

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

First Quarter 2012 Results

Clayton Deutsch
CEO & President

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April 26, 2012

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.

Consolidated P&L Highlights – Linked Quarter

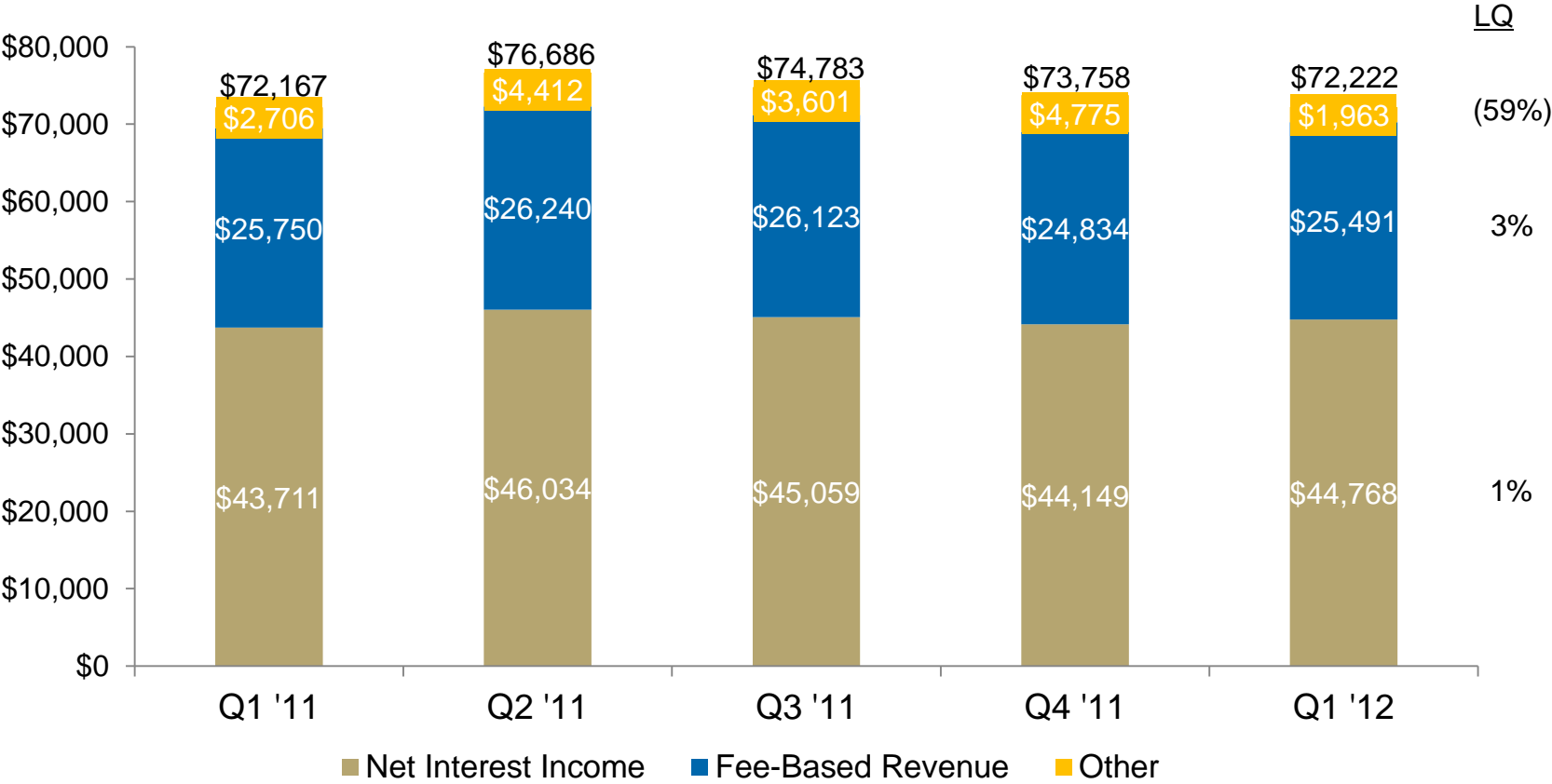
<i>(\$millions)</i>	Q4 2011	Q1 2012	% Change	Results Driven By:
NII	\$44.1	\$44.8	1%	NIM up 6 bps to 3.23%
Fees*	\$24.8	\$25.9	3%	
<u>Other Revenue**</u>	<u>\$4.8</u>	<u>\$2.0</u>	<u>(59%)</u>	Q4 2011 reflects gains on debt repurchase and gain on sale of OREO
Total Revenue	\$73.8	\$72.2	(2%)	
Operating Expenses	\$57.3	\$55.5	(3%)	5% decline in salaries and benefits 32% decline in FDIC insurance
Restructuring	\$0.6	\$0.1	(79%)	
<u>Total Expenses</u>	<u>\$58.0</u>	<u>\$55.6</u>	<u>(4%)</u>	
PTPP***	\$16.3	\$17.4	7%	
<u>Provision/(Credit)</u>	<u>(\$2.5)</u>	<u>\$4.0</u>	<u>NM</u>	
Pre-Tax Income	\$18.8	\$13.4	(29%)	
Efficiency Ratio	77%	75%	(2 pts)	

*Includes IM&T fees, wealth advisory fees and other private banking fees

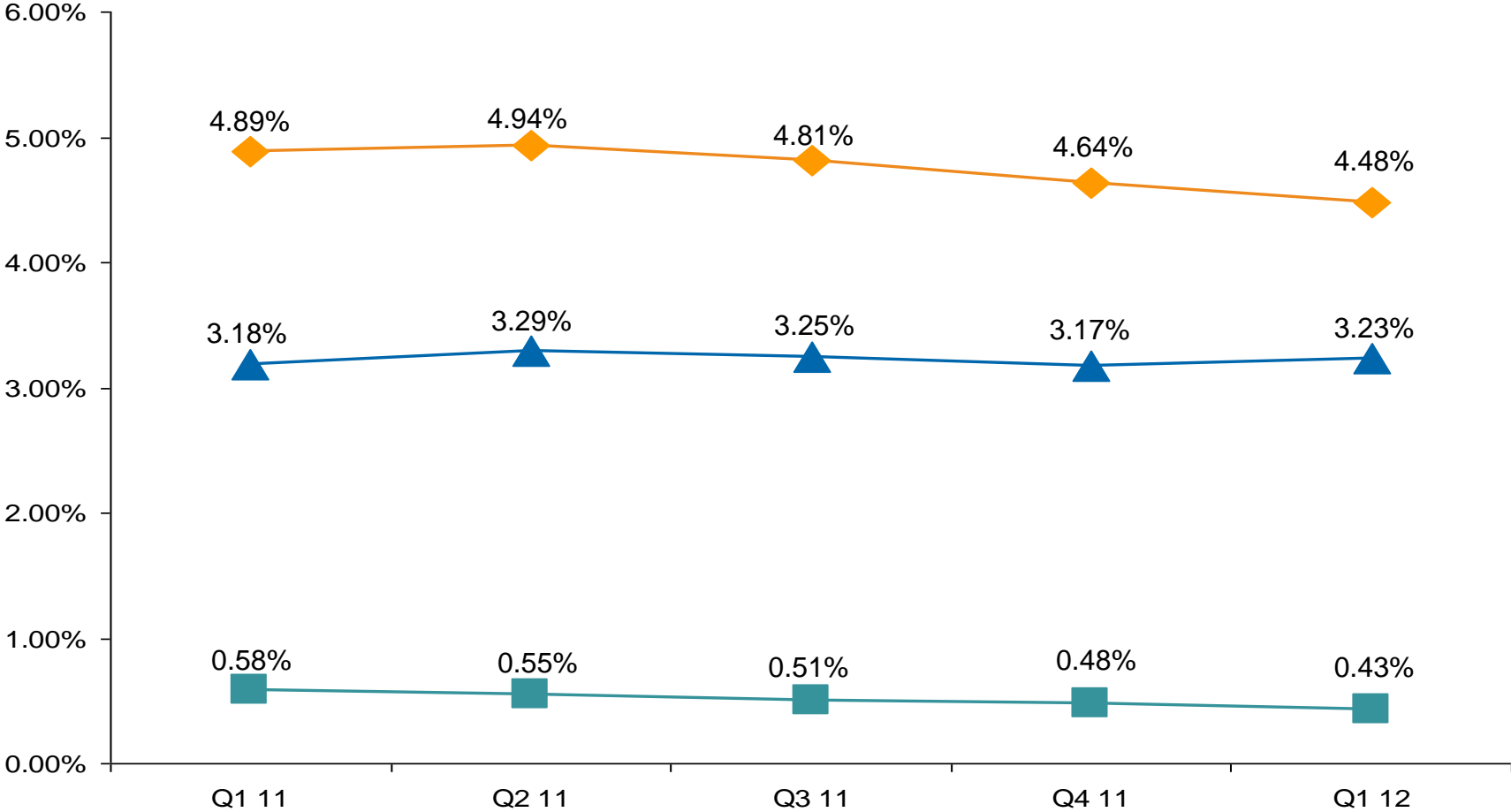
**Includes gain on sale of investments, debt repurchase, loans, OREO and other

***Pre-tax, pre-provision income

Spread and Fee-Based Revenues



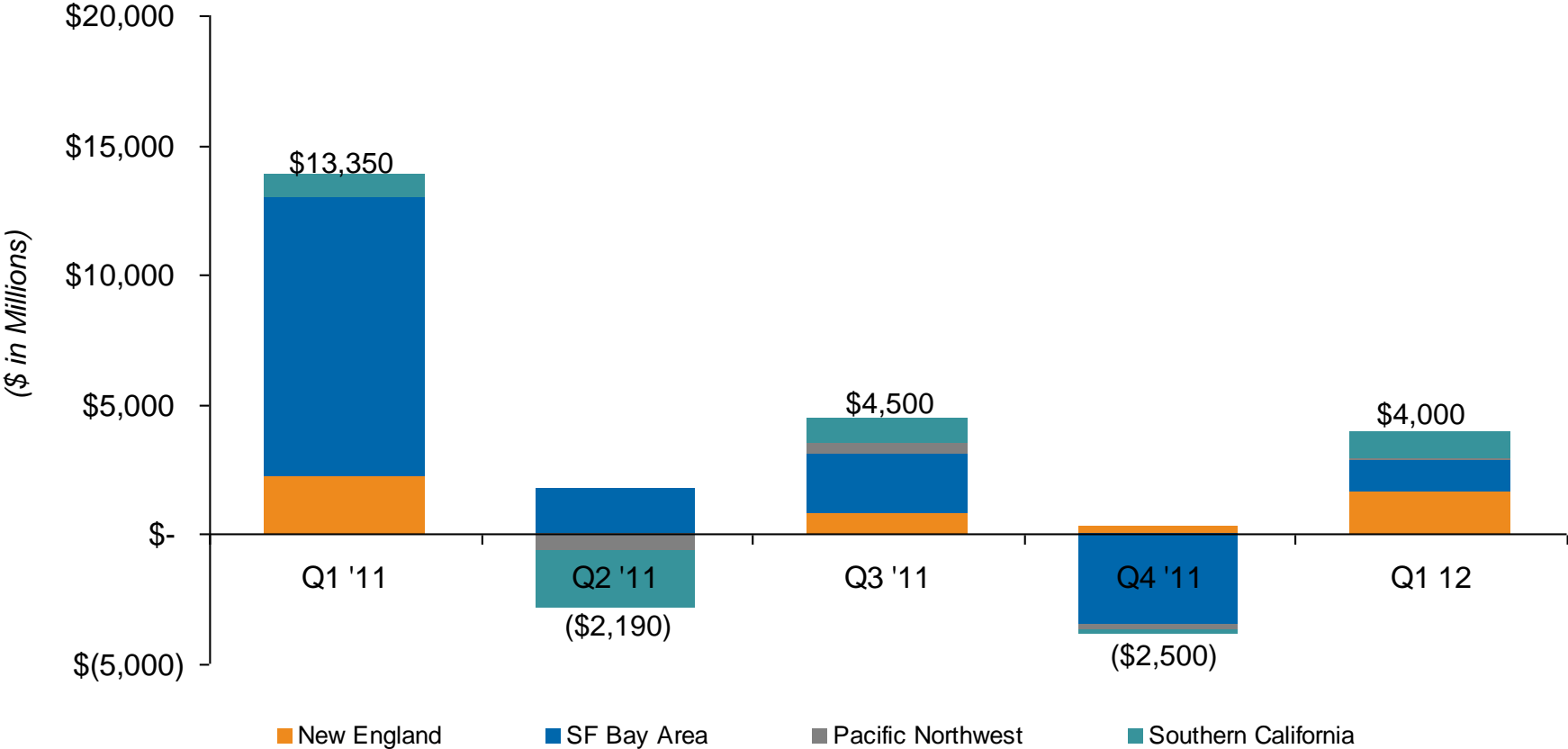
Net Interest Margin



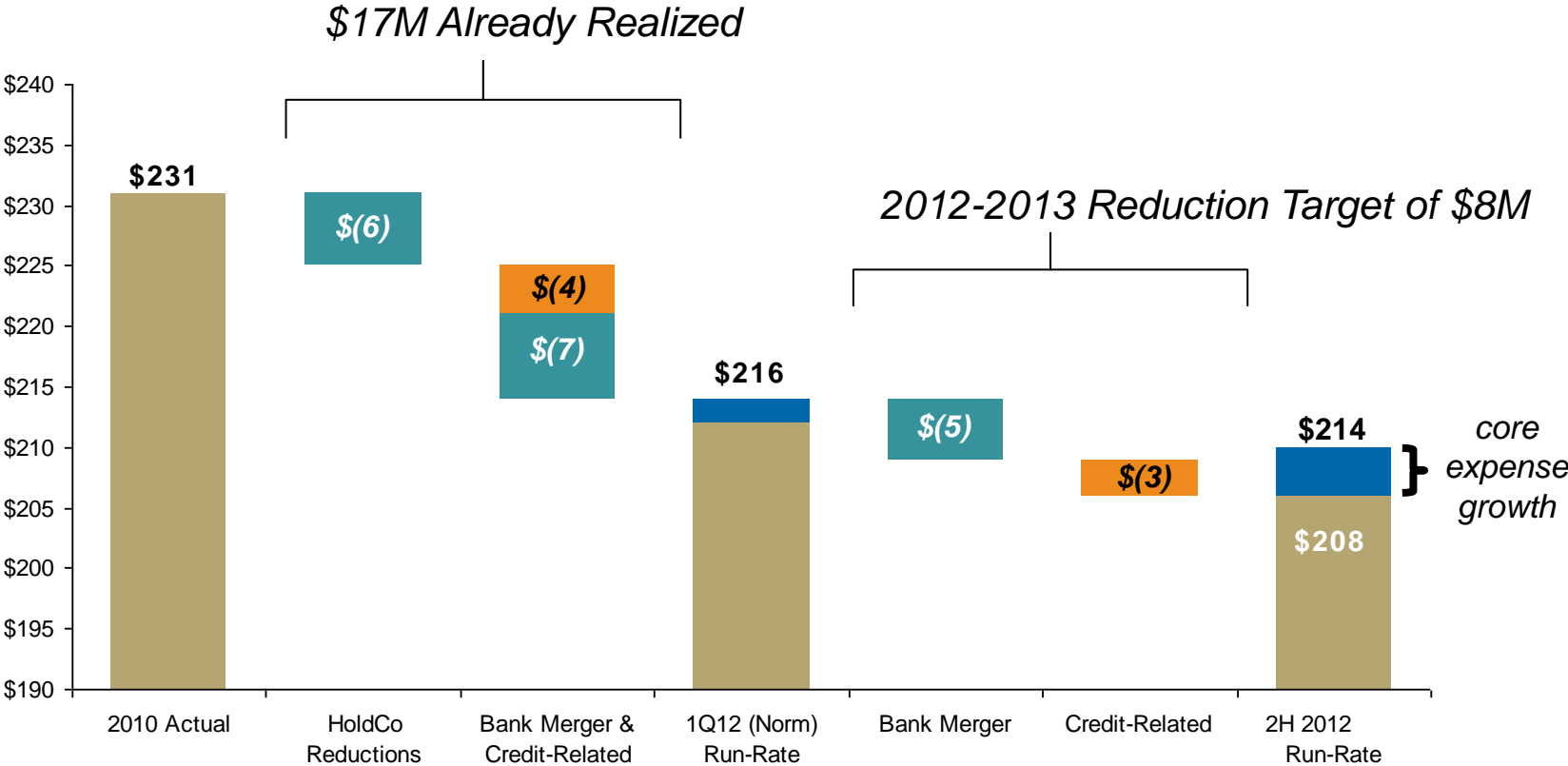
*Including Demand Deposit Accounts

—◆— Loan Yield —■— Deposit Costs* —▲— NIM

Provision/(Credit) for Loan Losses

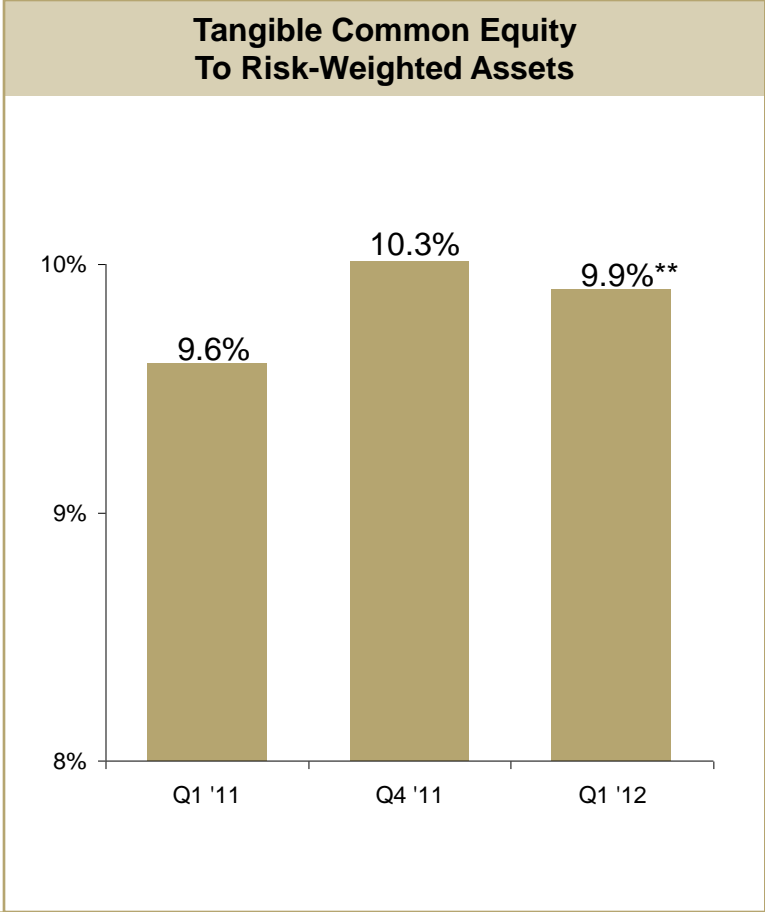
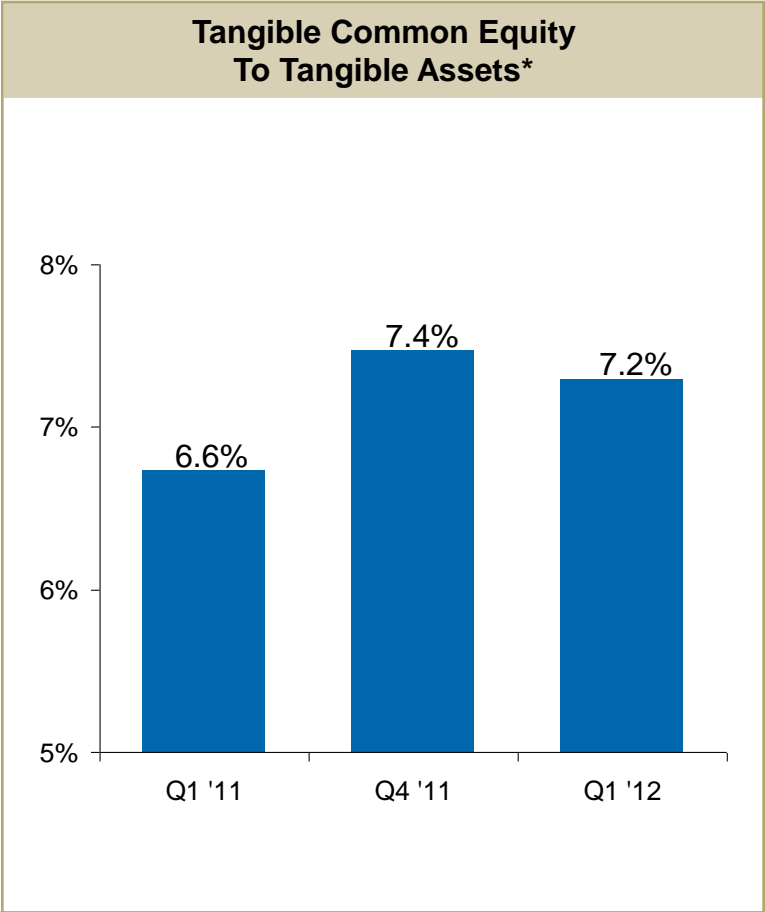


Progress Toward \$25M Cost Reduction Target



*Assumes current revenue run-rate

Capital Position



*Includes Carlyle Preferreds and the redeemable non-controlling interest

**Based on estimated Risk Weighted Assets

Private Bank Performance Highlights – Linked Quarter

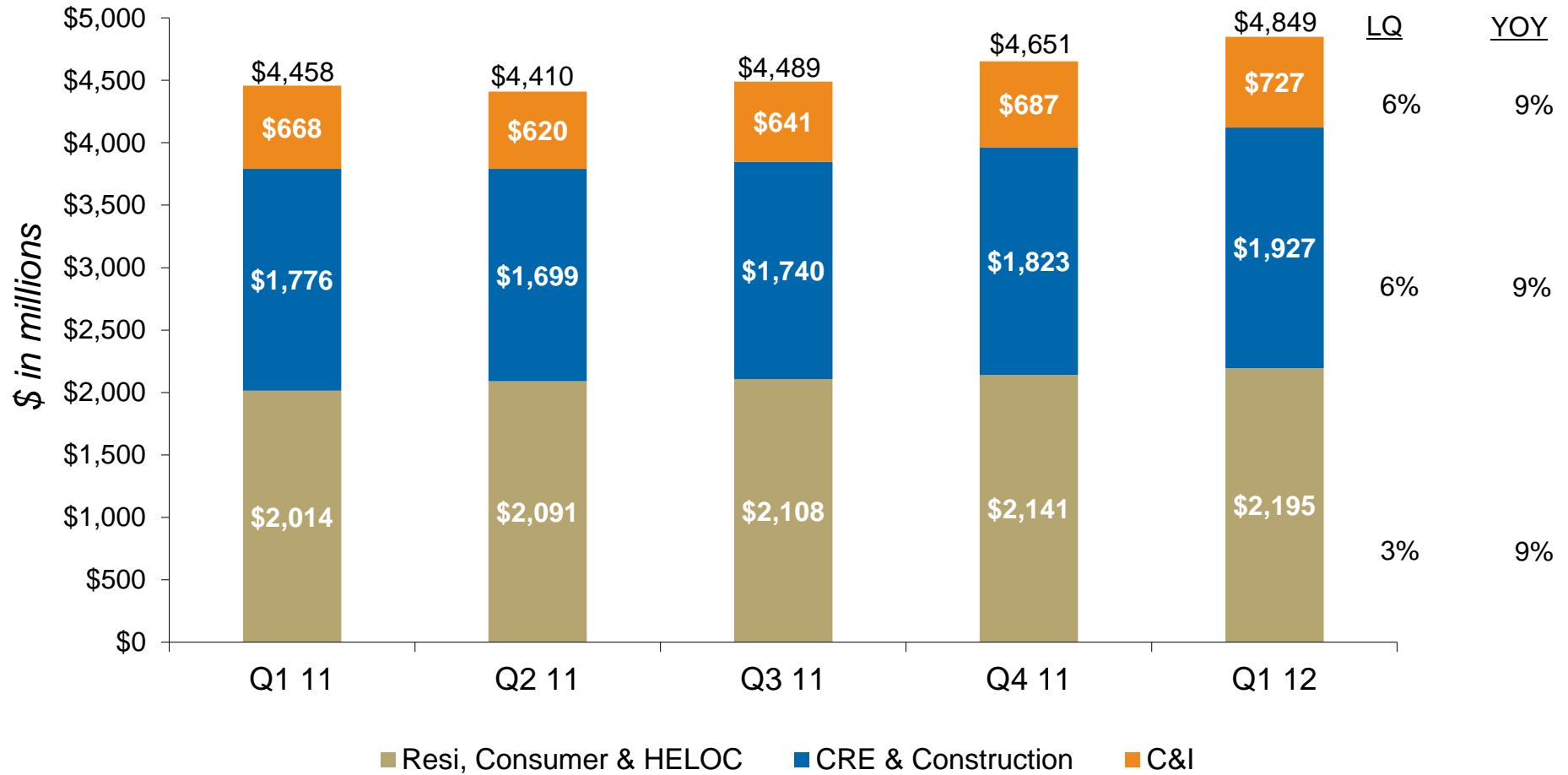
(\$millions)	Q4 2011	Q1 2012	% Change	Results Driven By:
NII	\$45.8	\$46.4	1%	Bank-only NIM of 3.36%, up 7 bps quarter-to-quarter Fee waivers to support merger-related client retention
Fees*	\$6.9	\$6.8	(1%)	
<u>Other Revenue**</u>	<u>\$2.4</u>	<u>\$0.9</u>	<u>(63%)</u>	
Total Revenue	\$55.1	\$54.1	(2%)	
Operating Expenses	\$36.7	\$35.5	(3%)	11% decline in professional fees 32% decline in FDIC insurance
Restructuring	\$0.4	\$0.1	NM	
<u>Total Expenses</u>	<u>\$37.1</u>	<u>\$35.6</u>	<u>(4%)</u>	
PTPP***	\$18.0	\$18.5	3%	
<u>Provision/(Credit)</u>	<u>(\$2.5)</u>	<u>\$4.0</u>	<u>NM</u>	\$3.0 million to support loan growth
Pre-Tax Income	\$20.5	\$14.5	(29%)	
Efficiency Ratio	65%	66%	--	

*Includes IM&T fees and other private banking fees

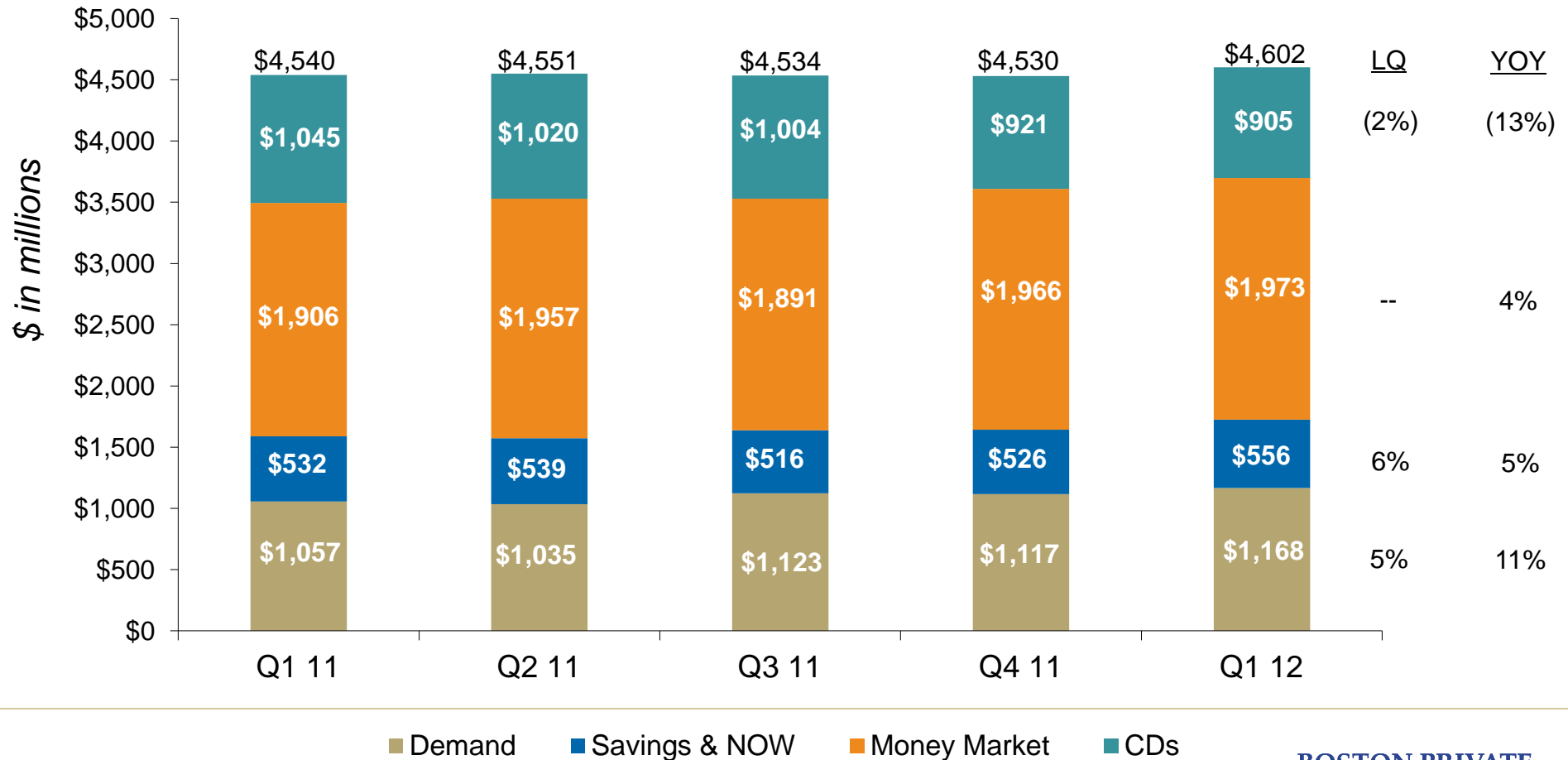
**Includes gain on sale of investments, loans, OREO and other

***Pre-tax, pre-provision income

Loans By Type: Quarterly Trend



Favorable Mix Of Deposits



■ Demand ■ Savings & NOW ■ Money Market ■ CDs

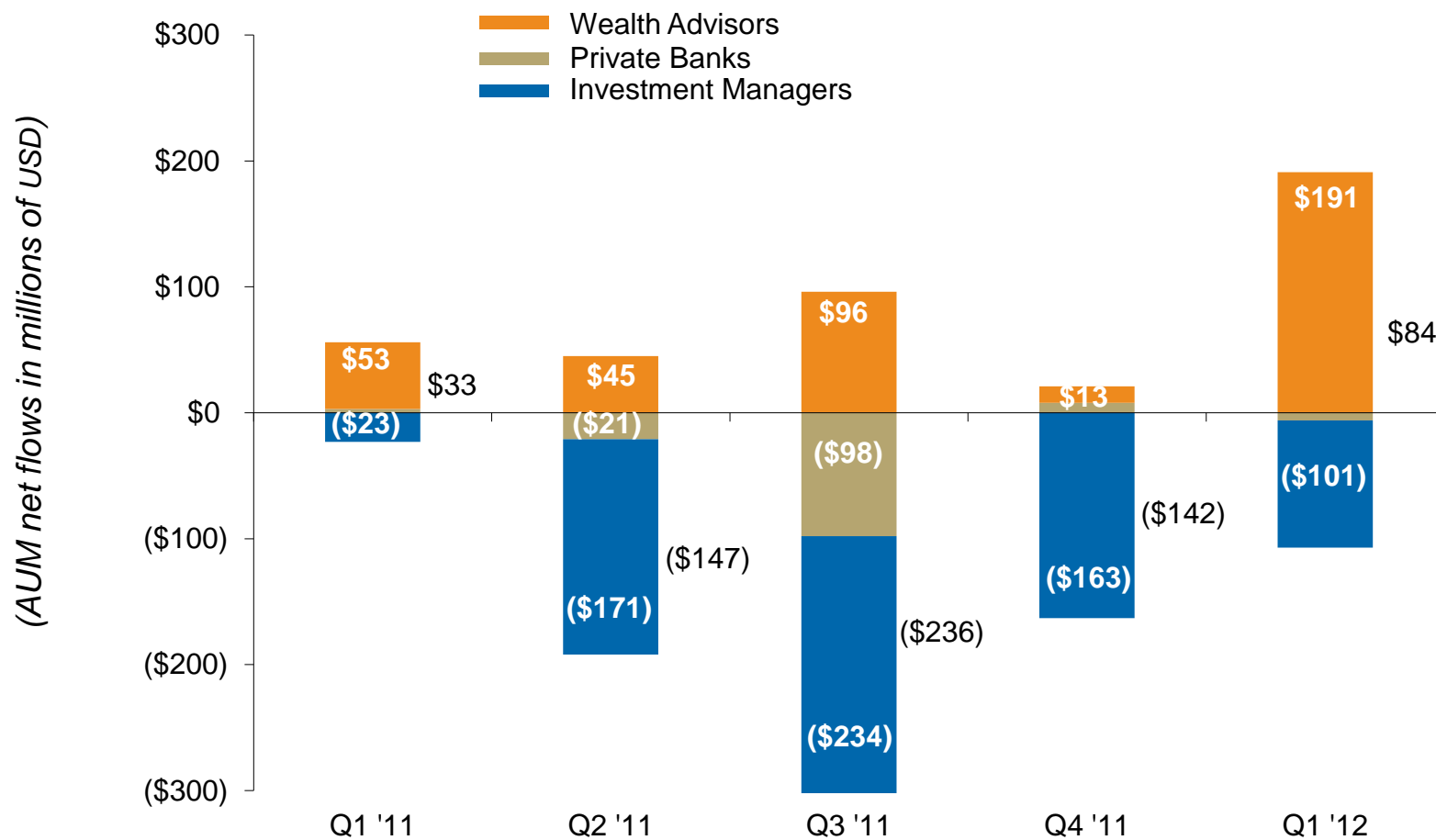
Investment Management Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q4 2011	Q1 2012	% Change	Results Driven By:
Inv Mgt Fees	\$9.1	\$9.5	4%	Negative flows Q-to-Q Total AUM up 6% driven by market lift Stable pricing
Total Revenue	\$9.1	\$9.5	5%	
<u>Operating Expenses</u>	<u>\$7.5</u>	<u>\$7.6</u>	<u>2%</u>	
Pre-Tax Income	\$1.6	\$1.8	14%	Margins continue to improve, approaching our 30% target
EBITDA Margin	27%	28%	1 pt	
Pre-tax Margin	18%	19%	1 pt	
AUM (\$B)	\$7.6	\$8.0	6%	Loss of one large client
Net Flows (\$M)	(\$163)	(\$101)	38%	

Wealth Advisory Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q4 2011	Q1 2012	% Change	Results Driven By:
Wealth Adv Fees	\$8.9	\$9.2	4%	Steady, positive flows and strong client growth Strong client retention Stable pricing
Total Revenue	\$8.9	\$9.2	4%	
<u>Operating Expenses</u>	<u>\$6.3</u>	<u>\$6.7</u>	<u>7%</u>	
Pre-Tax Income	\$2.6	\$2.5	(4%)	At our threshold of 30%
EBITDA Margin	32%	30%	(2 pts)	
Pre-tax Margin	29%	27%	(2 pts)	AUM build and client acquisition the primary focus
AUM (\$B)	\$7.0	\$7.6	8%	
Net Flows (\$M)	\$13	\$191	NM	

AUM Net Flows



Excluding market changes

Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q4 2011	Q1 2012	% Change
NII	(\$1.7)	(\$1.7)	(2%)
<u>Other Revenue</u>	<u>\$2.4</u>	<u>\$1.1</u>	(56%)
Total Revenue	\$0.7	(\$0.6)	NM
Operating Expenses	\$6.9	\$5.6	(18%)
Restructuring	\$0.2	--	--
Total Expenses	\$7.1	\$5.6	(21%)
<u>Discontinued Operations</u>	<u>\$1.3</u>	<u>\$1.5</u>	15%
HoldCo Pre-Tax Loss	(\$5.1)	(\$4.7)	8%

Results Driven By:

26% decline in compensation costs

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