

BOSTON PRIVATE

WEALTH ▫ TRUST ▫ PRIVATE BANKING

# Annual Shareholder Meeting

April 19, 2018

Clayton G. Deutsch

Chief Executive Officer

# Topics

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1. 2017 Look Back
2. 1Q18 Highlights
3. Priorities for 2018

# 2017 Full Year Performance

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<b><u>Performance Metric</u></b>	<b><u>2016</u></b>	<b><u>2017</u></b>
ROCE <sup>1</sup>	10.2%	10.1%
GAAP Net Income	\$72 mm	\$41 mm
Operating Net Income <sup>1</sup>	\$77 mm	\$79 mm
Total Revenue <sup>1</sup> Growth	2.7%	6.6%
PTPP <sup>1</sup> Growth	7.8%	2.3%
Average Loan Growth	5.8%	9.2%
Average Deposit Growth	4.8%	8.6%
Tier 1 Common Equity / RWA	10.0%	10.3%
Non-performing Assets / Total Assets	0.24%	0.17%

<sup>1</sup>Operating metrics have been adjusted to exclude the impact of items related to the impairment of goodwill; restructuring; gain/ (loss) on sale of affiliates or offices; the divestiture of Anchor; related tax impacts of these items, if any; and the impact of the Tax Cuts and Jobs Act.

# 2017 Highlights

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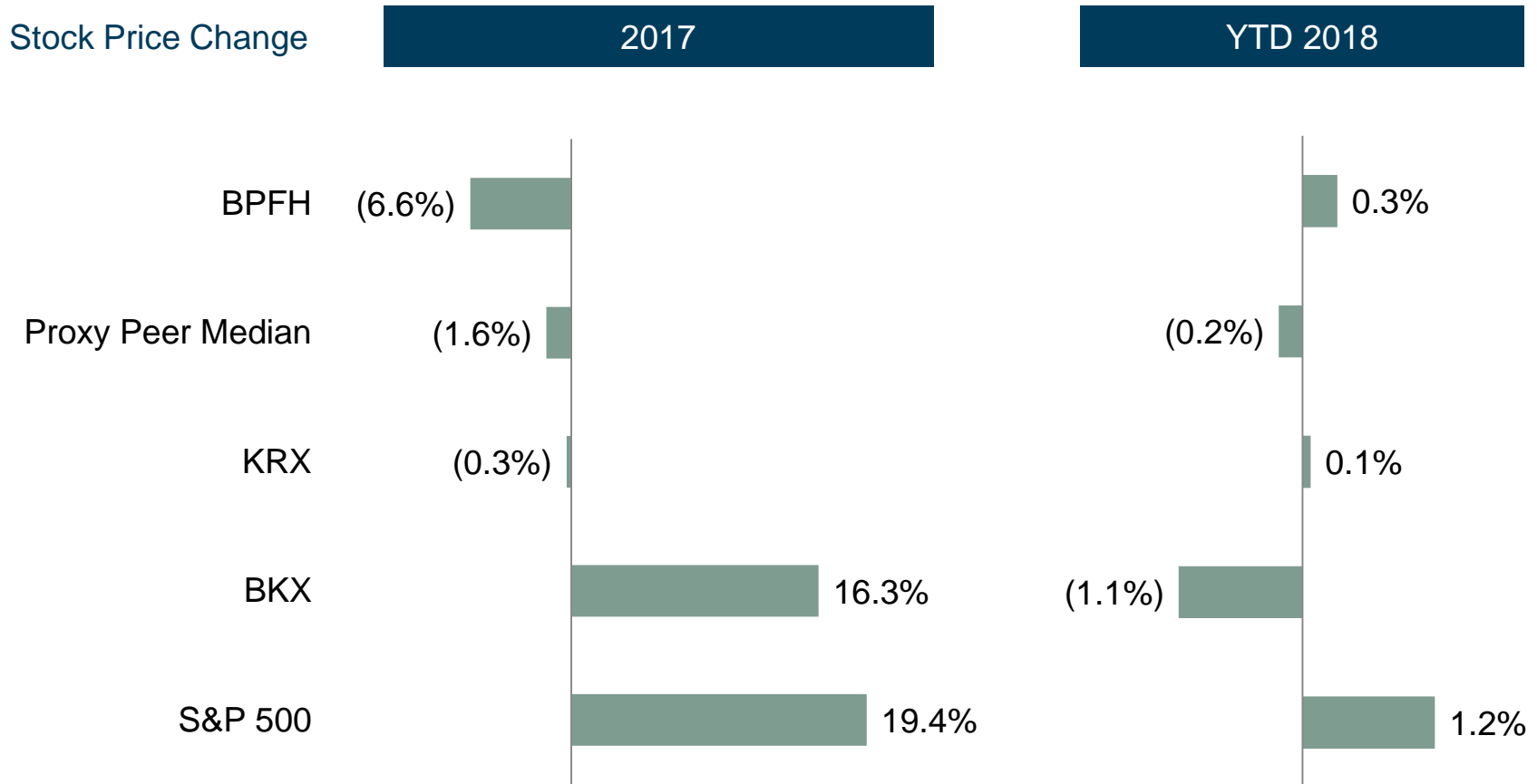
- » Return of capital to shareholders
  - Fifth consecutive annual increase of quarterly dividend to \$0.12
- » Continued excellence in risk management & strong asset quality
- » Strengthened Private Bank performance in all markets
- » Positive net flows in all four quarters at Boston Private Wealth
- » Increasingly clear evidence of the power of “One Boston Private”
- » Divestiture of Anchor Capital (announced in 2017, completed in April 2018)
- » Continued Board Advancement: added Luis A. Ubiñas to the Board of Directors

# Q1 2018 Highlights

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- » Operating leverage and earnings growth
  - Pre-tax, pre-provision income growth of 23% year-over-year
  - Diluted earnings per share growth of 59% year-over-year
- » Growth of key revenue drivers
  - Average loan growth of 6% year-over-year to \$6.5 billion
  - Average deposit growth of 1% year-over-year to \$6.4 billion
  - AUM (excluding Anchor) increased 8% year-over-year to \$21.2 billion
- » Continued credit quality excellence
- » Positive balance sheet development: steady liquidity and strong capital base
- » Investing in the future of the Company: new hires in business development, upgrades to technology

# Perspective on Recent Stock Price Performance



Note: Data as of 4/17/18

# 2018: Our Critical Building Blocks for Success

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**1** Execute the Technology plan

**2** Translate strategic staffing into operating leverage

**3** Continue to raise our game in client engagement and client experience

**4** Build upon current Boston Private Wealth strength to create growth and earnings expansion for BPFH

**5** Focus on “One Boston Private” market development and management processes/ability

**6** Thoughtfully redeploy growing capital base