

First Quarter 2016 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)

	1Q16	4Q15	1Q15
Return on Average Common Equity	9.8%	8.0%	10.9%
Return on Average Tangible Common Equity	14.1%	11.9%	16.3%
Core Fee Income Ratio	43%	43%	46%
Efficiency Ratio (FTE) ¹	71%	72%	69%
Tier 1 Common Equity Ratio	9.9% ²	9.8%	9.8%
Total AUM	\$26,811	\$27,595	\$30,025
Diluted EPS	\$0.21	\$0.17	\$0.21

Notes:

(1) Excludes restructuring

(2) Estimated

Consolidated Income Statement

(\$ in millions)				% Change	
	1Q16	4Q15	1Q15	LQ	Y/Y
Net Interest Income	\$49.9	\$48.1	\$46.1	4%	8%
Core Fees	37.7	37.1	40.2	2%	(6%)
Total Other Income	0.3	0.6	1.2	(49%)	(75%)
Total Revenue	\$87.9	\$85.9	\$87.4	2%	1%
Operating Expenses	\$66.7	\$67.4	\$63.4	(1%)	5%
Pre-tax Pre-Provision Income	\$21.2	\$18.5	\$24.0	15%	(12%)
Provision Expense / (Credit)	(3.1)	(1.7)	(2.5)	NMF	NMF
Pre-tax Income from Continuing Operations	\$24.3	\$20.1	\$26.5	21%	(8%)
Taxes	7.4	5.6	8.6	32%	(13%)
Discontinued Operations	2.1	1.5	2.1	42%	(1%)
NCI	0.9	0.9	1.2	(1%)	(26%)
Net Income	\$18.0	\$15.0	\$18.8	20%	(4%)

Comments

- Overall revenue increased 1% year-over-year and 2% linked quarter driven primarily by Net Interest Income
- Effective tax rate in 1Q16 was 31% compared to 28% in 4Q15 and 38% in 1Q15

Consolidated Expense Trends

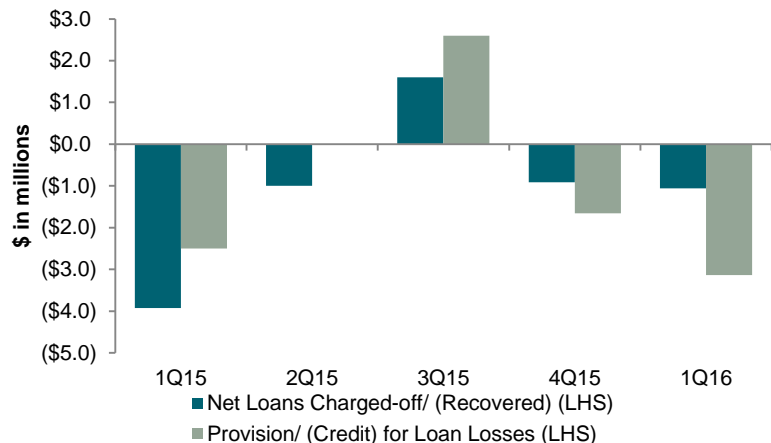
(\$ in millions)	% Change				
	1Q16	4Q15	1Q15	LQ	Y/Y
Operating Expenses:					
Salaries and employee benefits	\$42.6	\$39.5	\$42.1	8%	1%
Occupancy and equipment	9.6	10.0	9.0	(4%)	6%
Professional services	3.5	3.8	3.0	(7%)	16%
Marketing and business development	2.2	4.0	1.3	(46%)	61%
Contract services and data processing	1.7	1.5	1.4	12%	17%
Amortization of intangibles	1.6	1.8	1.6	(12%)	(1%)
FDIC insurance	1.0	1.1	1.0	(6%)	1%
Restructuring	1.1	2.0	-	(44%)	NMF
Other	3.5	3.7	3.8	(7%)	(10%)
Total Operating Expenses	\$66.7	\$67.4	\$63.4	(1%)	5%

Comments

- Compensation and benefits increased 8% linked quarter primarily due to seasonal compensation expenses
- Marketing expense decreased 46% linked quarter due to marketing campaigns at Boston Private in 4Q15
- The Company recorded a restructuring charge of \$1.1 million in 1Q16 and \$2.0 million in 4Q15 related to actions at Boston Private Wealth

Asset Quality

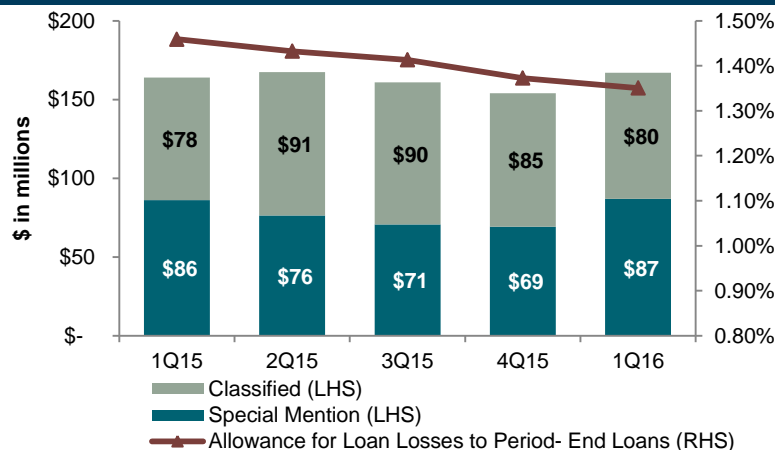
Net Charge-offs & Provision for Loan Losses



Comments

- Our provision for loan loss continues to closely track our quarterly Net-Charge-offs / Net-Recoveries
- The Company recorded a provision credit of \$3.1 million in 1Q16 due to net recoveries of \$1.1 million and a decline in commercial loans

Criticized Loans & Allowance for Loan Losses



- Allowance for Loan Loss as a percent of Total Loans finished the quarter at 1.35%

Private Bank Performance Highlights

(\$ in millions)				% Change	
	1Q16	4Q15	1Q15	LQ	Y/Y
Net Interest Income	\$50.4	\$49.1	\$47.0	3%	7%
Core Fees	3.4	1.9	2.2	81%	56%
Total Other Income	(0.1)	0.5	0.6	NMF	NMF
Total Revenue	\$53.8	\$51.5	\$49.8	5%	8%
Operating Expenses	\$31.3	\$32.1	\$28.8	(2%)	9%
Pre-tax Pre-Provision Income	\$22.5	\$19.4	\$21.0	16%	7%
Provision Expense / (Credit)	(3.1)	(1.7)	(2.5)	NMF	NMF
Pre-tax Income	\$25.7	\$21.1	\$23.5	22%	9%
Taxes	8.4	6.9	7.8	21%	8%
Net Income	\$17.3	\$14.1	\$15.7	22%	10%

Comments

- Net Interest Income increased 3% linked quarter and 7% year-over-year
- Core Fees increased 81% linked quarter and 56% year-over-year due to higher swap fees
- Operating Expenses increased 9% year-over-year partially reflecting a reallocation of personnel expense from the holding company

Key Statistics

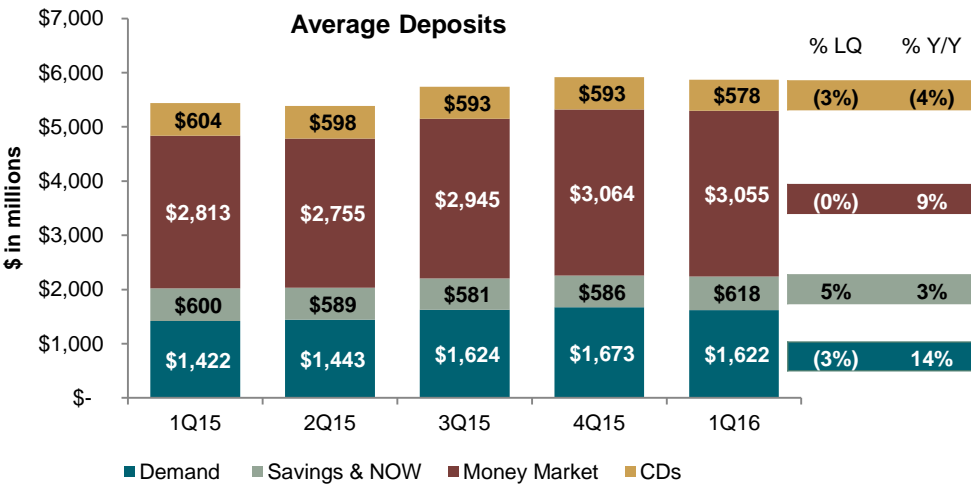
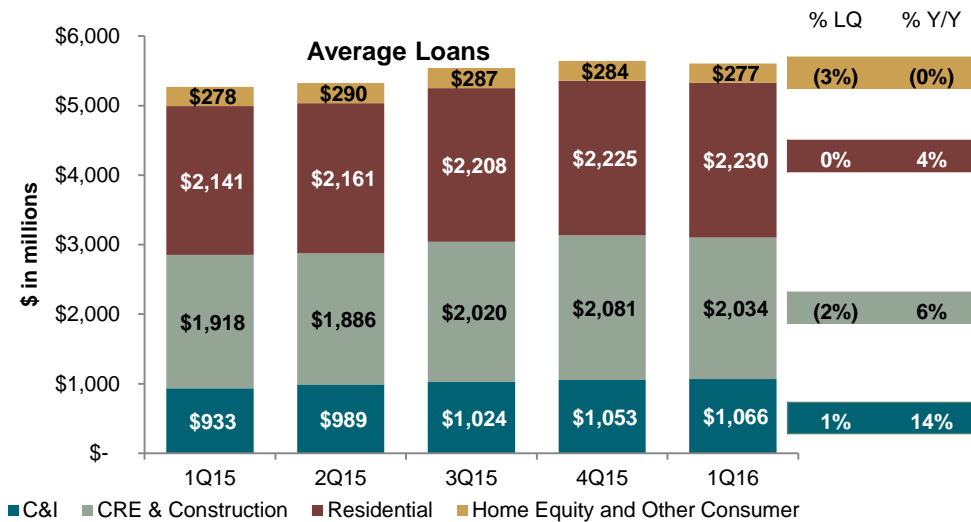
	1Q16	4Q15	1Q15
Efficiency Ratio (FTE)	56%	58%	55%
Net Interest Margin	3.01%	2.94%	3.07%
Average Loan-to-Deposits Ratio ¹	94%	94%	96%

Notes:

(1) Reflects bank subsidiary only.



Balance Sheet Highlights

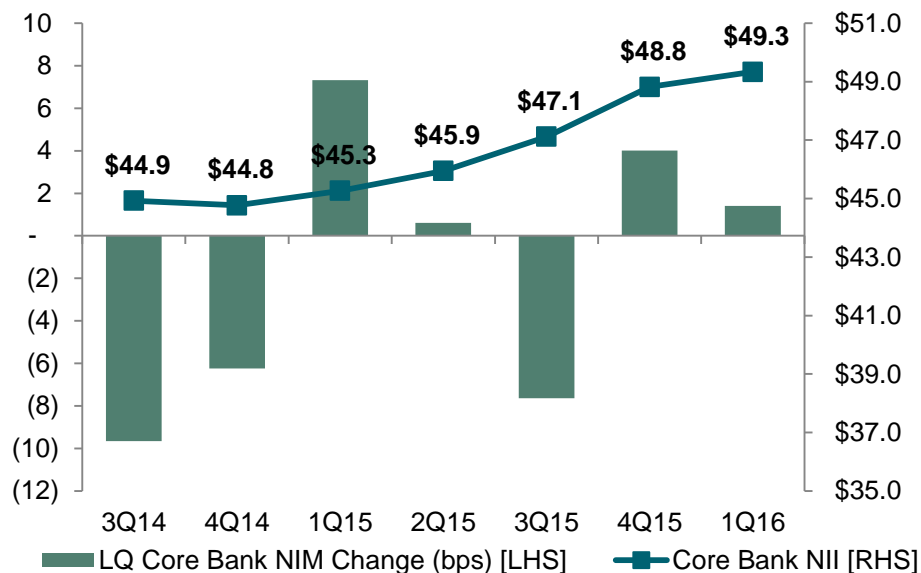


Comments

- Total Average Loans increased 6% year-over-year, led by C&I (+14%) CRE & Construction (+6%) and Residential (+4%)
- Total Average Deposits increased 8% year-over-year to \$5.9 billion
- Demand (+14%) and Money Market (+9%) both posted strong year-over-year growth
- CDs continue to trend lower, down 4% year-over-year
- Deposit growth has been strong across East Coast and West Coast markets

Net Interest Margin

Core Bank NIM vs. Core Bank NII (\$ in mm)



Comments

- Excluding interest recovered on previous non-accrual loans, Bank Net Interest Income has increased sequentially five straight quarters
- Cost of Funds, including DDA, was flat linked quarter and down two basis points year-over-year

Bank Yield/ Cost

	1Q15	2Q15	3Q15	4Q15	1Q16
Cash and Investments	1.83%	1.98%	1.89%	1.97%	2.12%
Loans	3.80%	3.63%	3.58%	3.62%	3.66%
Interest-Bearing Deposits	0.39%	0.39%	0.38%	0.40%	0.39%
Total Interest-Bearing Liabilities	0.52%	0.51%	0.51%	0.52%	0.51%
Cost of Funds Including DDA	0.40%	0.39%	0.38%	0.38%	0.38%
Net Interest Margin (FTE)	3.07%	2.97%	2.91%	2.94%	3.01%
Core Net Interest Margin (FTE)	2.96%	2.97%	2.89%	2.93%	2.94%

Boston Private Wealth Performance Highlights

(\$ in millions)				% Change	
	1Q16	4Q15	1Q15	LQ	Y/Y
Total Revenue	\$11.1	\$11.8	\$14.0	(6%)	(21%)
Operating Expenses	\$15.9	\$15.1	\$12.3	5%	29%
Pre-tax Income/ (Loss)	(\$4.8)	(\$3.3)	\$1.6	NMF	NMF
Taxes	(1.9)	(1.3)	0.7	NMF	NMF
Net Income/ (Loss)	(\$2.9)	(\$2.0)	\$0.9	NMF	NMF
Memo:					
Pre-tax Income/ (Loss)	(\$4.8)	(\$3.3)	\$1.6	NMF	NMF
Depreciation & Amortization	1.0	0.8	0.8	22%	29%
EBITDA	(\$3.8)	(\$2.5)	\$2.4	NMF	NMF
<i>Unusual Items:</i>					
Add back: Restructuring	1.1	2.0	-		
Less: Earn-out Liability	-	-	(0.4)		
Adjusted EBITDA	(\$2.7)	(\$0.5)	\$2.0	NMF	NMF

Comments

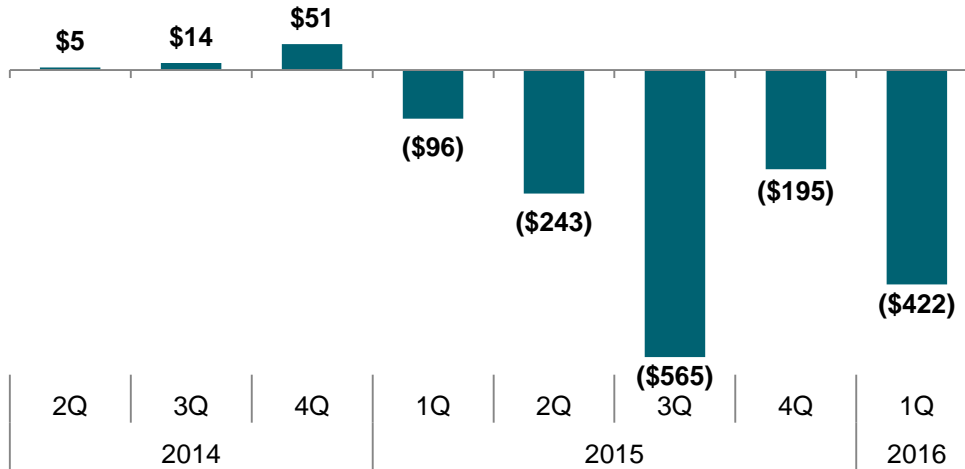
- Operating Expenses were elevated this quarter by seasonal compensation expenses and legal fees
- Benefits of 4Q15 restructuring to be fully realized in 2Q16

Key Statistics

	1Q16	4Q15	1Q15
Net Flows (\$ in mm)	(\$422)	(\$195)	(\$96)
Total AUM (\$ in mm)	\$7,137	\$7,976	\$9,305
Reported EBITDA Margin	(35%)	(21%)	17%
Adjusted EBITDA Margin	(24%)	(4%)	14%

Boston Private Wealth Flows

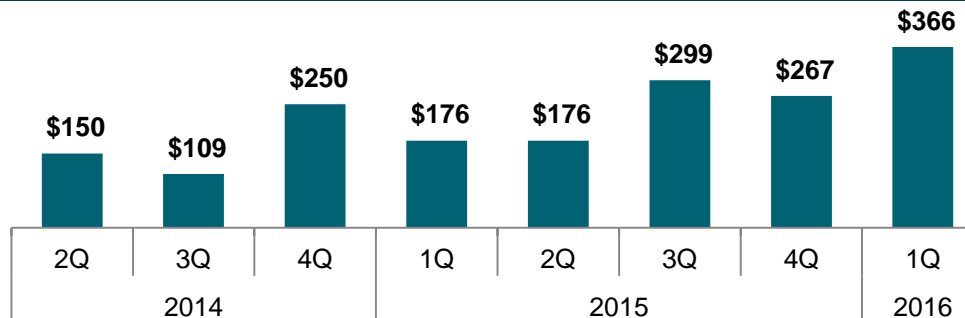
BPW Net Flows (\$ in millions)



Comments

- Net Outflows in 1Q16 of \$422 million were driven by a record of \$366 million in new business generation, offset by elevated client attrition

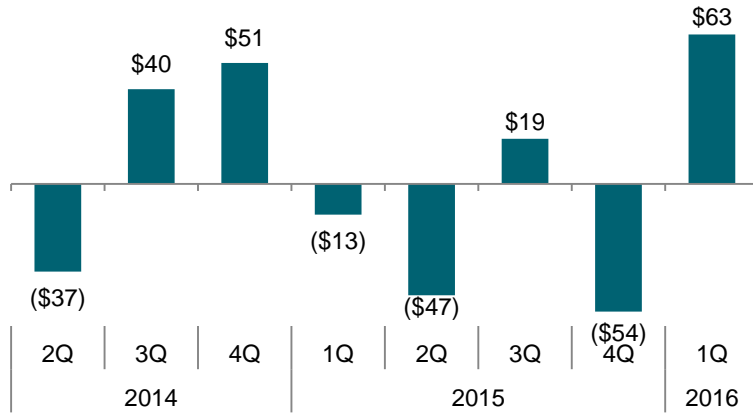
BPW New Business Flows (\$ in millions)



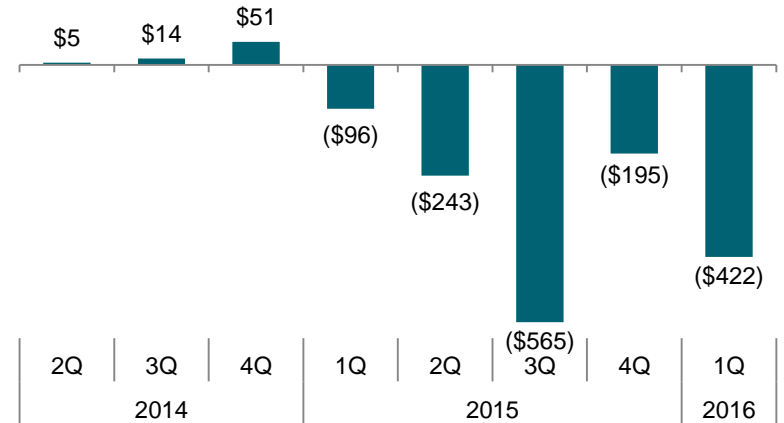
- 1Q16 was the third straight quarter of new business generation over \$250 million
- Pipeline is strong and equally weighted across both coasts

Boston Private AUM Net Flows

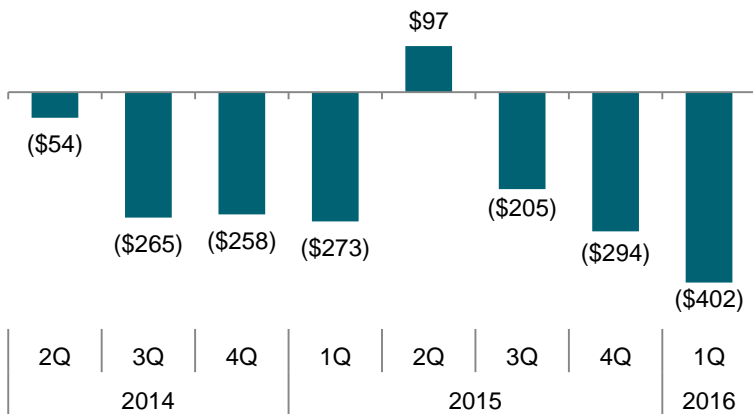
Wealth Advisory (\$ in mm)



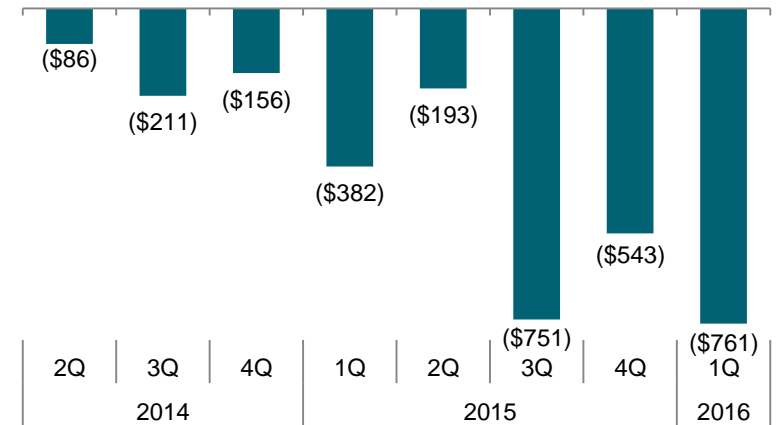
Wealth Management & Trust (\$ in mm)



Investment Management (\$ in mm)



Consolidated (\$ in mm)



Investment Management Performance Highlights

(\$ in millions)

	1Q16	4Q15	1Q15	% Change	
				LQ	Y/Y
Total Revenue	\$10.7	\$10.9	\$11.7	(2%)	(9%)
Operating Expenses	\$8.0	\$8.2	\$8.7	(2%)	(8%)
Pre-tax Income	\$2.6	\$2.7	\$3.0	(2%)	(13%)
Taxes	0.9	0.9	1.0	(3%)	(12%)
NCI	0.5	0.4	0.6	16%	(25%)
Net Income	\$1.3	\$1.4	\$1.4	(7%)	(8%)
Memo EBITDA:					
Pre-tax Income	\$2.6	\$2.7	\$3.0	(2%)	(13%)
Depreciation & Amortization	0.7	0.8	0.8	(11%)	(11%)
EBITDA	\$3.4	\$3.5	\$3.9	(4%)	(13%)

Comments

- Total Revenue decreased 9% year-over year and 2% linked quarter due to net outflows
- Operating Expenses were lower 8% year-over-year representing lower incentive compensation
- Segment EBITDA margin remains above the 30% target

Key Statistics

	1Q16	4Q15	1Q15
Net Flows (\$ in mm)	(\$402)	(\$294)	(\$273)
Total AUM (\$ in mm)	\$9,838	\$9,952	\$10,730
EBITDA Margin	32%	32%	33%
Pre-Tax Margin	25%	25%	26%

Wealth Advisory Performance Highlights

(\$ in millions)				% Change	
	1Q16	4Q15	1Q15	LQ	Y/Y
Total Revenue	\$12.7	\$12.6	\$12.7	1%	0%
Operating Expenses	\$9.7	\$8.2	\$9.1	18%	6%
Pre-tax Income	\$3.1	\$4.4	\$3.6	(30%)	(15%)
Taxes	1.1	1.7	1.3	(34%)	(13%)
NCI	0.4	0.5	0.6	(15%)	(26%)
Net Income	\$1.5	\$2.1	\$1.7	(31%)	(12%)
Memo EBITDA:					
Pre-tax Income	\$3.1	\$4.4	\$3.6	(30%)	(15%)
Depreciation & Amortization	0.4	0.5	0.5	(13%)	(12%)
EBITDA	\$3.5	\$4.8	\$4.0	(29%)	(14%)

Comments

- Total Revenue increased 1% linked quarter
- Operating Expenses increased 6% year-over-year reflecting senior client facing hires at both KLS and BOS

Key Statistics

	1Q16	4Q15	1Q15
Net Flows (\$ in mm)	\$63	(\$54)	(\$13)
Total AUM (\$ in mm)	\$9,857	\$9,688	\$10,012
EBITDA Margin	27%	38%	32%
Pre-Tax Margin	24%	35%	28%