

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Second Quarter 2011 Results

Clayton Deutsch
President & CEO

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July 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 decreases in 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; the risk that the Company's deferred tax asset may not be realized; 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.

GAAP Net Income to Common Stockholders

	\$ Amount	EPS Impact
GAAP Net Income from Continuing Operations	\$13.8M	\$0.17
Income from Discontinued Operations	\$1.5M	\$0.02
Non-cash equity adjustments	(\$0.2M)	\$0.00
Non-controlling interests	(\$0.8M)	(\$0.01)
GAAP Net Income to Common Stockholders	\$14.3M	\$0.17

Consolidated P&L Highlights – Linked Quarter

<i>(\$millions)</i>	Q1 2011	Q2 2011	% Change	
NII	\$43.7	\$46.0	5%	Results Driven By: Stable NIM Fee growth across all affiliates
Fees*	\$27.4	\$27.9	2%	
<u>Other Revenue**</u>	<u>\$2.7</u>	<u>\$4.4</u>	<u>63%</u>	
Total Revenue	\$73.8	\$78.3	6%	Booked \$6.2M (75%) of merger-related restructuring costs to date
Operating Expenses	\$59.8	\$58.2	(3%)	
Restructuring	\$1.9	\$4.3	126%	
Total Expenses	\$61.7	\$62.5	1%	
PTPP***	\$12.1	\$15.8	31%	
<u>Provision/(Credit)</u>	<u>\$13.4</u>	<u>(\$2.2)</u>	<u>NM</u>	
Pre-Tax (Loss)/Income	(\$1.3)	\$18.0	NM	
Efficiency Ratio	84%	80%	(5%)	

*Includes IM&T fees and other private banking fees

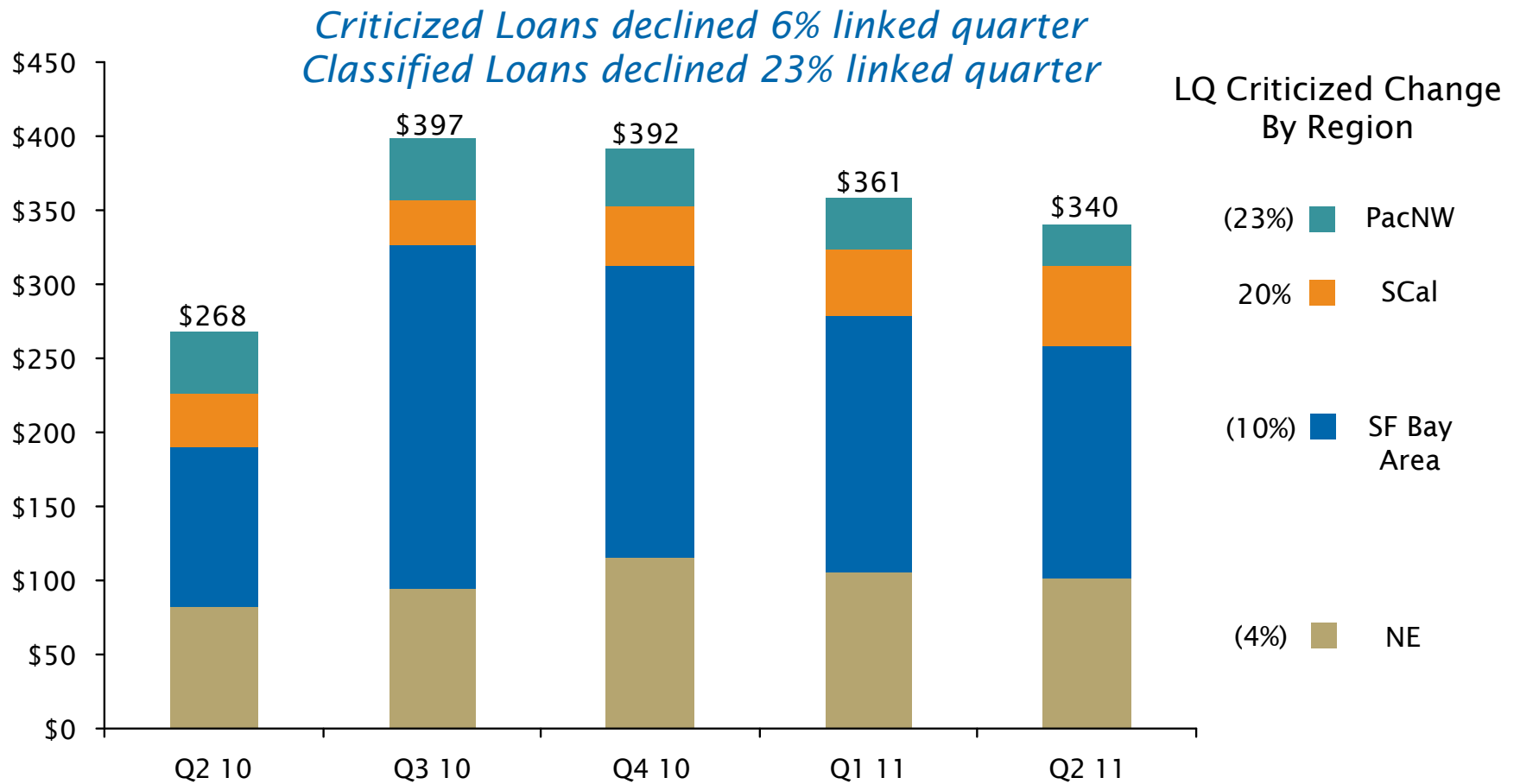
**Includes gain on sale of investments, loans and other

***Pre-tax, pre-provision income

Highlights From The Quarter

- Our program to reduce the overall risk in the Company is gaining traction
- Merger of our Private Banks was successfully completed in Q2, our post-merger conversion and consolidation program is on track
- The underlying earnings power of our businesses is becoming more evident

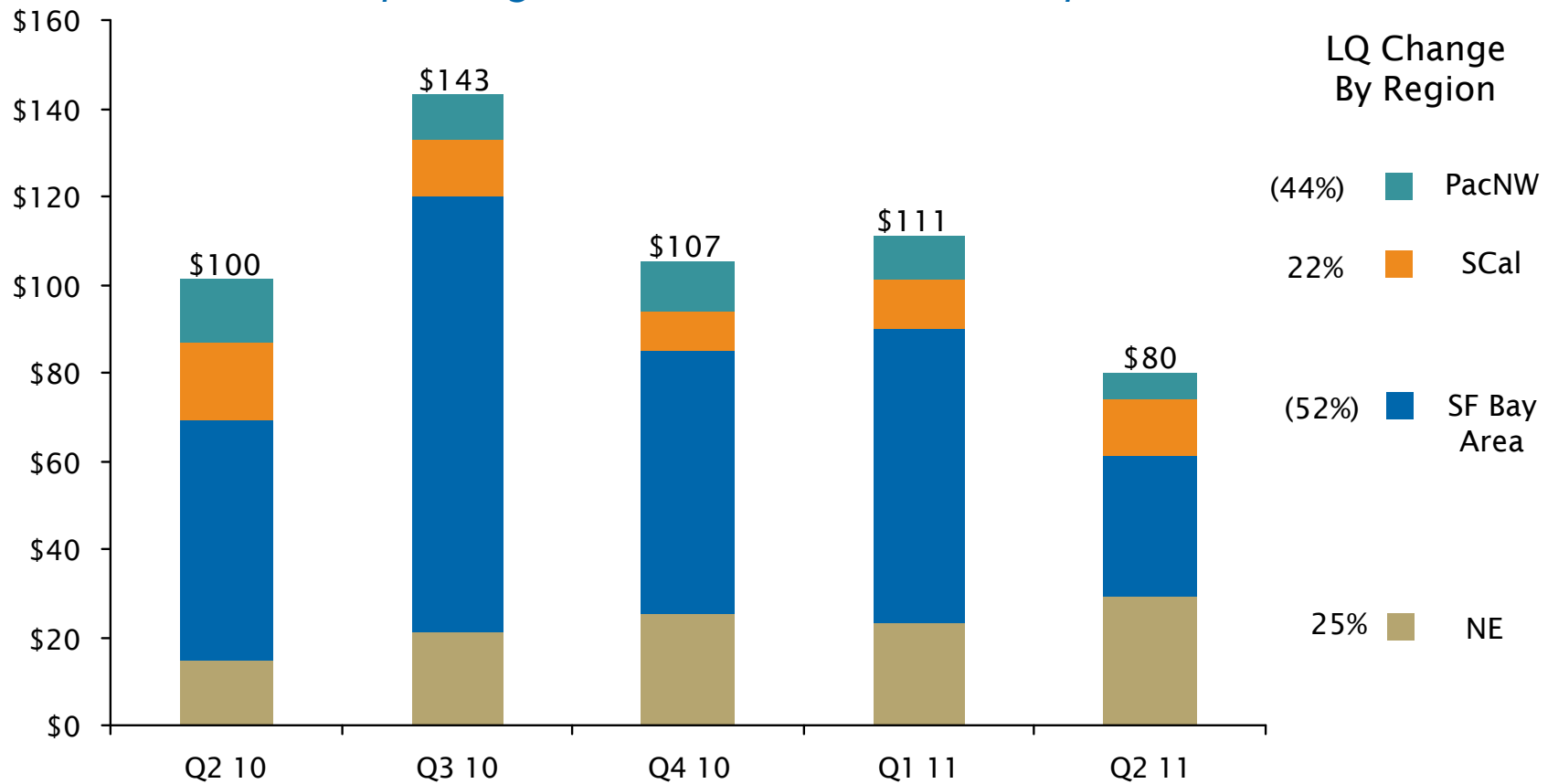
Criticized Loans By Region (Classified + Special Mention*)



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

Non-Performing Loans By Region

Non-Performing Loans declined 28% linked quarter

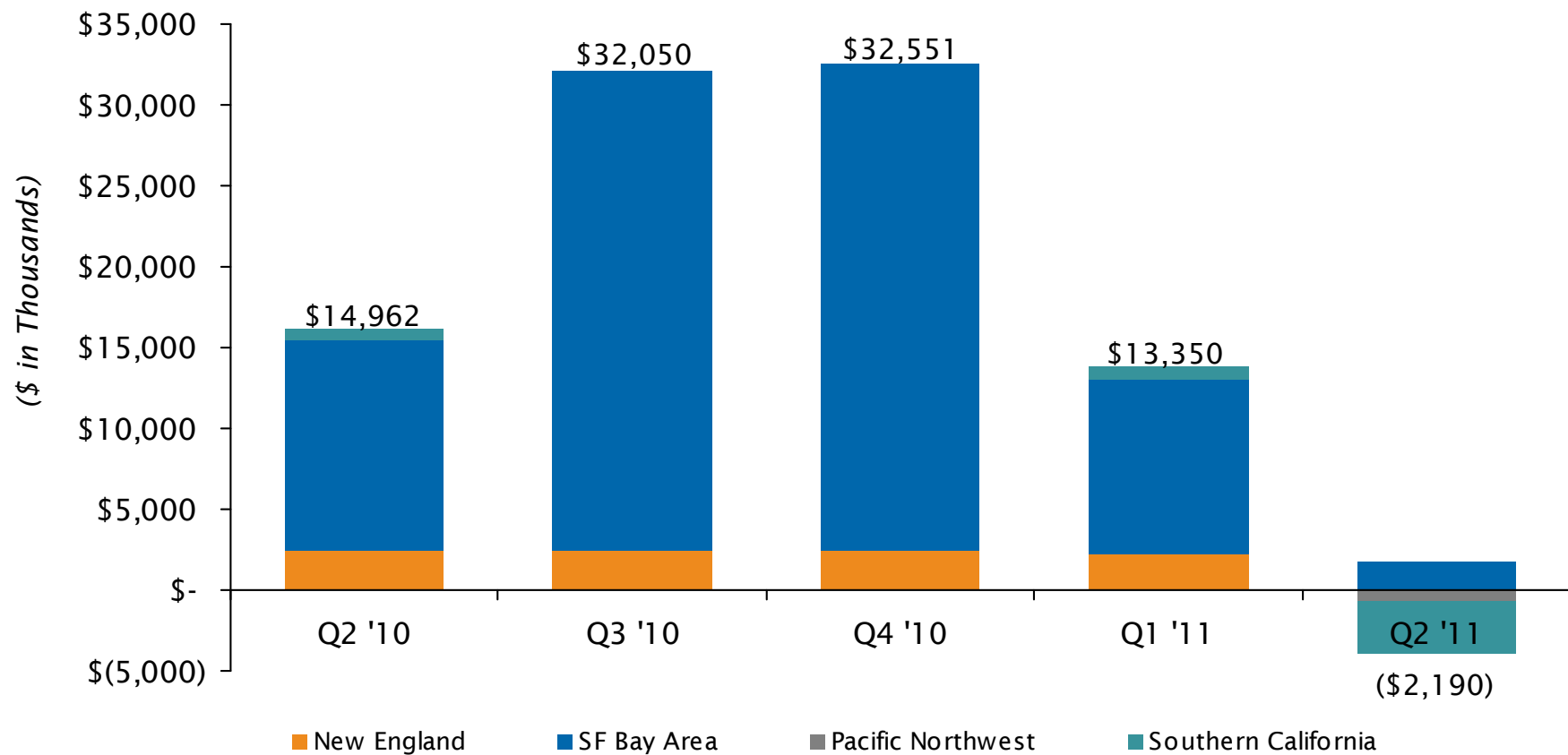


Credit Quality Metrics

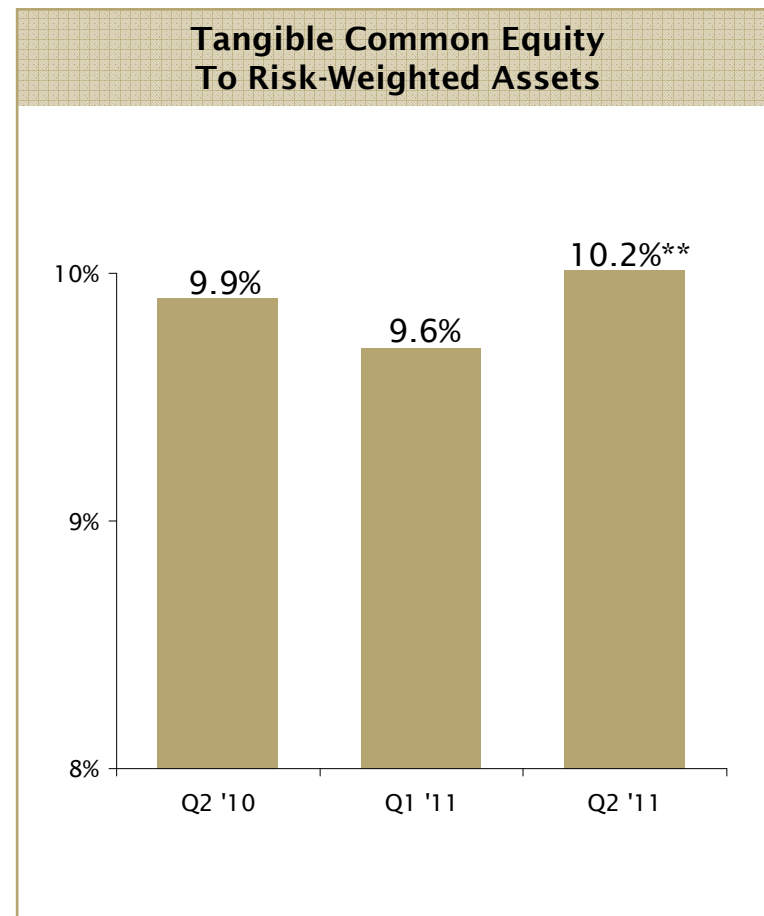
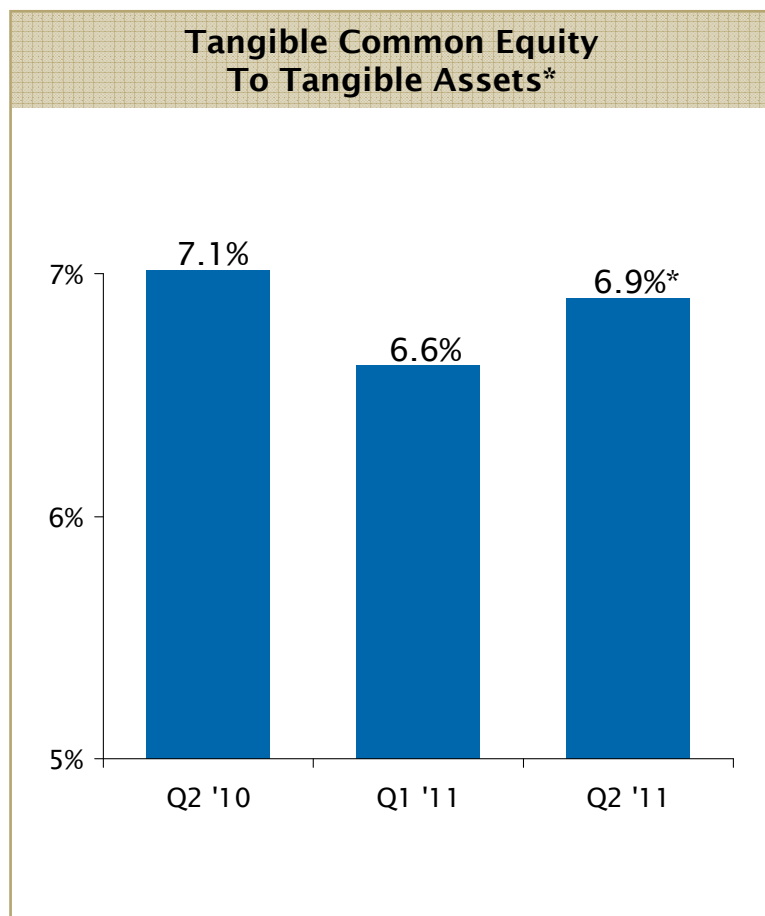
	Q2-11	Q1-11	Q4-10	Q3-10	Q2-10
NPLs/Loans	1.81%	2.50%	2.39%	3.16%	2.23%
NCOs, (Recoveries)/Loans*	(0.6%)	1.03%	3.05%	0.98%	0.82%
Past Dues/Loans	0.15%	0.83%	0.55%	0.37%	0.17%
ALLL/NPLs	124%	90%	92%	70%	81%
ALLL/Loans	2.24%	2.25%	2.20%	2.21%	1.76%

* Annualized

Provision for Loan Losses



Stronger Capital Position



*Includes Carlyle Preferreds and the redeemable non-controlling interest

**Pro forma

Private Banking Group Performance Highlights – Linked Quarter

(\$millions)	Q1 2011	Q2 2011	% Change	Results Driven By:
NII	\$45.5	\$47.8	5%	Declining deposit costs Earning asset hunger
Fees*	\$7.2	\$7.3	1%	
<u>Other Revenue**</u>	<u>\$1.4</u>	<u>\$2.6</u>	<u>86%</u>	
Total Revenue	\$54.1	\$57.7	7%	
Operating Expenses	\$37.4	\$37.1	(1%)	
Restructuring	\$0.9	\$3.6	NM	Expense development as expected Includes investments in growth
Total Expenses	\$38.3	\$40.7	6%	
PTPP***	\$15.8	\$17.0	8%	
<u>Provision</u>	<u>\$13.4</u>	<u>(\$2.2)</u>	<u>NM</u>	Reflects asset quality improvement and portfolio remix
Pre-Tax (Loss)/Income	\$2.5	\$19.2	NM	
Efficiency Ratio	71%	71%	---	

*Includes IM&T fees and other private banking fees

**Includes gain on sale of investments, loans and other

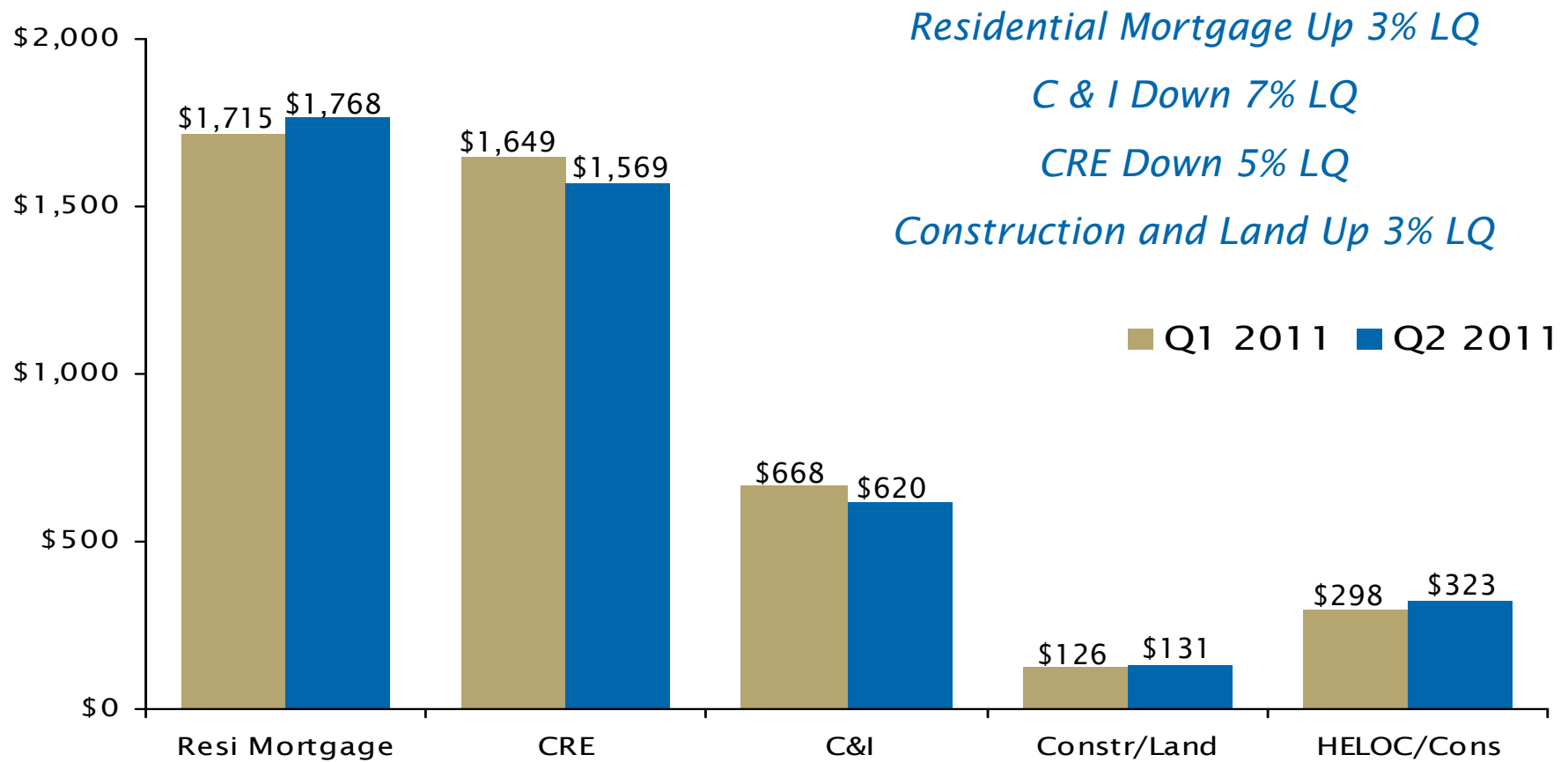
***Pre-tax, pre-provision income

Our Loan Portfolio At A Glance

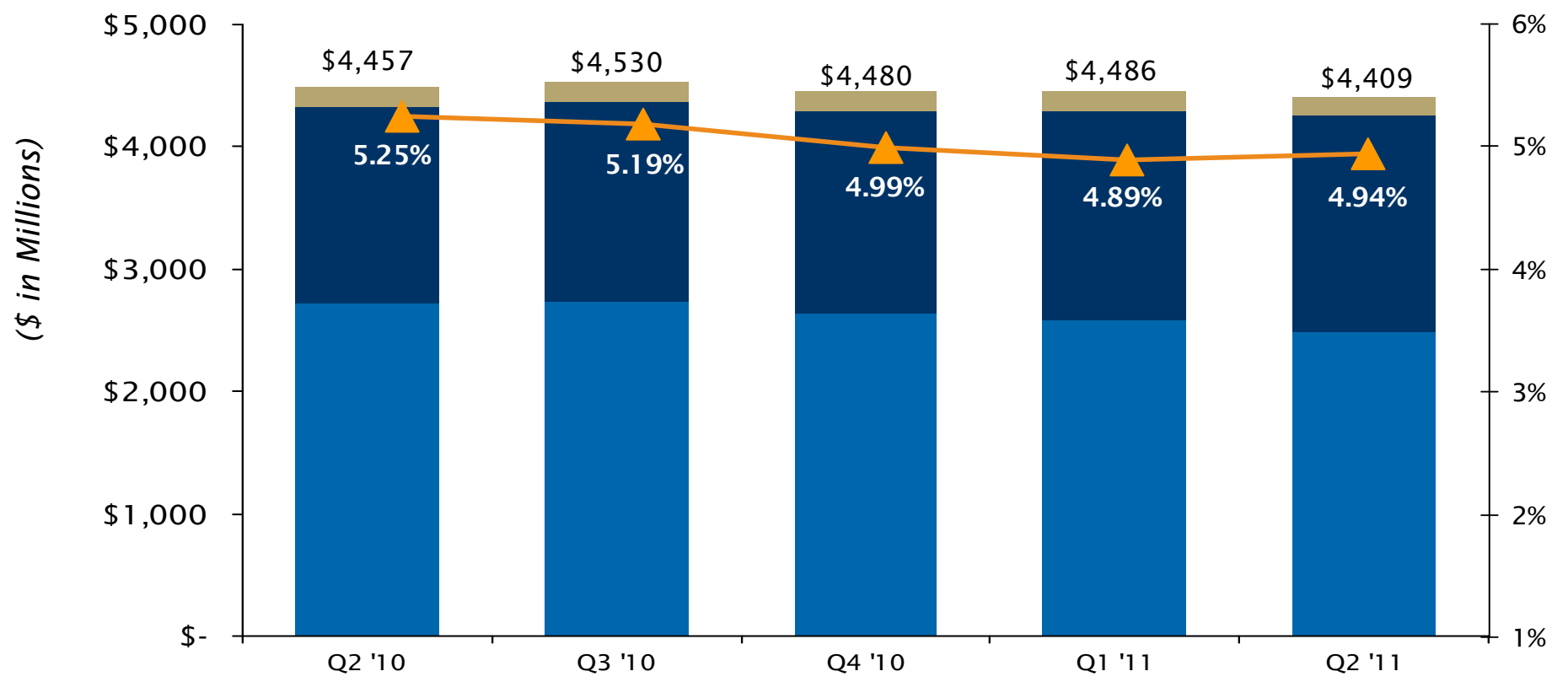
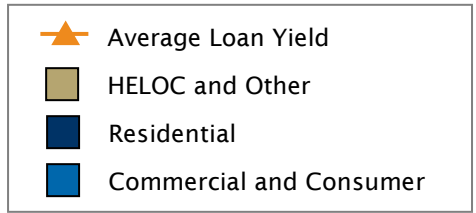
(\$millions)	NE	SF Bay Area	Scal	PacNw	Total	Q2 11 Portfolio Facts: Resi Mortgage 40% of total portfolio 46% '09 - '10 Vintages NCOs of 5 bps C&I 14% of total portfolio 77% in NE NCOs of 5 bps CRE/Construction 39% of total portfolio 78% of criticized loans NCOs of (14) bps 59% of Non-Accrual Loans are paying as agreed
Resi Mortgage	\$1,218	\$321	\$177	\$52	\$1,768	
HELOC/Cons	\$231	\$66	\$17	\$6	\$323	
C&I	\$480	\$60	\$45	\$34	\$620	
CRE	\$625	\$670	\$170	\$102	\$1,569	
Constr/Land	\$78	\$42	\$3	\$7	\$131	
Total Loans	\$2,633	\$1,160	\$413	\$201	\$4,409	

*Excludes eliminations and misc. non-bank loans

Evolution of Our Loan Portfolio

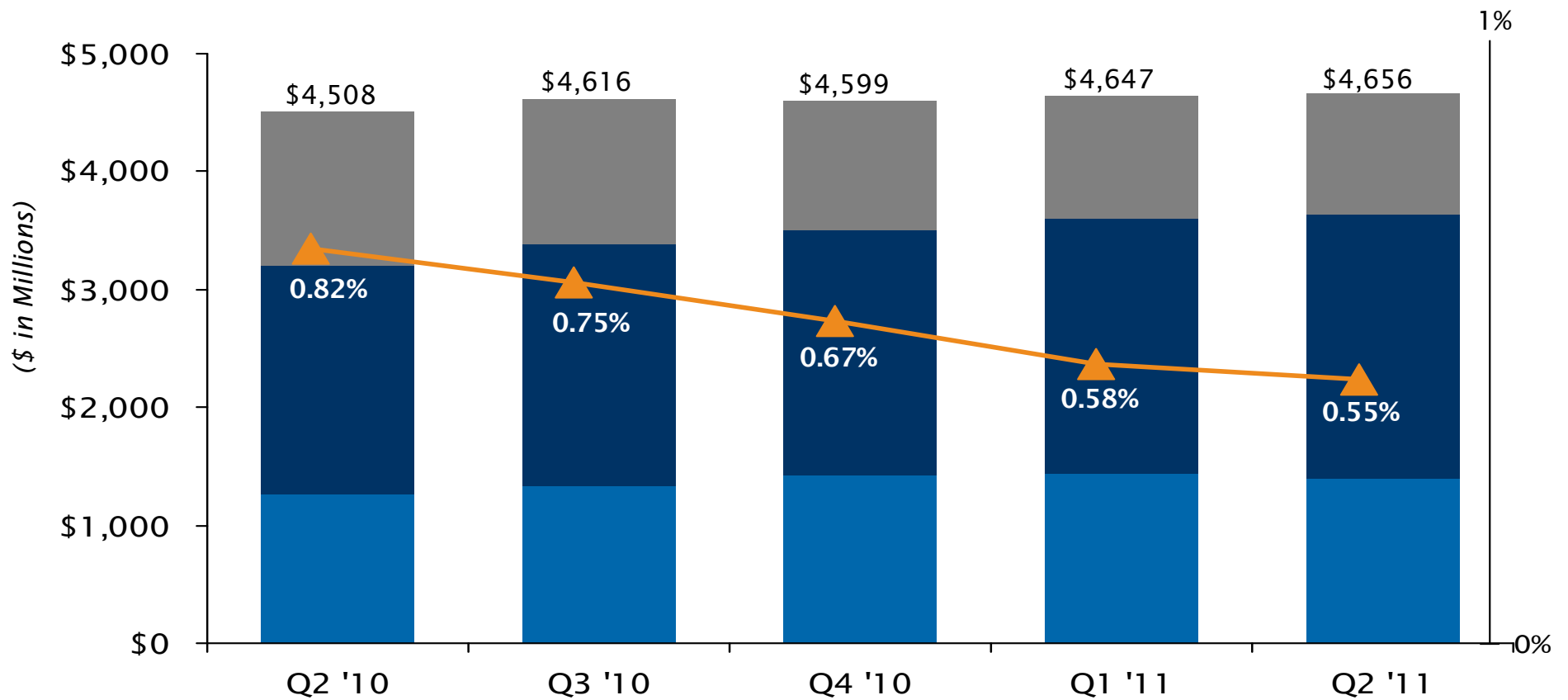
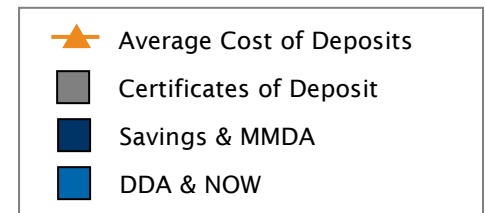


Loan Yields



Excluding Loans Held for Sale

Deposit Costs



Total Deposits including DDA

Merger Update

- Four banks successfully merged as Boston Private Bank & Trust on May 27, 2011
- Unified, consolidated management team fully staffed and operating
- Post-merger consolidation and conversion plan on track vs. end-of-year 2011 and 2012 milestones
- One-time conversion costs revised upward from \$6 - \$7 million to a new total of approximately \$8 million (\$6.2M already expensed)
- Merger-enabled cost reductions and savings estimates remain as planned (\$12 - \$13 million)

Wealth Management Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q1 2011	Q2 2011	% Change	Results Driven By:
Inv Mgt Fees	\$10.1	\$10.3	2%	
Wealth Adv Fees	\$10.1	\$10.3	2%	
Total Revenue	\$20.2	\$20.6	2%	
<u>Operating Expenses</u>	<u>\$15.9</u>	<u>\$15.8</u>	---	Positive operating leverage, translating into margin expansion
Pre-Tax Income	\$4.3	\$4.8	12%	
EBITDA Margin	27%	29%	7%	
Pre-tax Margin	21%	23%	10%	
AUM (\$B)	\$16.5	\$16.5	---	
Net Flows (\$M)	\$33	(\$129)	NM	

Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q1 2011	Q2 2011	% Change	Results Driven By:
NII	(\$1.8)	(\$1.8)	-	
<u>Other Revenue</u>	<u>\$1.3</u>	<u>\$1.8</u>	<u>38%</u>	Repurchased \$5M in TRUPS at 40% discount
Total Revenue	(\$0.5)	-	-	
Operating Expenses	\$6.4	\$5.2	(19%)	
Restructuring	\$1.1	\$0.7	(36%)	
Total Expenses	\$7.5	\$5.9	(21%)	
<u>Westfield Payment*</u>	<u>\$3.0</u>	<u>\$2.7</u>	<u>(10%)</u>	
HoldCo Pre-Tax Loss	(\$5.0)	(\$3.2)	36%	

*12.5% revenue share through 2017, shown net of tax in Discontinued Operations

Harnessing the Underlying Earnings Power Of Our Businesses

Private Banking

- Stable NIM, with disciplined growth June 2011 (vs. June 2010)
 - Residential Mortgage +9%
 - Commercial Lending - 6%
 - DDA Deposits +13%
 - Savings/MMA +15%
 - CDs - 21%
- Build out of West Coast mortgage origination and commercial lending
- Expansion of IM&T capability and West Coast presence
- Funding of 2 new offices and 2 substantial upgrades

Wealth Management

- Continued demonstration of revenue growth and associated margin expansion
- Focus on client acquisition and development

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