



BOSTON PRIVATE

FINANCIAL HOLDINGS, INC.

Annual Meeting

Clayton G. Deutsch
CEO and President

April 27, 2011

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.

Statements in this presentation that are not historical facts are 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, which are based on certain assumptions and describe our future plans, strategies and expectations, 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 our 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, changes in assumptions or unanticipated factors adversely affecting the timing, among other matters, of expenses or cost savings relating to or resulting from the consolidation of the Company's banking subsidiaries; 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 a continuing deterioration in general economic conditions on a national basis or in the local markets in which the Company operates, including changes which adversely affect borrowers' ability to service and repay our loans; changes in loan defaults and charge-off rates; changes in the value of securities and other assets, adequacy of loan loss reserves, or deposit levels necessitating increased borrowing to fund loans and investments; increasing government regulation, such as the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010; the risk that goodwill and intangibles recorded in the Company's financial statements will become impaired; and risks related to the identification and implementation of acquisitions; 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. 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.

Forward Looking Statement

Please note that the loan classifications are assessments made by the Company of the status of the loans based on the facts and circumstances known to the Company, and management's judgment, at that time of assessment. Some or all of these classifications may change in the future if there are unexpected changes in the financial condition of the borrower, including but not limited to, changes resulting from continuing deterioration in general economic conditions on a national basis or in the local markets in which the Company operates adversely affecting, among other things, real estate values. Such conditions, as well as other changes which adversely affect borrowers' ability to service or repay loans, typically result in changes in loan default and charge-off rates, as well as increased provisions to loan loss reserves, which adversely affect financial performance and financial condition of companies such as Boston Private. These circumstances are not entirely foreseeable and as a result, may not be able to be accurately reflected in the Company's analysis of credit risk.

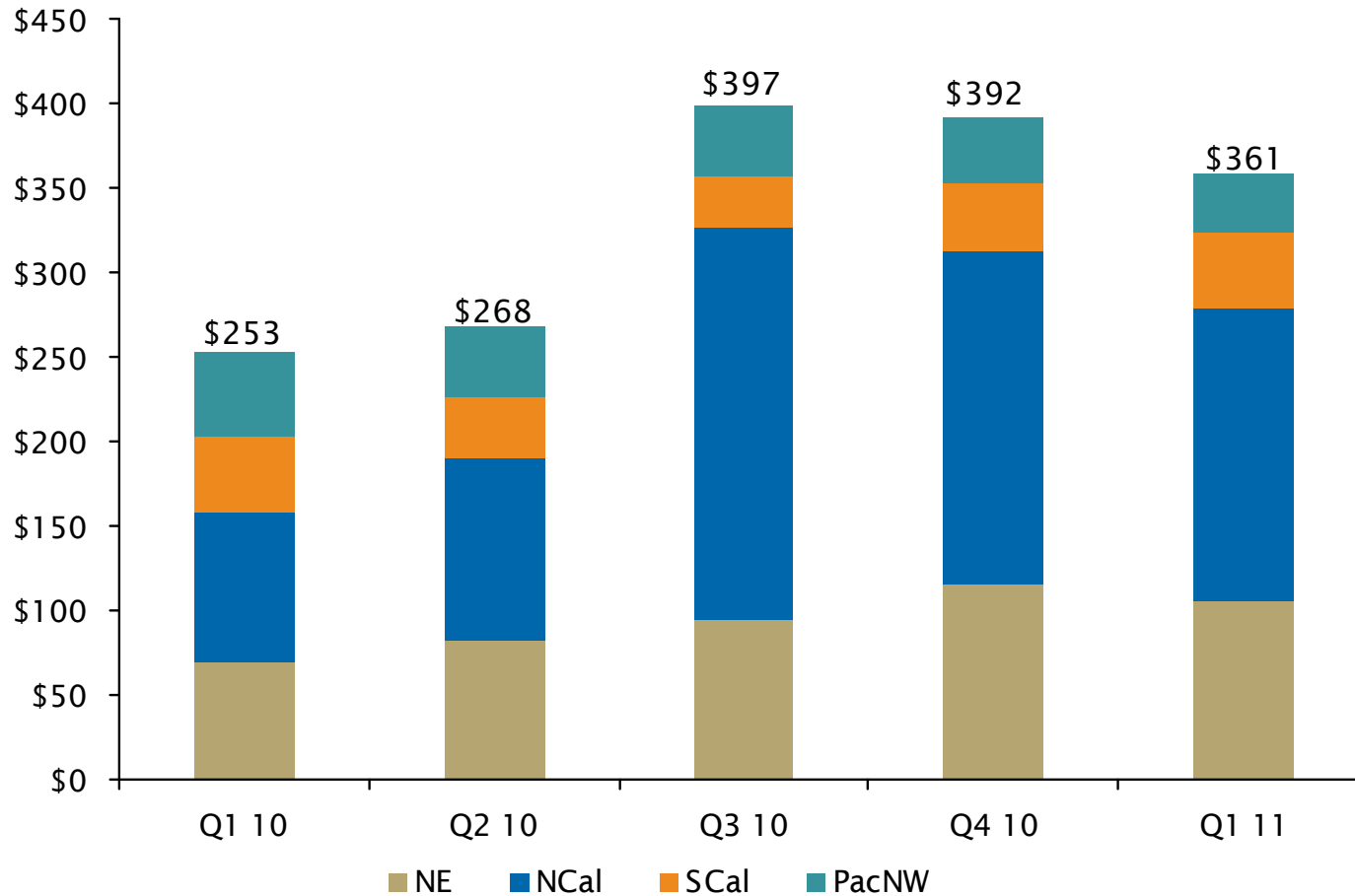
In particular, loans that form the category "Special Mention" are considered more variable than other categories, since they will typically migrate through categories more quickly.

Our Priorities

1. Arresting our credit problems and reducing the overall risk profile of our balance sheet
2. Positioning our Company for growth and returns from our core businesses

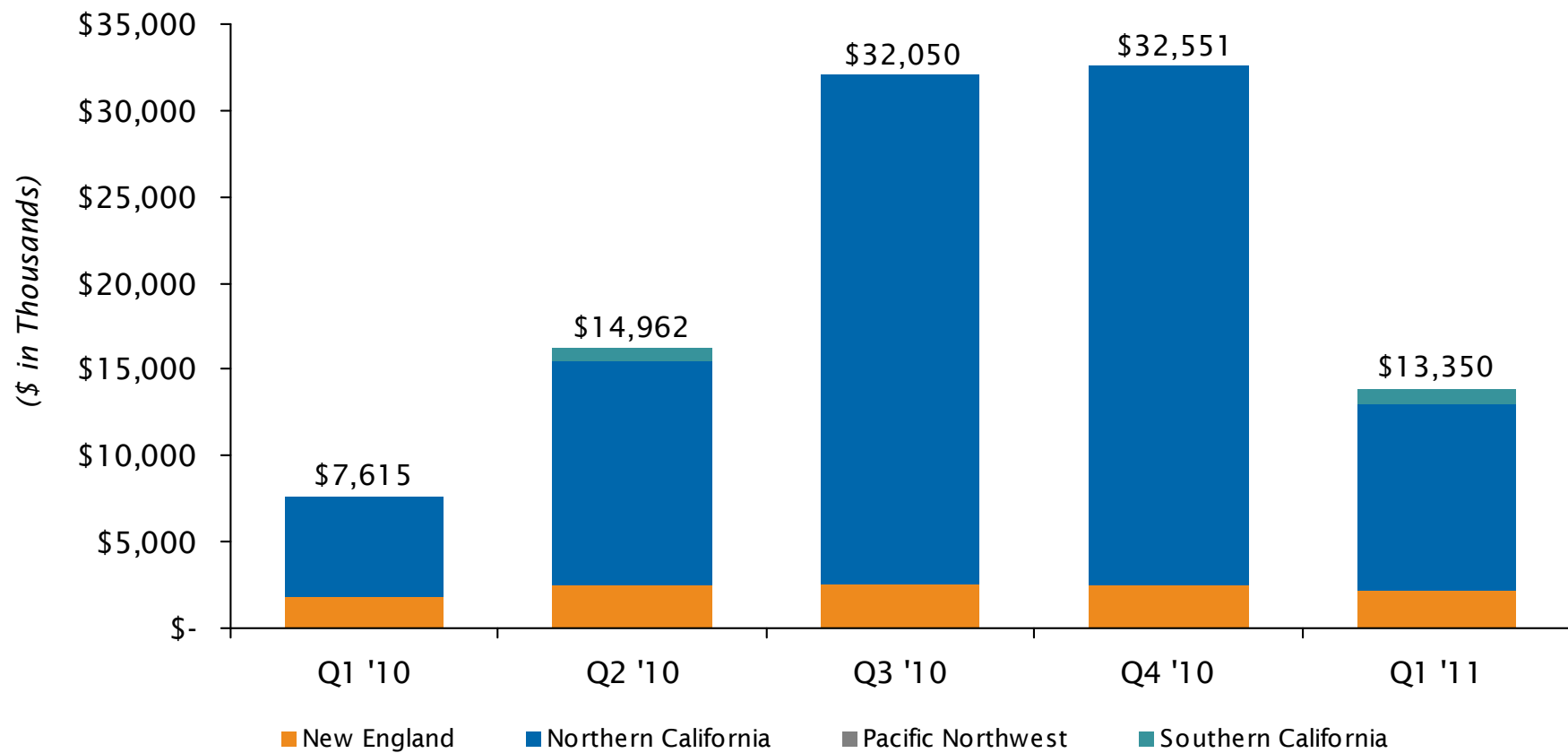
Criticized Loans (Classified + Special Mention) By Region

Criticized Loans declined 8% linked quarter

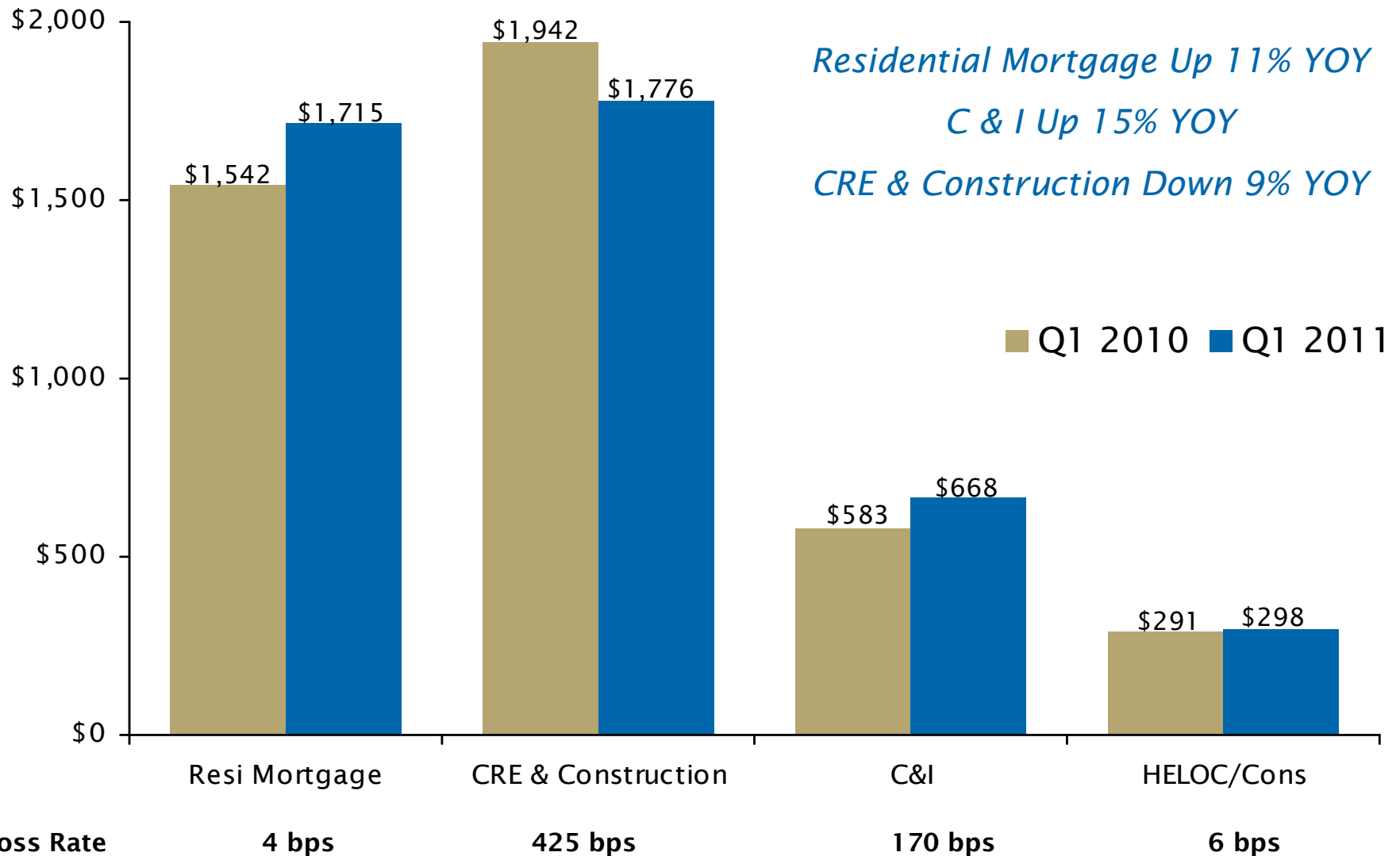


*Special Mention is a "Pass Rated" loan but is used as a transitory category with higher volatility

Provision for Loan Losses



Restructuring Our Balance Sheet



*Average from 2008-Q1 11

Steps to Strengthen Our Lending and Credit Discipline

Put high levels of Company resources into credit, lending, workout and recovery

- New CEOs
- New Chief Lender and Chief Credit Officer
- Additional build out of commercial lending and credit below CLO and CCO
- Tighter controls
- Additional employees and contract resources added to workout teams

Our Priorities Continued

1. Arresting our credit problems and reducing the overall risk profile of our balance sheet

2. Positioning our Company for growth and returns from our core businesses
 - Merge our four Private Banks into one high performing Private Banking entity
 - Improves cost and profitability
 - Positions our core business lines for growth in all markets
 - Drive cost out of the Company overall
 - Place renewed emphasis on our fee-based Wealth Management businesses

Private Banking Group Performance Highlights – YOY

(\$millions)	Q1 2010	Q1 2011	% Change	Results Driven By:
NII	\$46.5	\$45.5	(2%)	
Fees	\$7.0	\$7.2	3%	
<u>Other Revenue</u>	<u>\$1.8</u>	<u>\$1.4</u>	<u>(24%)</u>	Decrease due to loan remixing and earning asset hunger
Total Revenue	\$55.4	\$54.1	(2%)	
Operating Expenses	\$35.3	\$37.4	6%	
Restructuring	--	\$0.9	NM	Increase driven by staffing, credit and legal costs
<u>Total Expenses</u>	<u>\$35.3</u>	<u>\$38.3</u>	<u>8%</u>	
*PTPP	\$20.1	\$15.8	(21%)	
<u>Provision</u>	<u>\$7.6</u>	<u>\$13.4</u>	<u>75%</u>	
Pre-Tax Income	\$12.5	\$2.5	(80%)	
Efficiency Ratio	64%	71%		

*Pre-tax, pre-provision income

Our Private Banking Group Restructuring Plan

- Merge four banks into one
- 12 month consolidation program – detailed timetable and calendar
- Filed for regulatory approval on Feb. 2; received approval Mar. 31
- Now implementing target operating model and organization structure

Summary of Expected Benefits

- Preserves and enhances our distinctive client service skills
- Levers distinctive, economically attractive, and deliverable product platforms
- Streamlines shared services
 - Better risk management
 - Efficiencies
- Creates strong balance sheet, improved P&L, and more efficient capital base

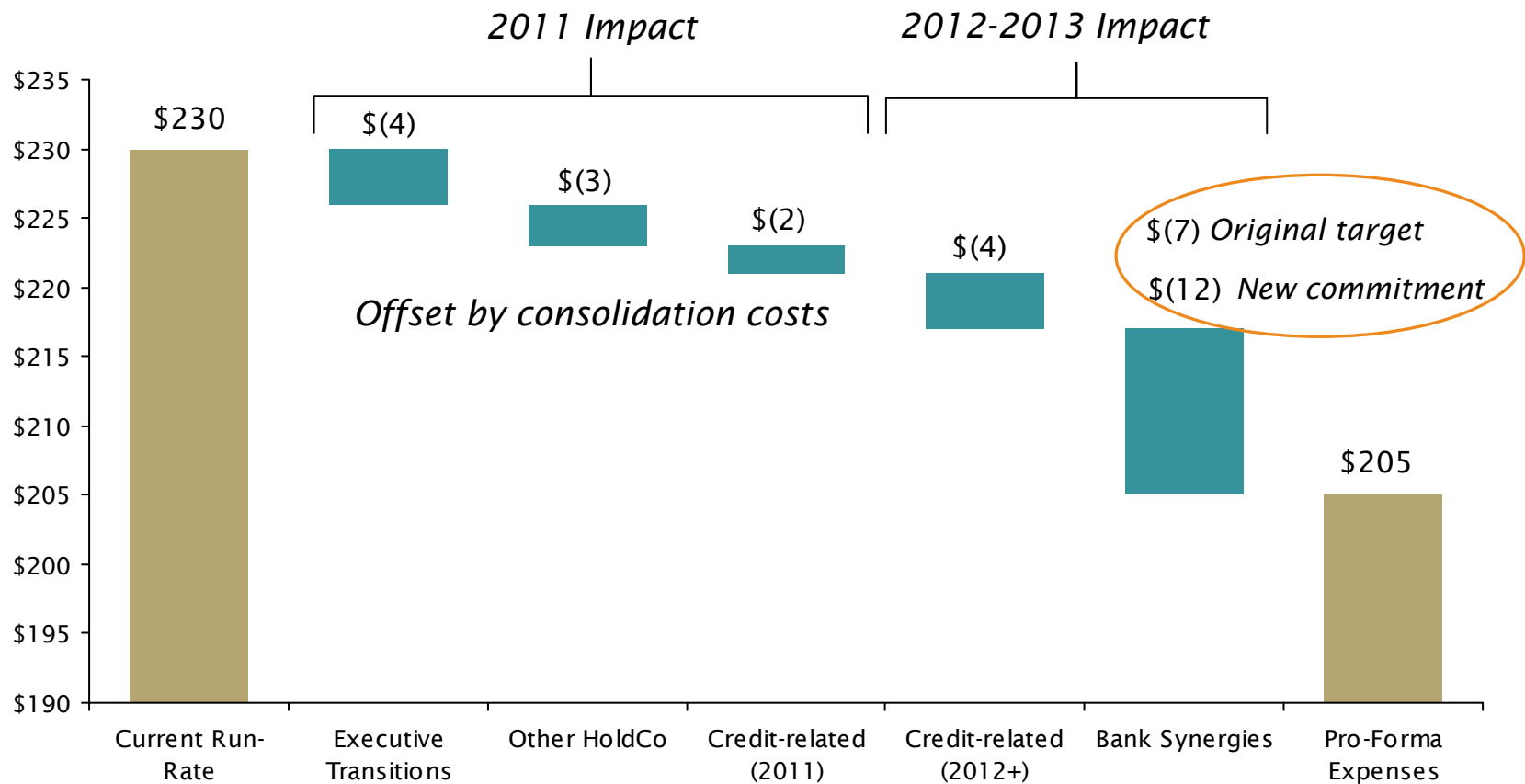
Summary of Estimated Financial Effects

- “Day One” balance sheet is strong
 - Pro forma risk-based capital expected to be above 12%
 - Improved credit and risk metrics
- Cost savings of 8-9% of current Private Banking Group cost structure
- Total transition costs of \$6-\$7 million; full run rate savings of \$12 million realized by mid-year 2012

Our Cost Program

Previously announced \$20M target reduction becomes \$25M with consolidation

BPFH \$25mm Cost Reduction Plan (in \$millions)

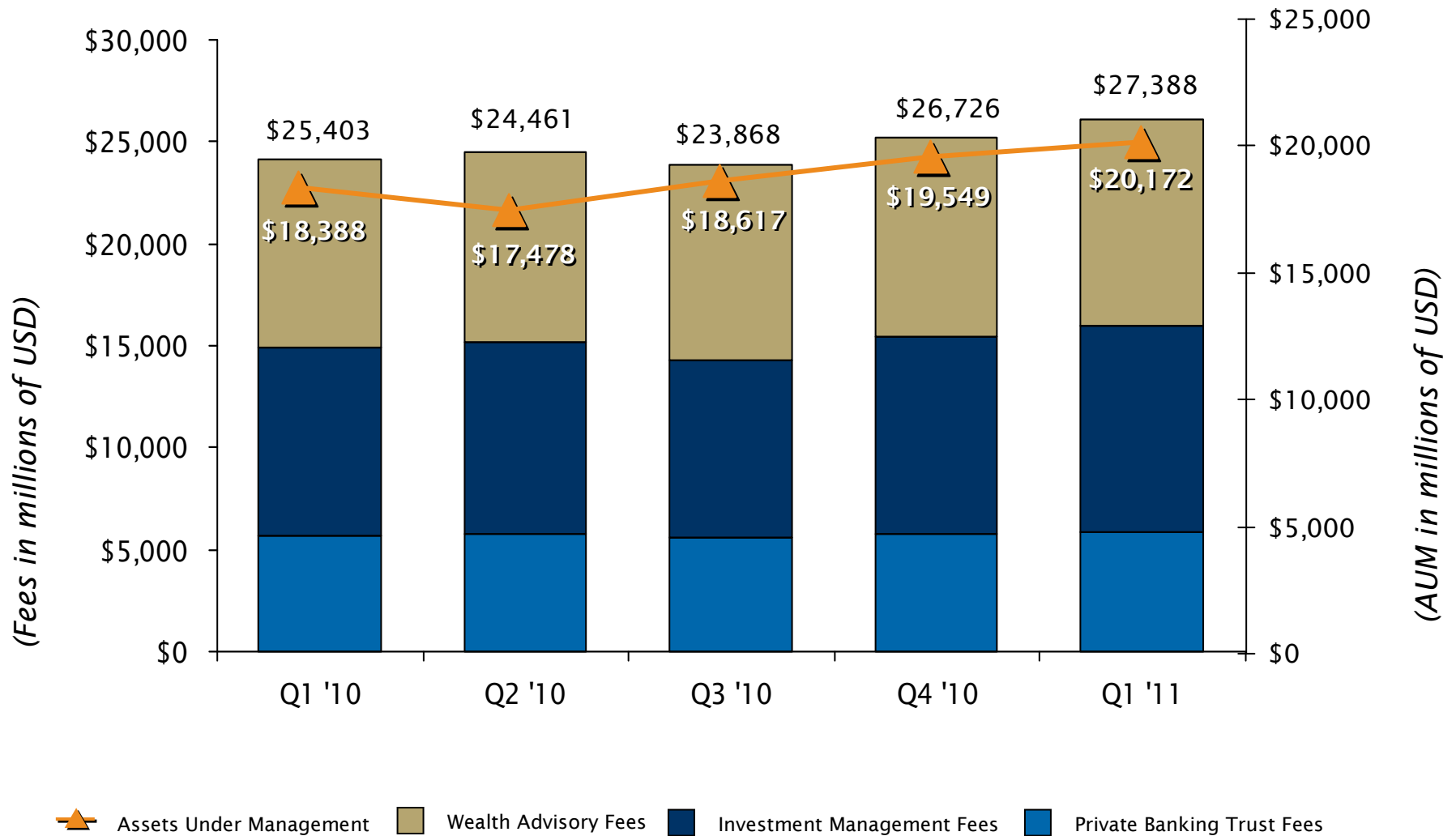


Wealth Management Performance Highlights – YOY

<i>(\$millions)</i>	Q1 2010	Q1 2011	% Change
Inv Mgt Fees	\$9.2	\$10.1	11%
Wealth Adv Fees	\$9.3	\$10.1	9%
Total Revenue	\$18.4	\$20.2	10%
<u>Operating Expenses</u>	<u>\$14.6</u>	<u>\$16.0</u>	<u>9%</u>
*Pre-Tax Income	\$3.8	\$4.3	12%
EBITDA Margin	27%	27%	--
Pre-Tax Margin	21%	21%	--
AUM (\$Billions)	\$14.8	\$16.5	11%
Net Flows (\$millions)	\$17	\$33	94%

**Excludes impairment*

Fee Business





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