

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Investor Presentation

Clayton G. Deutsch, CEO and President

David J. Kaye, CFO

Mark Thompson, CEO, Boston Private Bank

Q2 2013

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 the effects of charges and expenses related to the consummation of mergers and acquisitions, as well as, excluding other 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 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, 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 in 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 continued weakness 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 in our investment portfolio, adequacy of loan loss reserves, or 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; 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. 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 statements are made.

Agenda

1. Boston Private: An appealing business and economic model
 - Wealth Management
 - Private Banking
2. Our return targets
3. Appendix

1. BPFH: A Premier Wealth Management And Private Banking Company

WEALTH MANAGEMENT

Fee-Based Wealth Advisory

- KLS:** New York, Los Angeles
BOS: San Francisco, Palo Alto
- Boutique-based comprehensive financial planning, portfolio construction and asset allocation
 - Nationwide reach, referral-driven, growing clientele

Proprietary Investment Management

- Anchor Capital:** Boston
DGHM: New York
- Proprietary, active asset management
 - Value-driven investors
 - Individual and institutional clientele

Private Clients Wealth Advisory, Investment Management and Trust

- Boston Private Bank IM&T:** All Bank markets
- Proprietary fixed income and equities, plus Global Diversified Portfolio
 - Individual and institutional clientele; Bank-driven referrals

PRIVATE BANKING

Residential Mortgage

- Boston Private Residential Mortgage:** All Bank markets
- High service jumbo mortgage
 - Superior economics

Commercial Lending

- Boston Private Commercial Banking:** All Bank markets
- Commercial lending and related services for private companies, partnerships and non-profit institutions
 - Strong cross-sell to Deposit Services, IM&T

Deposit Services

- Boston Private Deposit Services and Cash Management:** All Bank markets
- Highly client-centered cash and liquidity management
 - Strong referral links all Boston Private business lines; deep client loyalty

Two Distinct Business Models Drive Value

Metric	Non-Banks	Bank & HoldCo	BPFH
YTD annualized earnings*	\$10.4	\$46.2	\$56.6
Annualized EPS contribution	\$0.13	\$0.58	\$0.71
Tangible common equity*	(\$12.3)	\$456.1	\$443.8
TBV/share	(\$0.15)	\$5.72	\$5.57
Capital requirements:	Minimal	Intensive	

*Dollars in millions; excludes gain on sale of Pacific Northwest offices

Our Strategy for Increasing Value

Revenue Mix Management

Drive fee revenue growth, with a particular focus on Wealth Management expansion and generation of Banking fees in excess of NII growth

Disciplined Expense Management

Tightly manage expenses, and create positive operating leverage in excess of margin compression

Efficient Capital Management

Continue to de-risk; achieve a top quartile risk profile, and fine tune leverage with efficient capital management

Deliver greater cash return to shareholders while adequately reinvesting in our Company's businesses

Wealth Management

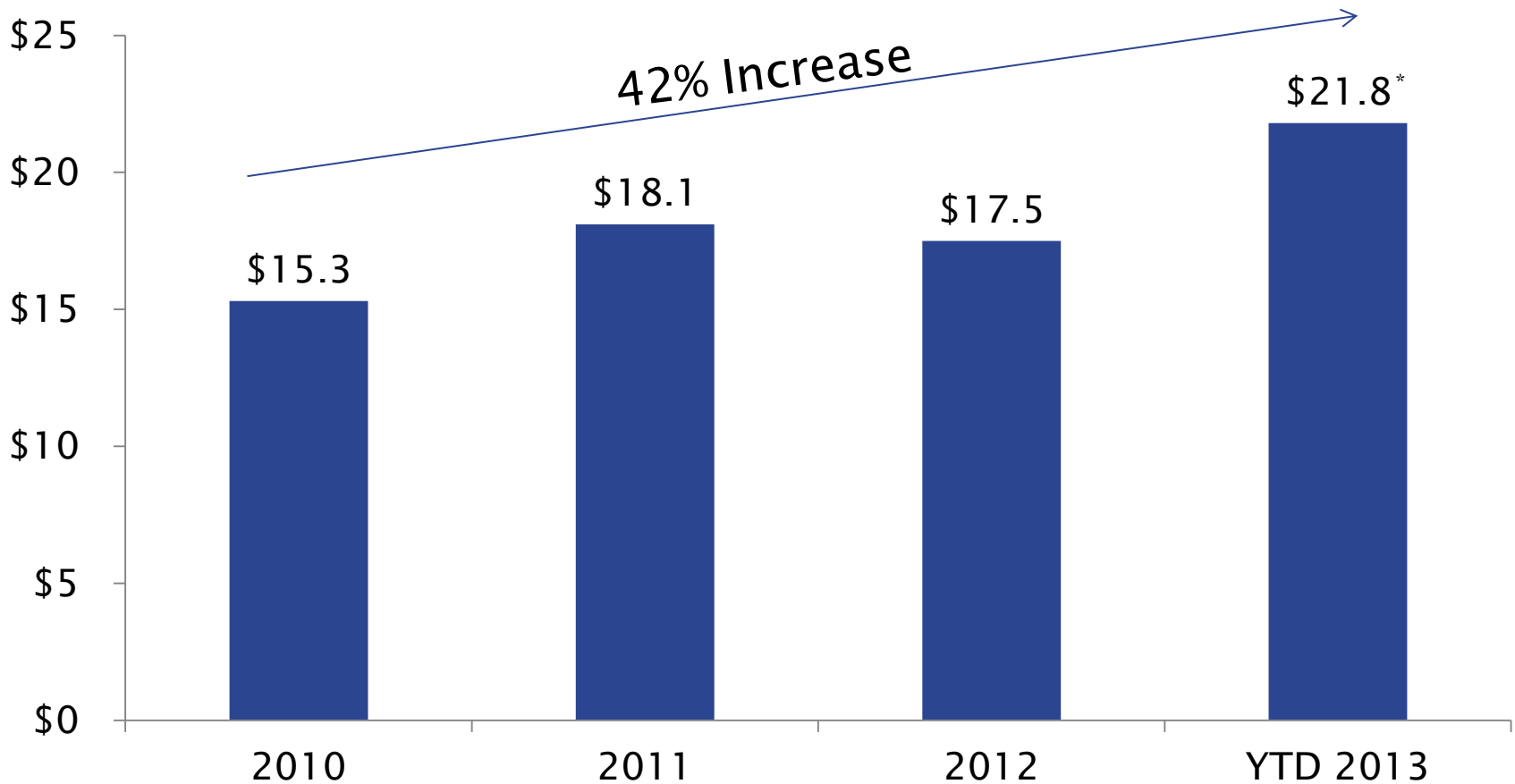
- Steady fee-based revenue stream
 - Wealth management fees* account for 37% of revenue
- \$21.8B in AUM
- Q2 EBITDA margin of 33%**
- Positive operating leverage
- Wealth Management encompasses:

Wealth Advisory	Investment Managers	Bank IM&T
KLS Professional Advisors Bingham, Osborn & Scarborough	Anchor Capital Dalton, Greiner, Hartman & Maher	Boston Private Wealth Advisory, Investment Management & Trust

*Includes Investment Management Fees, Private Bank Investment Management & Trust Fees and Wealth Advisory Fees; excludes gain on sale of Pacific Northwest offices

**Wealth Advisors and Investment Managers only

Investment Management and Wealth Advisory Pre-Tax Income

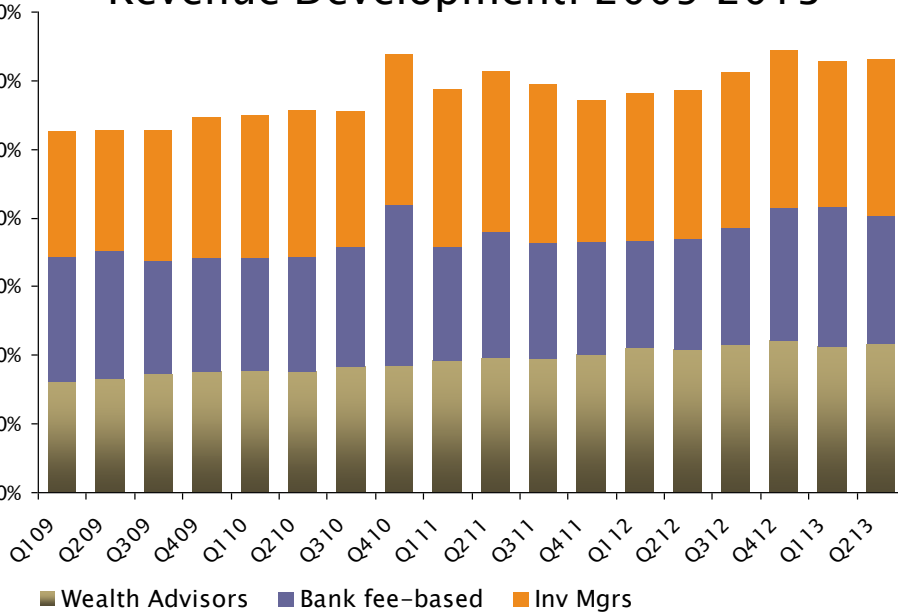


Dollars in millions

*YTD 2013 on an annualized basis

Attractiveness of Fee-Based Revenue Stream

Revenue Development: 2009-2013



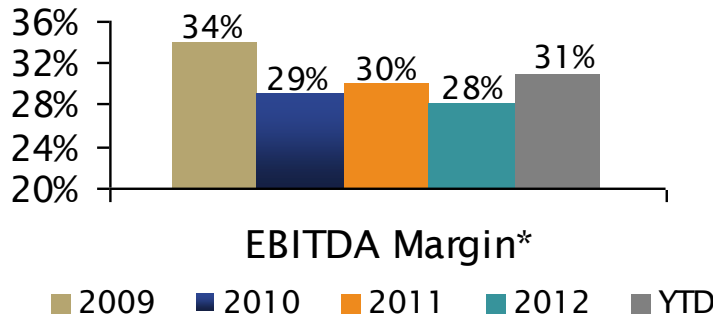
CAGR

7%

1%

9%

- Capital-light businesses
 - No additional capital needed for growth
 - Stable, significant stream of unrestricted cash flow
- Stable source of revenue
 - Diversifies NII exposure
 - Less volatile than overall equity market



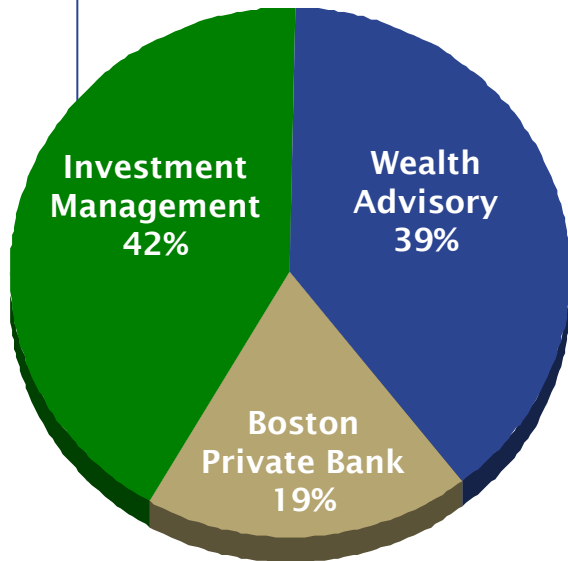
- Strong profit margins
 - Expand well in growth cycle
 - Demonstrated operating leverage/margin expansion

*Wealth Advisors and Investment Managers only

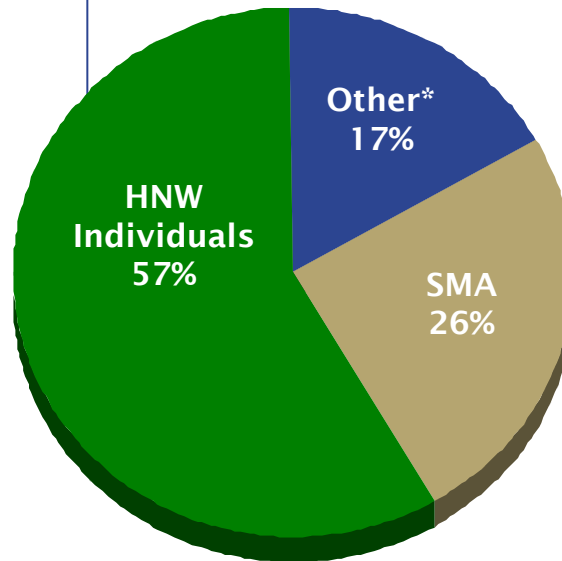
Our Wealth Management Group Platform: A Diverse Portfolio

\$21.8 Billion of AUM

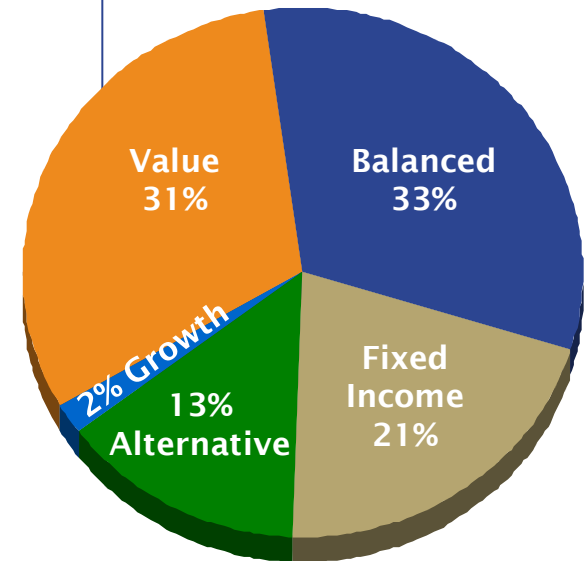
By Source



By Client Type



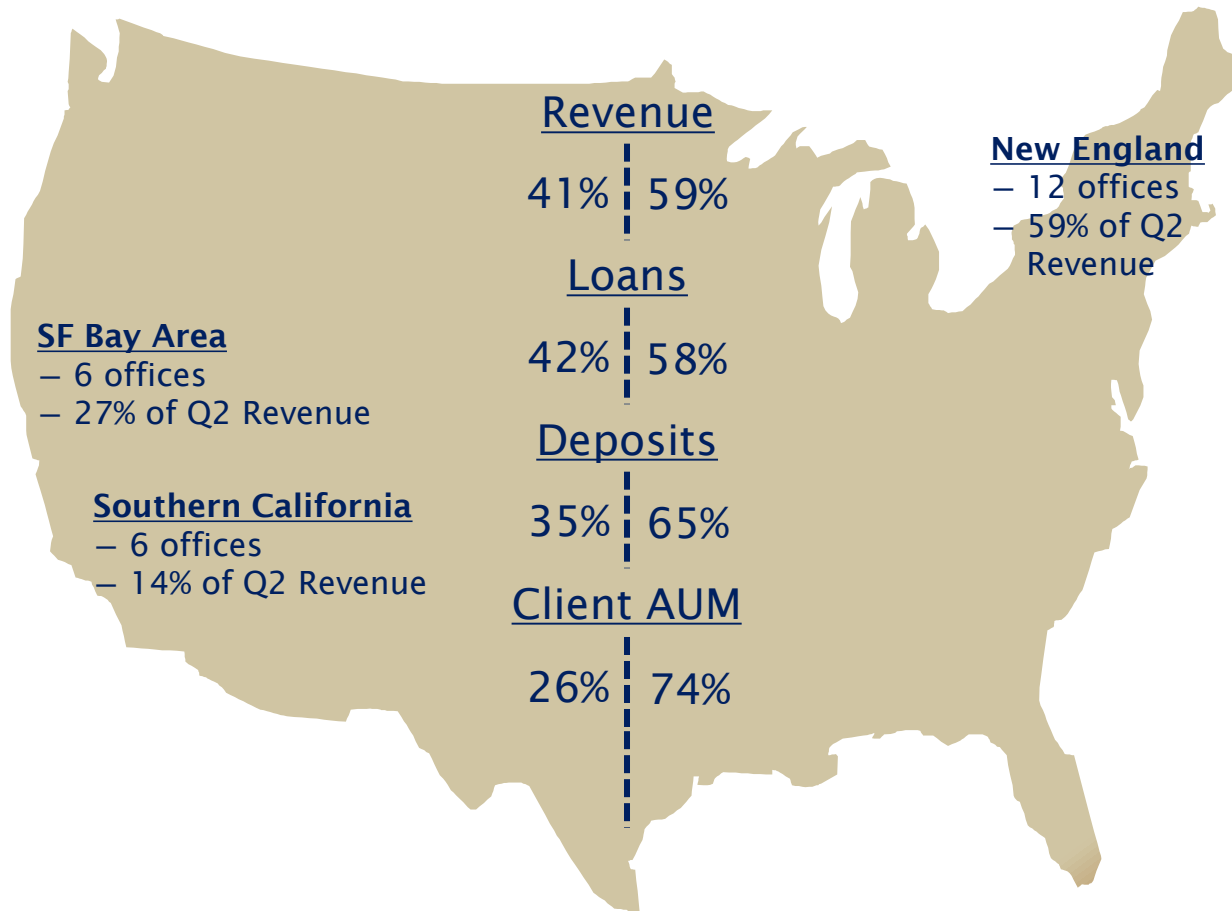
By Asset Class



*Corporate, ERISA, Foundations/Endowments, Public, Sub-Advisory

Private Banking

Boston Private Bank: Fully integrated and branded as of September 2012



- Now branded **Boston Private** in all markets
- All Boston Private business lines staffed and building clients in all markets
- Opened San Jose office in February
- More than doubled San Francisco office space
- Opened Pasadena office in April
- New Boston Private Investment Management platform (GDP) in roll-out with strong client receptivity

*Excluding gain on sale of Pacific Northwest offices

Private Banking

- Represents 63%* of Company revenue
- \$5.8B private banking balance sheet
- \$4.8B in loans; \$4.6B in deposits
- Attractive risk profile with:
 - Steady and steep reduction in problem assets
 - High level of reserves and low charge-offs relative to industry and peer group
- Capital build:
 - Bank-only TCE/TA of 9.7%, Tier 1 Risk-Based Ratio of 12.9%
- Consolidated Q2 NIM of 3.14%
- Low loan loss provision reflecting disciplined growth with continued de-risking
- Tight management of expense profile
 - Expenses targeted to decline in 2H 2013 due to additional cost reduction program

*Excludes Private Bank IM&T Fees

Boston Private Bank Target Client Segments

High Net Worth Individuals

- Entrepreneurs
- Executives
- Family Wealth
- Baby Boomers/Retirees

Privately Held Businesses

- C&I (preferred industries)
- Professional Service Firms

Private Partnerships

- Venture Capital
- Hedge Funds
- Private Equity
- Real Estate Inv/Dev

Non-Profits

- Educational
- Foundations/Endowments
- Health & Human Services

\$3 - \$50 million of financial assets

- “Sweet spot” is \$3 - \$30 million
- Selection factors favor us

Appeal of targeted segments includes:

- Stable growth
- Historically 1.5x – 3x GDP
 - Lower risk
- Better loan loss rates, capital-light advisory activities
 - Superior profitability
- Relationship size and longevity, pricing flexibility

Basis of differentiation:

- Distinctive client service
- Private Banker stability; relationship management focus
 - Superb execution
- Delivery of cross-enterprise client development expertise

New Brand Story Reflects Our Unique Positioning

DEPOSIT & CASH MANAGEMENT • RESIDENTIAL MORTGAGE
INVESTMENT MANAGEMENT & TRUST • COMMERCIAL BANKING

BEING A PRIVATE BANKING CLIENT ISN'T WHAT IT USED TO BE.

Every day, Boston Private Bank works with all kinds of people who are innovating, building and contributing wherever they are in their careers and their lives. Business owners. Entrepreneurs. Nonprofit organizations. Couples buying a second home. Families planning a sound financial future. People like you.

If you want the individual attention and expertise your complex financial needs deserve, this is your time, this is your private bank.

Please visit us at BostonPrivateBank.com.

BOSTON PRIVATE BANK & TRUST COMPANY
BostonPrivateBank.com

FDIC

Banks and services not FDIC insured, and not a depository for your money. Bank deposits and services are provided by member banks. Member banks are not FDIC insured, and not a depository for your money.

BOSTON • SAN FRANCISCO • LOS ANGELES • SEATTLE

Compelling brand strength

- #2 in luxury brand status strength, 2012
- Especially strong with clients under age 55, net worth > \$10 million
- Associated with “superior quality”

New multi-market campaign (2H 2012) to build brand awareness and expand the prospect base and younger audience

Branding effort directly connected with website redesign and CRM initiatives

DEPOSIT & CASH MANAGEMENT • RESIDENTIAL MORTGAGE
INVESTMENT MANAGEMENT & TRUST • COMMERCIAL BANKING

THIS IS YOUR TIME. THIS IS YOUR PRIVATE BANK.

Being a private banking client isn't what it used to be. Today, people in every walk of life have complex financial needs that deserve the individual attention and expertise Boston Private Bank is known for. They're people who are innovating, building, and contributing wherever they are in their careers and their lives.

If you're a business owner, entrepreneur, nonprofit organization, or a family concerned about a sound investment strategy, maybe it's your time to start a relationship with Boston Private Bank. Please visit us at BostonPrivateBank.com.

BOSTON PRIVATE BANK & TRUST COMPANY
BostonPrivateBank.com

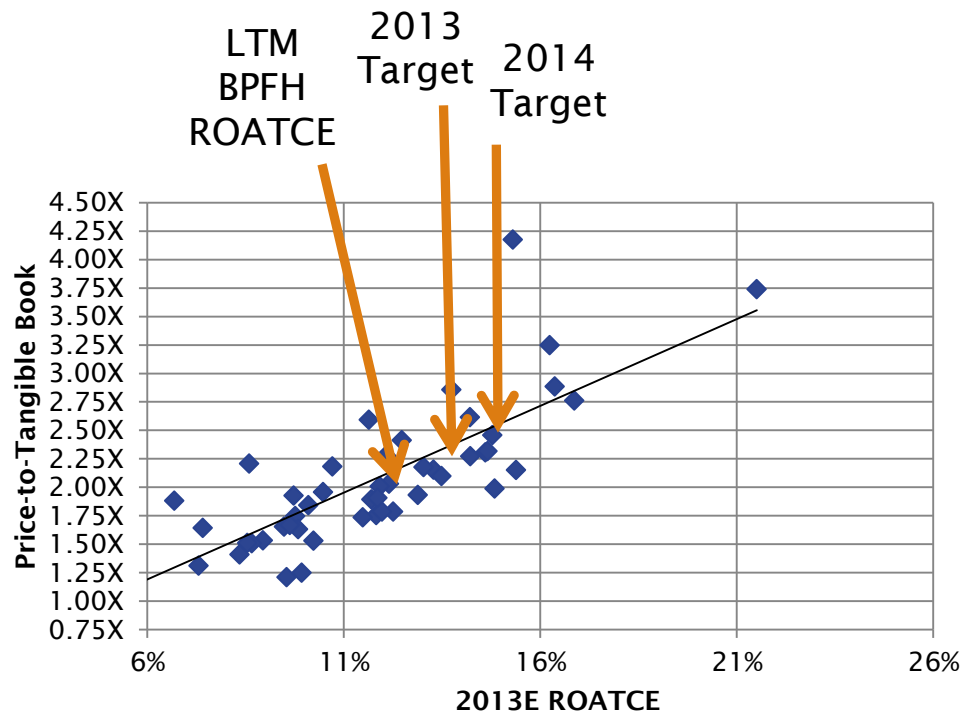
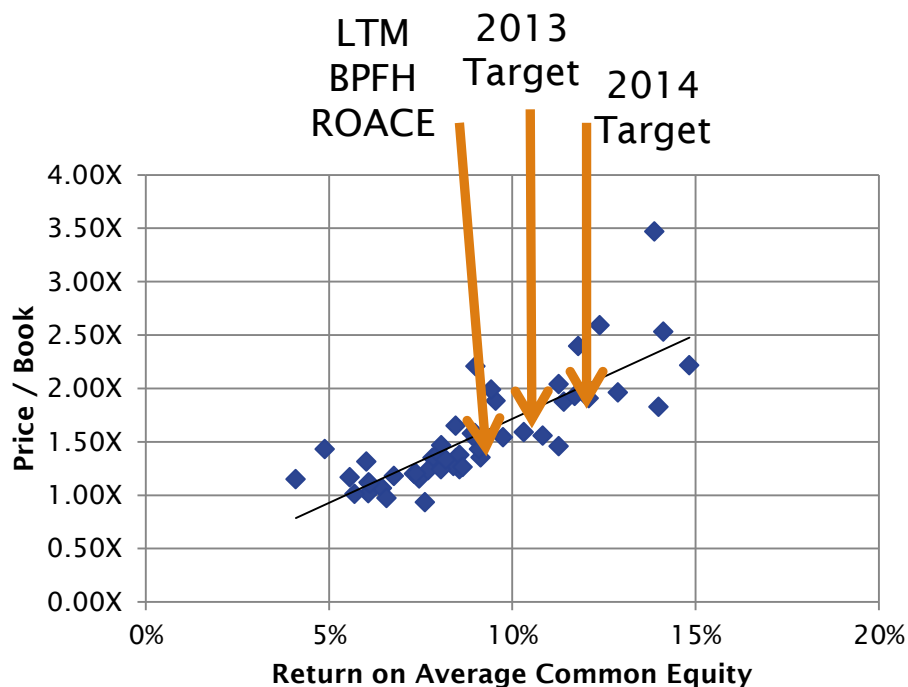
FDIC

Banks and services not FDIC insured, and not a depository for your money. Bank deposits and services are provided by member banks. Member banks are not FDIC insured, and not a depository for your money.

BOSTON • SAN FRANCISCO • LOS ANGELES • SEATTLE

2. Our Primary Focus is to Increase ROACE

2013 Target of 11% ROACE, 14% ROATCE



Approximately 50% of executive variable compensation is tied to ROACE performance

Specific Steps We've Taken to Improve Returns

Wealth Management: Priority on growth/client expansion

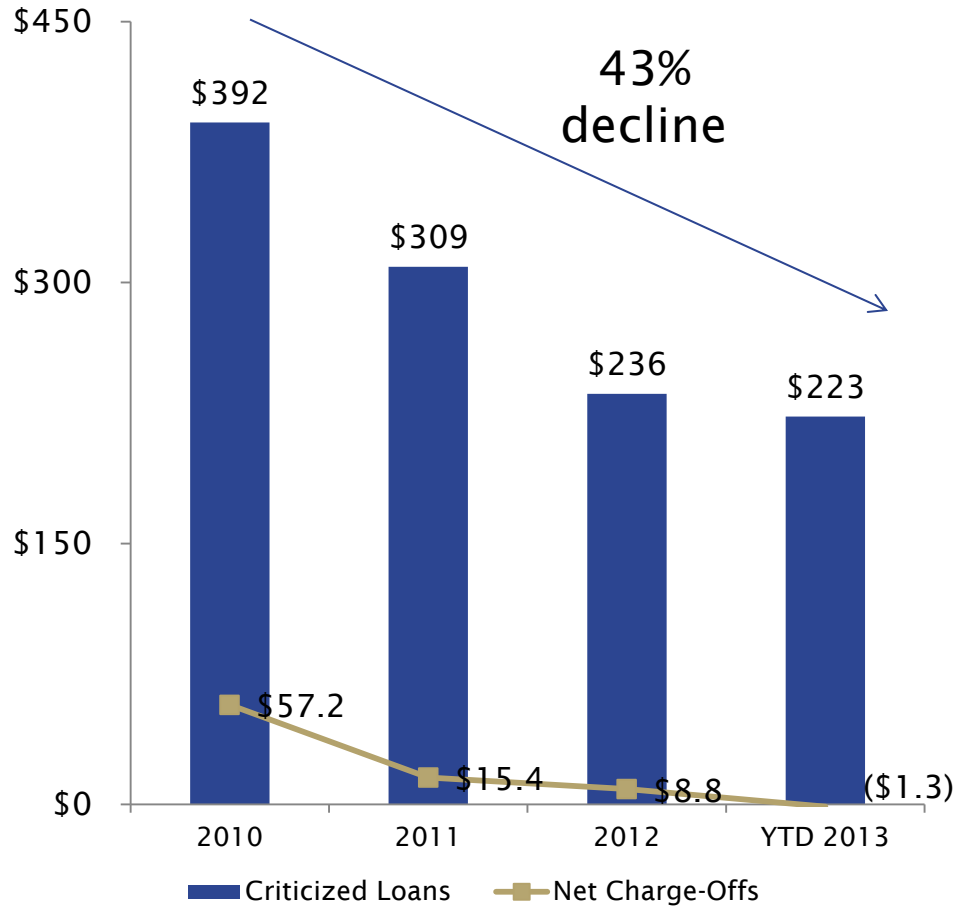
- West Coast Bank IM&T fully staffed; new platform/GDP being introduced in all markets
- Partner expansion at Bingham, Osborn & Scarborough
- Client development focus at KLS with Southern California expansion
- New fund capabilities at Anchor
- Actively exploring wealth management affiliate expansion and add-on opportunities

Private Banking/HoldCo: Priority on disciplined margin management and capital allocation

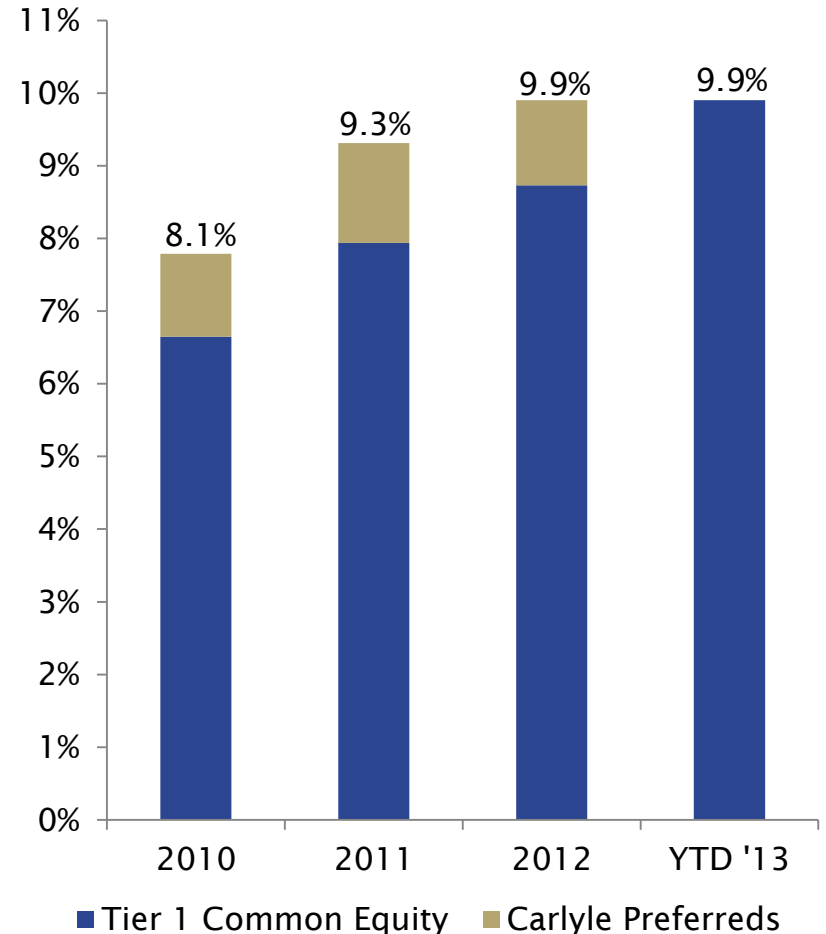
- Disciplined management of loan book and capital allocation
- Committed to capturing \$10M in annual cost saves, realized by 2H 2013
- Opportunities to increase fee-based revenue

Improved Risk Profile

Total Criticized Loans



Tier 1 Common/ Risk-Weighted Assets



Dollars in millions

Steps Taken to Efficiently Manage Capital

- Sold Pacific Northwest offices in Q2 13, which freed up approximately \$30M of capital
- Repurchased all preferred shares held by The Carlyle Group in Q2 13
 - Repurchased 5.4M warrants held by The Carlyle Group for \$15M in Q1 12
- Increased the dividend to \$0.05/share from \$0.01/share in Q1 13, and to \$0.07/share in Q3 13
- Repurchased \$104M of Trust Preferreds since 2009 at a cumulative pre-tax gain of \$27M*

*Includes purchases through 3/31/13

Summary: Our Beliefs

- Our focus on private clients affords us attractive growth and return opportunities
- Our business mix is attractive and provides an important element of revenue diversification
- Our balance sheet, capital base and risk profile are strong and will continue to improve
- Our network and brand are important assets upon which to build, and represent opportunities to expand our client base
- Our non-bank wealth management businesses are important contributors

3. Appendix

Consolidated P&L Highlights – Linked Quarter

<i>(\$millions)</i>	Q1 2013	Q2 2013	% Change	Results Driven By:
NII	\$44.3	\$43.9	(1%)	Investment Management Fees and Wealth Advisory Fees growing 13% year-over-year
Core Fees*	\$29.9	\$30.1	1%	
<u>Other Income**</u>	<u>\$0.7</u>	<u>\$10.7</u>	<u>NM</u>	Gain on sale of Pacific Northwest private banking offices adds \$10.6M in Q2
Total Revenue	\$74.9	\$84.8	13%	
<u>Total Expenses</u>	<u>\$56.6</u>	<u>\$56.7</u>	–	\$1.3M in marketing \$2.4M charge related to liability restructuring and tax-related reserve
PTPP***	\$18.3	\$28.1	53%	
<u>Provision/(Credit)</u>	–	<u>(\$2.0)</u>	<u>NM</u>	
Pre-Tax Income from Continuing Operations	\$18.3	\$30.1	64%	
Efficiency Ratio****	72%	64%	(8 pts)	

*Includes IM&T Fees, Wealth Advisory Fees, Private Banking Fees and Gain on Sale of Loans

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

***Pre-tax, pre-provision income from Continuing Operations

****Excludes restructuring and amortization of intangibles; FTE basis

Private Bank Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q1 2013	Q2 2013	% Change	
NII	\$45.4	\$45.0	(1%)	Results Driven By: Lower volumes due to sale of Pacific Northwest offices
Core Fees*	\$9.8	\$8.9	(8%)	
<u>Other Income**</u>	–	<u>\$10.5</u>	<u>NM</u>	Decline in mortgage sales
Total Revenue	\$55.1	\$64.5	17%	
<u>Total Expenses</u>	<u>\$34.6</u>	<u>\$36.5</u>	<u>6%</u>	Continued improvement in credit quality
PTPP***	\$20.5	\$28.0	36%	
<u>Provision/(Credit)</u>	–	<u>(\$2.0)</u>	<u>NM</u>	
Pre-Tax Income	\$20.5	\$30.0	46%	
Efficiency Ratio****	60%	55%	(5 pts)	

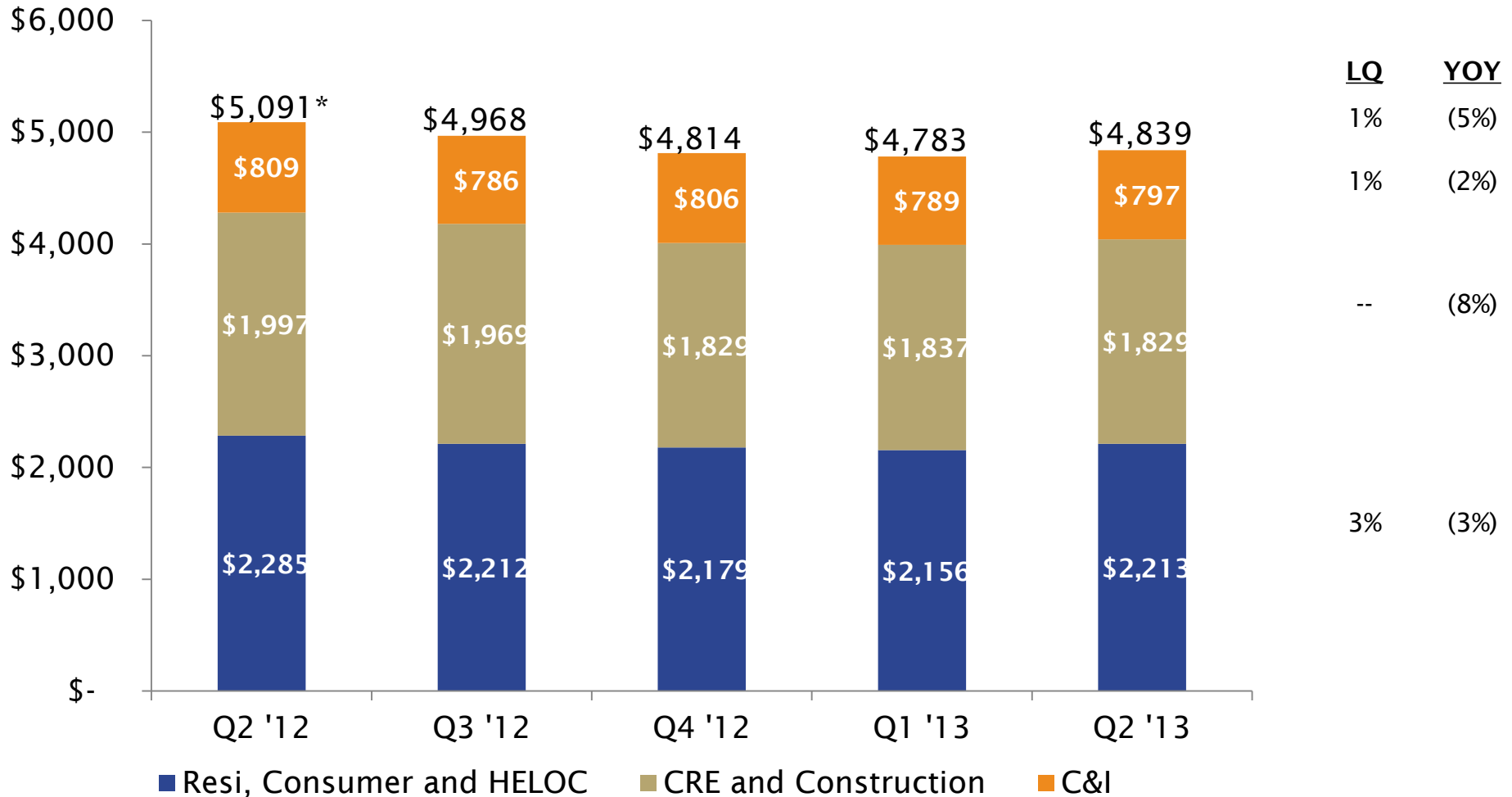
*Includes Bank IM&T Fees, Other Private Banking Fees and Gain on Sale of Loans

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

***Pre-tax, pre-provision income

****Excludes restructuring and amortization of intangibles; FTE basis

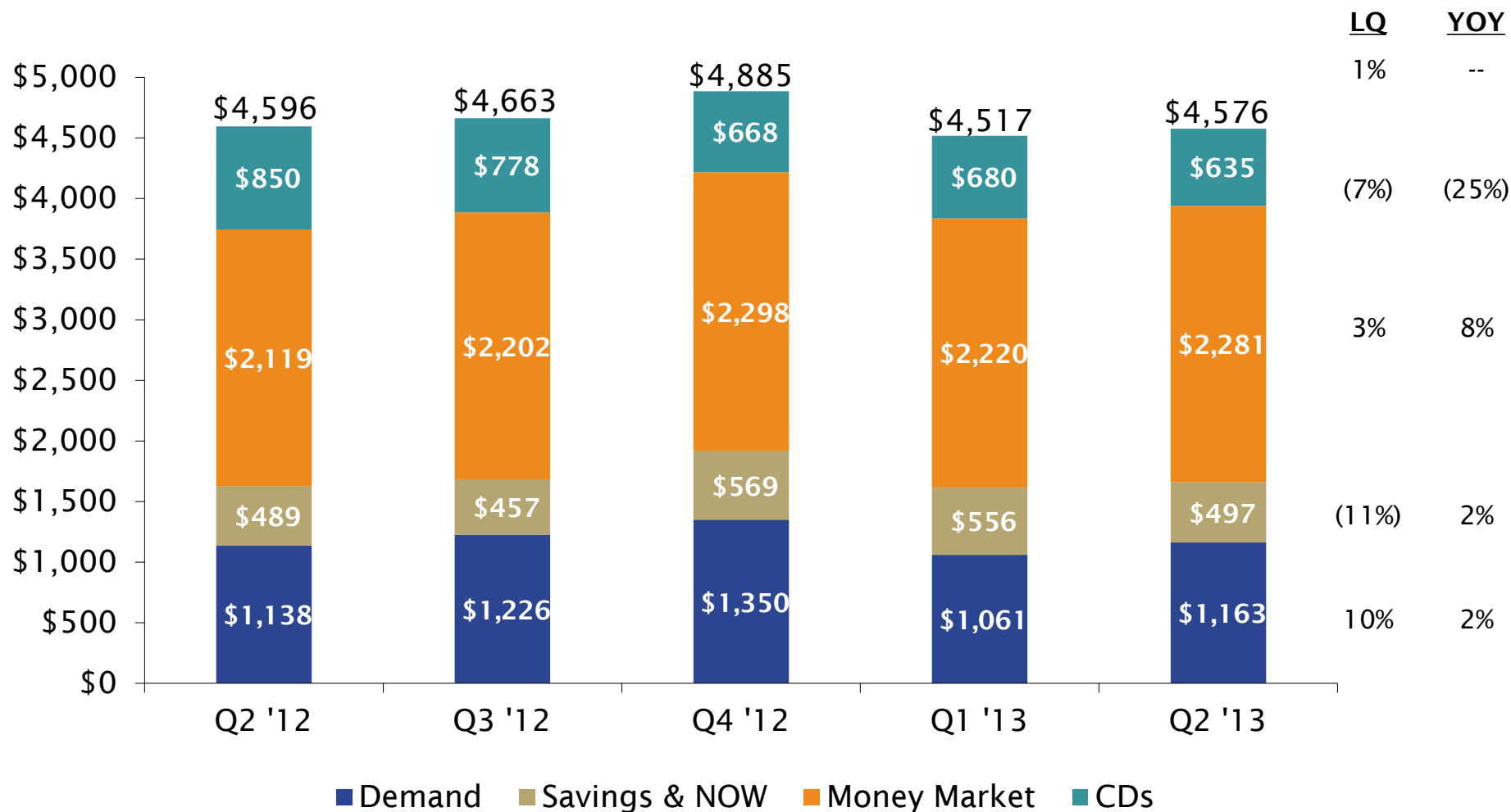
Loans By Type: Quarterly Trend



Dollars in millions

*Includes \$271M of loans from the Pacific Northwest offices

Favorable Mix Of Deposits



Dollars in millions

*Includes \$190M of deposits from the Pacific Northwest offices

Investment Management Performance Highlights – Linked Quarter

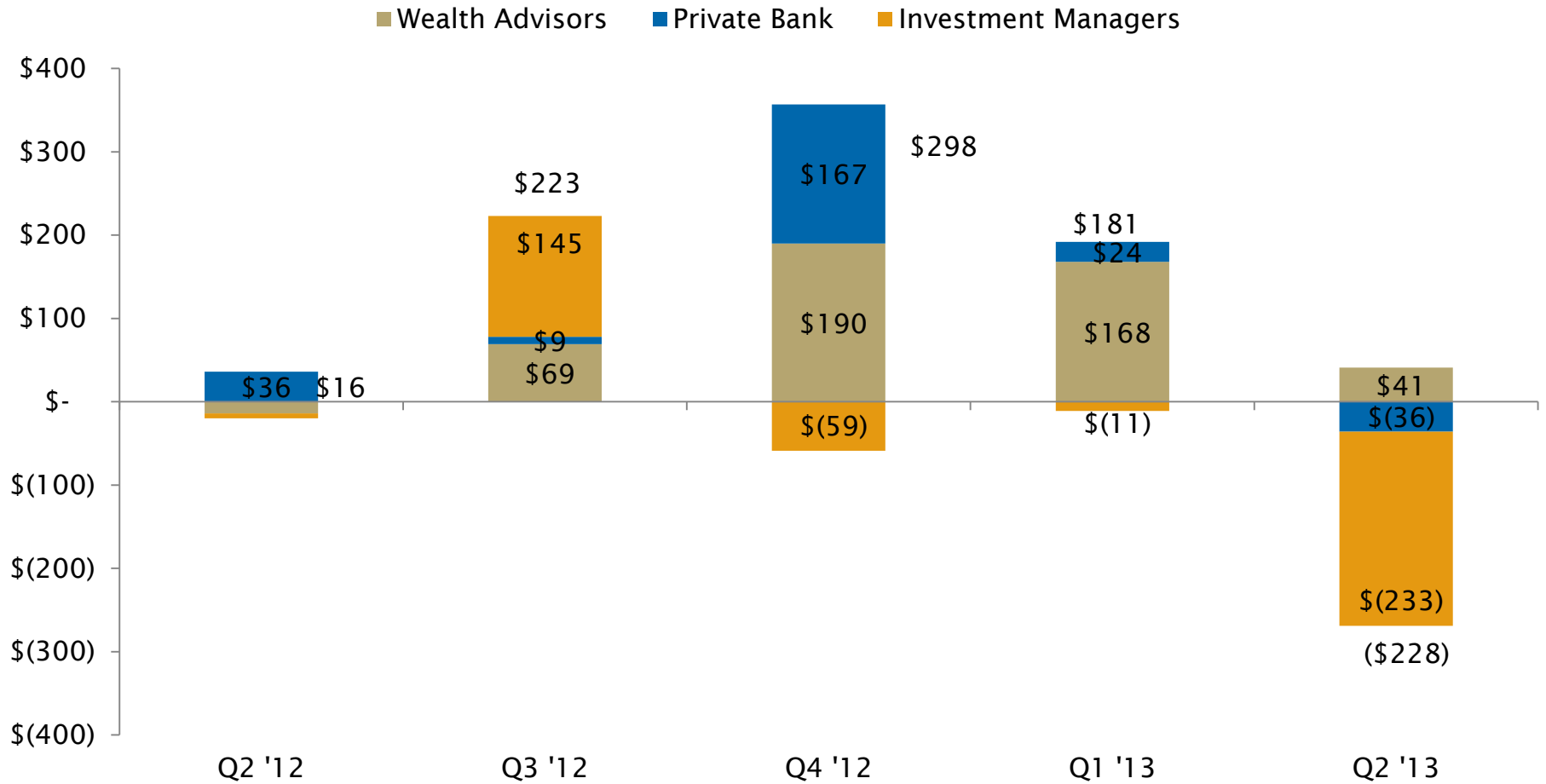
<i>(\$millions)</i>	Q1 2013	Q2 2013	% Change	Results Driven By:
Inv Mgt Fees	\$10.1	\$10.9	8%	Reflects 3/31/13 market action with stable pricing
Total Revenue	\$10.1	\$10.9	8%	
<u>Operating Expenses</u>	<u>\$7.7</u>	<u>\$8.3</u>	<u>7%</u>	
Pre-Tax Income from Continuing Operations	\$2.4	\$2.6	9%	
EBITDA Margin	31%	31%	--	Above our 30% threshold
Pre-tax Margin	23%	24%	1 pt	
AUM (\$B)	\$9.3	\$9.1	(2%)	
Net Flows (\$M)	(\$11)	(\$233)	(NM)	Flows adversely affected by loss of three large institutional mandates

Wealth Advisory

Performance Highlights – Linked Quarter

<i>(\$millions)</i>	Q1 2013	Q2 2013	% Change	Results Driven By:
Wealth Adv Fees	\$10.1	\$10.3	2%	AUM build and stable revenue in our Wealth Advisory businesses
Total Revenue	\$10.1	\$10.3	2%	
<u>Operating Expenses</u>	<u>\$7.6</u>	<u>\$6.9</u>	<u>(9%)</u>	Reset after elevated professional fees in Q1
Pre-Tax Income from Continuing Operations	\$2.5	\$3.4	37%	
EBITDA Margin	27%	36%	9 pts	Positive operating leverage; improved margins
Pre-tax Margin	25%	33%	8 pts	
AUM (\$B)	\$8.5	\$8.5	--	
Net Flows (\$M)	\$168	\$41	(76%)	Flows remain positive 1H 2013 flows of \$209M, up 18% vs. \$177M in 1H 2012

AUM Net Flows



Dollars in millions
Excluding market changes

Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q1 2013	Q2 2013	% Change	Results Driven By:
NII	(\$1.1)	(\$1.1)	--	
<u>Other Revenue</u>	<u>\$0.7</u>	<u>\$0.2</u>	<u>(73%)</u>	Decline in compensation due to \$1.5M valuation benefit update and FICA in Q1
Total Revenue	(\$0.4)	(\$0.9)	NM	
Total Expenses	\$6.6	\$5.0	(25%)	Payments from previously divested affiliates
<u>Discontinued Operations</u>	<u>\$1.7</u>	<u>\$2.8</u>	<u>62%</u>	
HoldCo Pre-Tax Loss	(\$5.3)	(\$3.1)	NM	

BOSTON PRIVATE
FINANCIAL HOLDINGS, INC.

Investor Presentation

Clayton G. Deutsch, CEO and President

David J. Kaye, CFO

Mark Thompson, CEO, Boston Private Bank

Q2 2013