% Change	
	2Q15	1Q15	2Q14	LQ	Y/Y
Total Revenue	\$11.7	\$11.7	\$11.8	0%	(0%)
Operating Expenses	\$8.5	\$8.7	\$9.1	(2%)	(6%)
Pre-tax Income from Continuing Operations	\$3.2	\$3.0	\$2.7	5%	20%
Taxes	1.0	1.0	0.9	4%	19%
NCI	0.6	0.6	0.5	(3%)	15%
Net Income	\$1.5	\$1.4	\$1.2	10%	24%
Memo EBITDA:					
Pre-tax Income from Continuing Operations	\$3.2	\$3.0	\$2.7	5%	20%
Depreciation & Amortization	0.8	0.8	0.8	0%	1%
EBITDA	\$4.0	\$3.9	\$3.5	4%	16%

Comments

- Total revenue was flat on a linked quarter and year-over-year basis
- EBITDA margin remains above 30% corporate target
- \$97 million of positive net flows

Key Statistics

	2Q15	1Q15	2Q14
Net Flows (\$ in mm)	\$97	(\$273)	(\$54)
Total AUM (\$ in mm)	\$10,695	\$10,730	\$10,917
EBITDA Margin	34%	33%	29%
Pre-Tax Margin	27%	26%	23%

Wealth Advisory Performance Highlights

(\$ in millions)				% Change	
	2Q15	1Q15	2Q14	LQ	Y/Y
Total Revenue	\$12.7	\$12.7	\$12.0	0%	6%
Operating Expenses	\$8.7	\$9.1	\$8.1	(5%)	7%
Pre-tax Income from Continuing Operations	\$4.0	\$3.6	\$3.9	12%	3%
Taxes	1.5	1.3	1.5	12%	(2%)
NCI	0.6	0.6	0.5	9%	32%
Net Income	\$1.9	\$1.7	\$1.9	12%	(1%)
Memo EBITDA:					
Pre-tax Income from Continuing Operations	\$4.0	\$3.6	\$3.9	12%	3%
Depreciation & Amortization	0.5	0.5	0.3	1%	41%
EBITDA	\$4.5	\$4.0	\$4.2	10%	6%

Comments

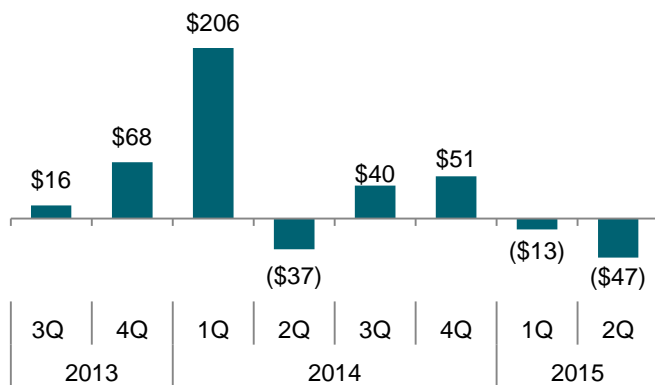
- Total Revenue was flat linked quarter and up 6% year-over-year
- Linked quarter decrease in Operating Expenses reflects seasonally high compensation and benefits in 1Q15
- 2Q15 EBITDA margin of 35% remains above the corporate target of 30%

Key Statistics

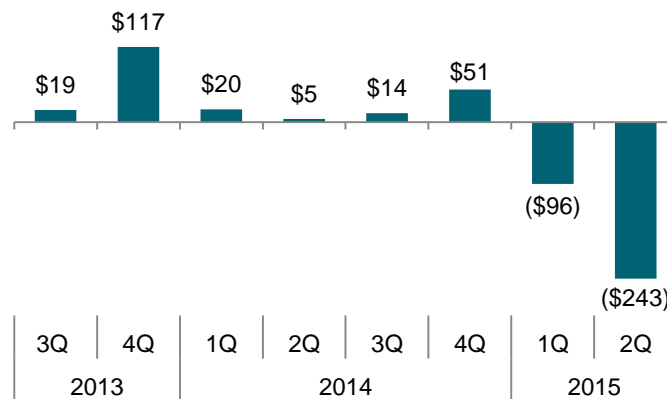
	2Q15	1Q15	2Q14
Net Flows (\$ in mm)	(\$47)	(\$13)	(\$37)
Total AUM (\$ in mm)	\$9,941	\$10,012	\$9,760
EBITDA Margin	35%	32%	35%
Pre-Tax Margin	31%	28%	32%

Boston Private AUM Net Flows

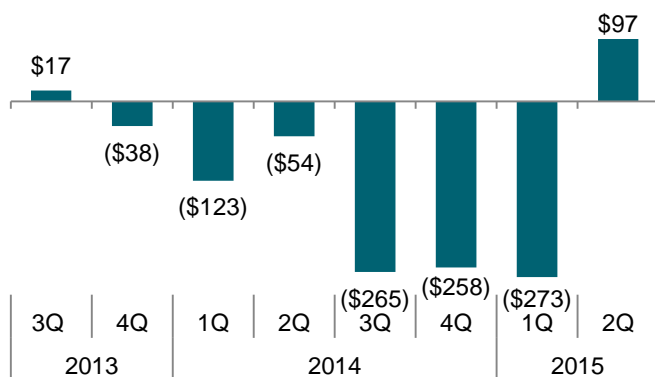
Wealth Advisory (\$ in mm)



Wealth Management & Trust (\$ in mm)



Investment Management (\$ in mm)



Consolidated (\$ in mm)

