

Investor Presentation

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Q4 2015

Forward Looking Statements

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.

Certain 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 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 the Company’s 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, 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 weakness in general economic conditions on a national basis or in the local markets in which the Company operates; changes in the value of securities and other assets; changes in loan default and charge-off rates, the adequacy of loan loss reserves, or decreases in 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; the risk that the Company’s deferred tax asset may not be realized; risks related to the identification and implementation of acquisitions, dispositions and restructurings; and 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 statement is 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

Wealth Management & Trust

Boston Private Wealth: Boston, Los Angeles, San Francisco, Atlanta, Florida, Wisconsin, and Texas

- Robust wealth management offering including proprietary fixed income, actively managed equities, asset allocation and trust capabilities
- HNW and select 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 and Boston Private Wealth

Deposit Services

Boston Private Deposit Services and Cash Management: All Bank markets

- Highly client-centered cash and liquidity management
- Strong referral links to all Boston Private business lines; deep client loyalty

Two Distinct Business Models Drive Value

Metric	Wealth Management	Private Bank & HoldCo	BPFH
Q4 2015 annualized earnings ^(1,2)	\$12.3	\$49.2	\$61.5
Q4 2015 annualized EPS contribution	\$0.15	\$0.59	\$0.74
Tangible common equity ⁽²⁾	(\$2.5)	\$516.3	\$513.8
TBV/share	(\$0.03)	\$6.19	\$6.16
Capital requirements:	Minimal	Intensive	

Notes:

(1) Net Income after Series D Preferred Dividends.

(2) Dollars in millions.

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⁽¹⁾ account for 41% of Q4 15 revenue
- \$27.6 bn in AUM
- Q4 15 adjusted⁽²⁾ EBITDA margin of 22%
- Wealth Management encompasses:

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

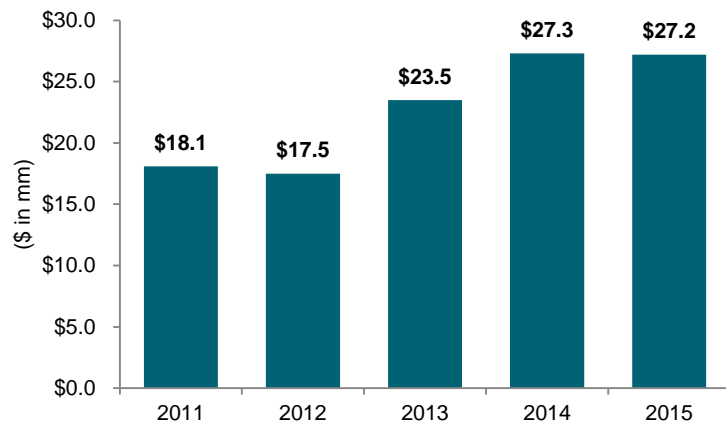
Notes:

(1) Includes Investment Management Fees, Wealth Management and Trust Fees, & Wealth Advisory Fees.

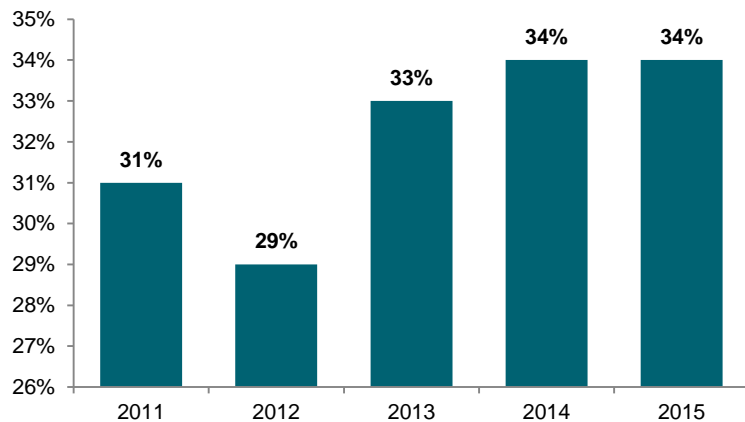
(2) Adjusted EBITDA excludes restructuring at Boston Private Wealth

Attractiveness of Fee-Based Revenue Stream

Investment Management and Wealth Advisory Pre-Tax Income



Investment Management and Wealth Advisory EBITDA Margin



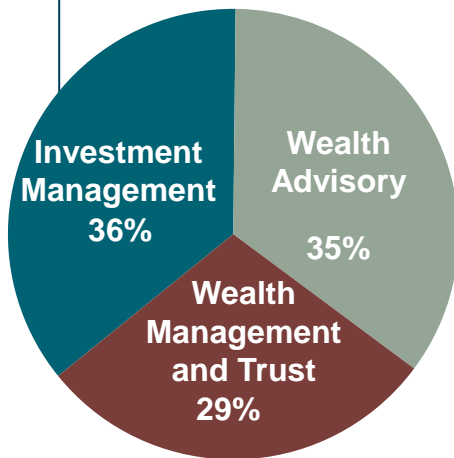
Comments

- 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

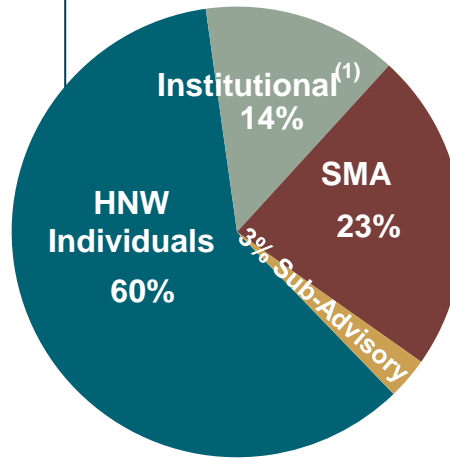
Our Wealth Management Group Platform: A Diverse Portfolio

\$27.4 Billion of AUM

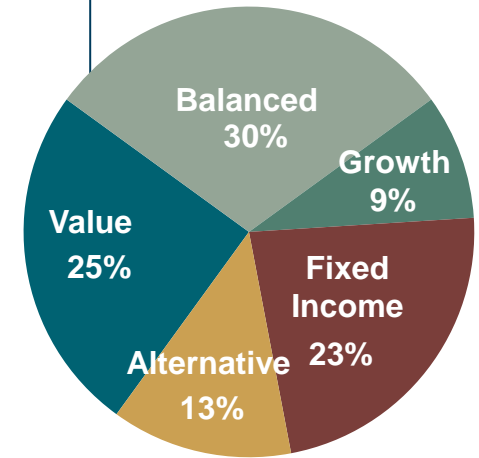
By Source



By Client Type



By Asset Class



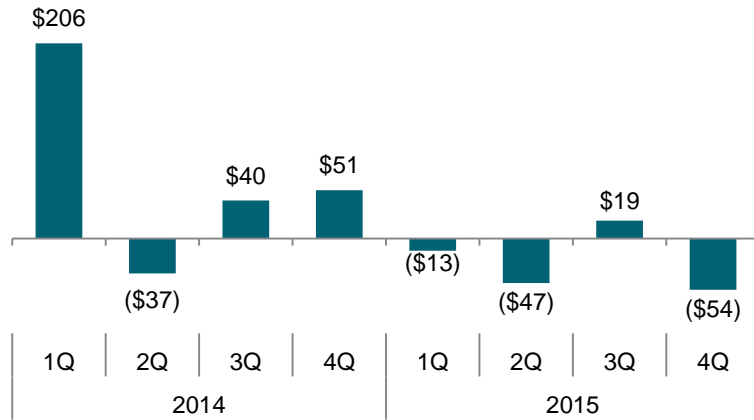
Notes:

(1) Corporate, ERISA, Foundations/ Endowments, & Public.

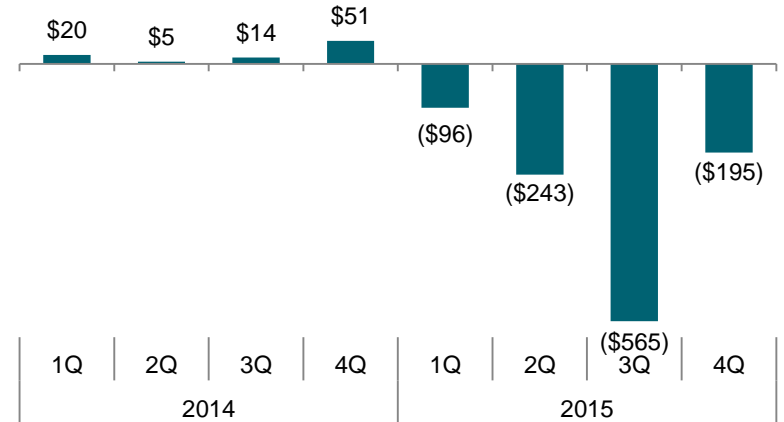


Boston Private AUM Net Flows

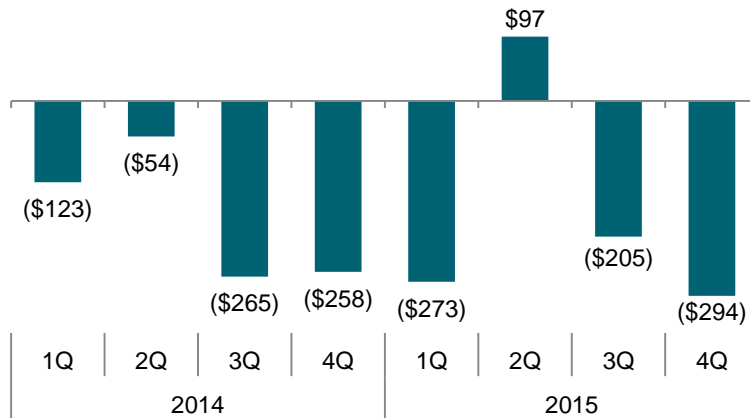
Wealth Advisory (\$ in mm)



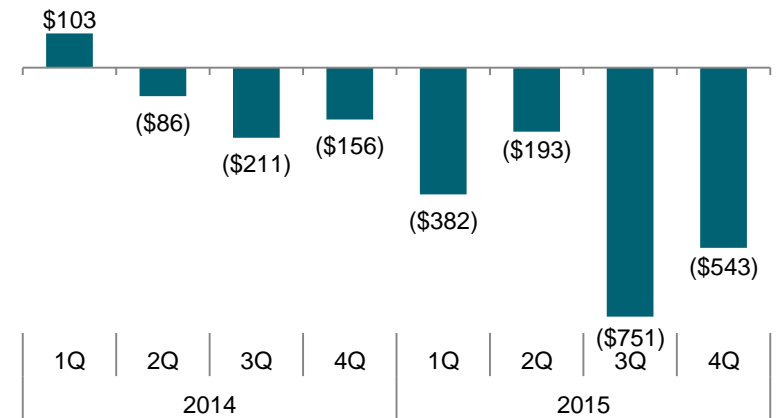
Wealth Management & Trust (\$ in mm)



Investment Management (\$ in mm)

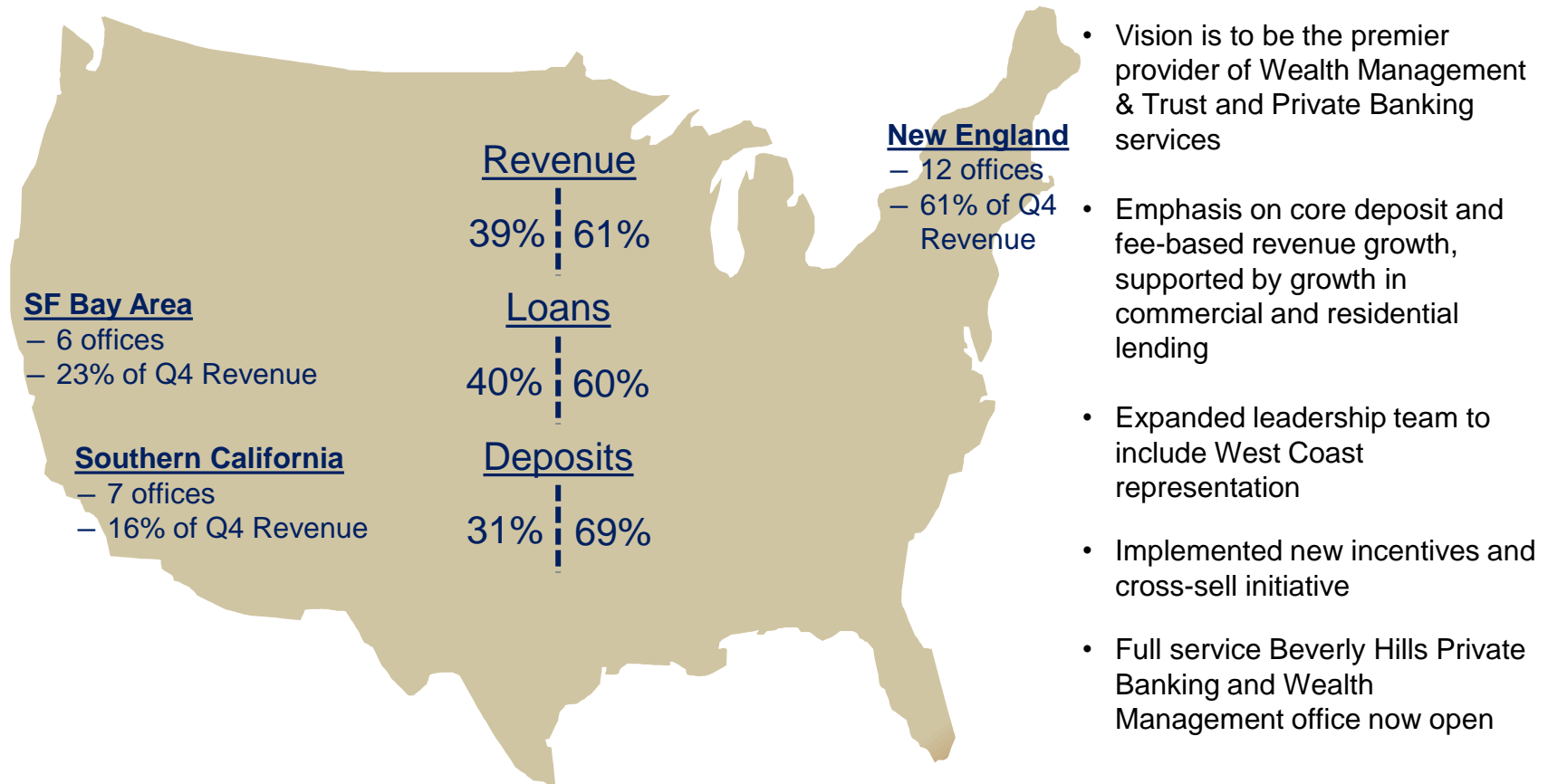


Consolidated (\$ in mm)



Private Banking

Boston Private Bank: Fully Integrated and Branded as of September 2012



Private Banking

- Represents 59%⁽¹⁾ of Company revenue
- \$7.4 bn Private Banking balance sheet
- \$5.7 bn in loans; \$6.1 bn 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 Tier 1 ratio of 11.5%
- Consolidated Q4 15 NIM of 2.94%

Notes:

(1) Excludes Private Bank Wealth Management & Trust Fees.

Boston Private 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 - \$30 million of financial assets

- “Sweet spot” is \$3 - \$15 million
- Selection factors favor us

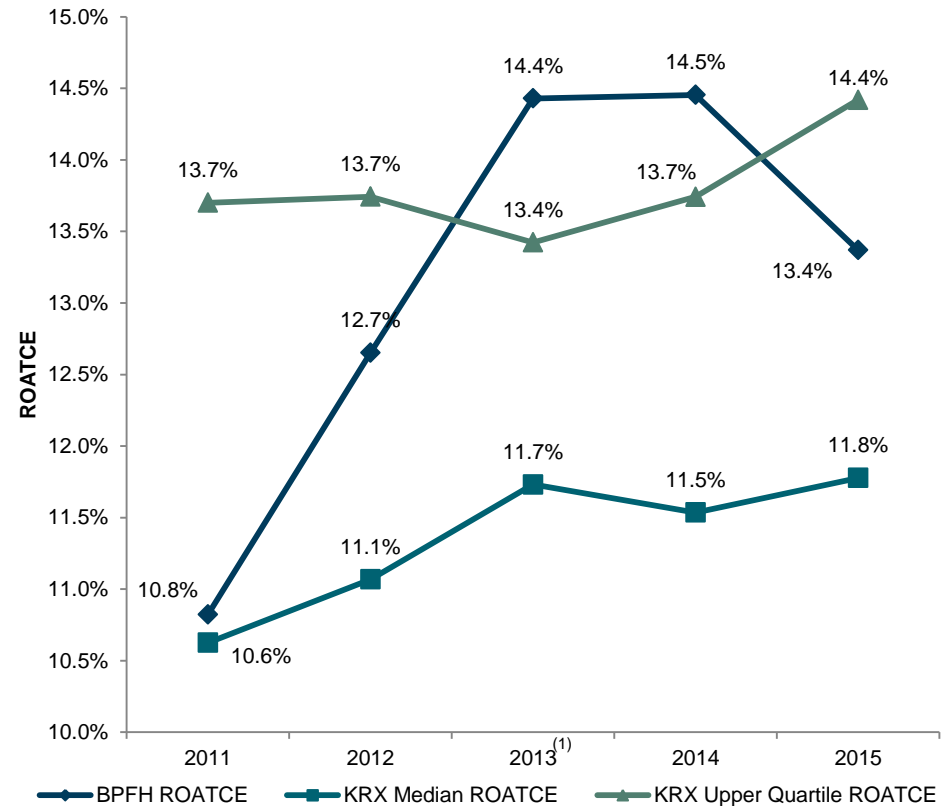
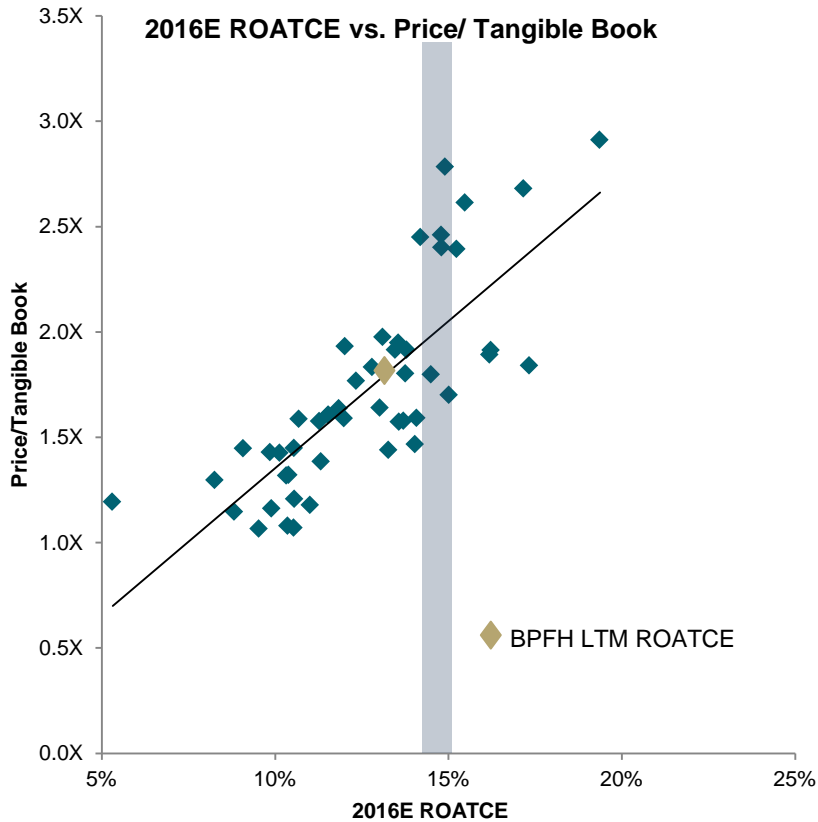
Appeal of targeted segments includes:

- 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

2. Our Primary Focus is to Increase ROATCE



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

Notes:

(1) Excludes gain on sale of Pacific Northwest offices.

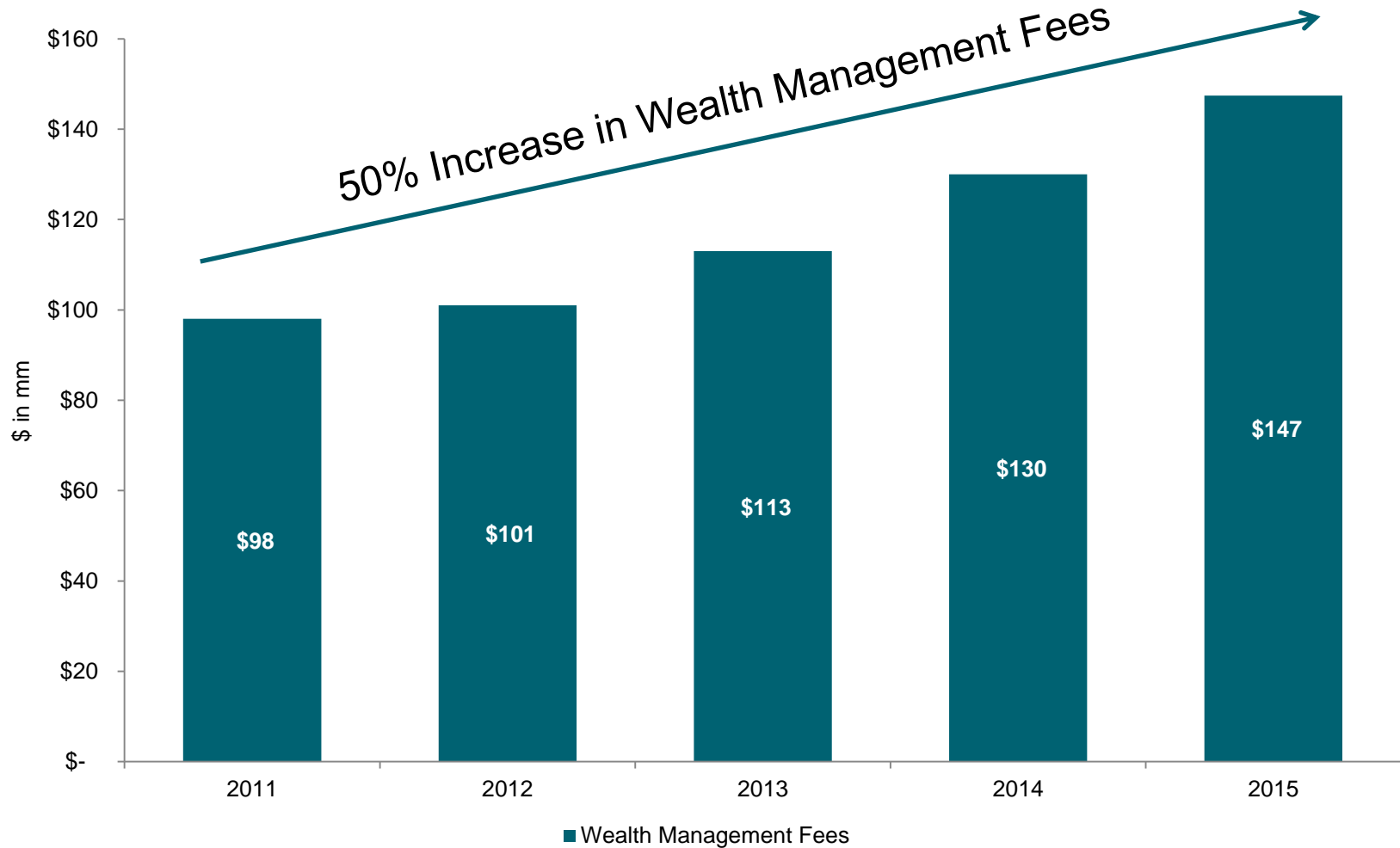
Data based on KBW Regional Bank Index consensus estimates as of 2/8/16.



Steps to Attain Target Return Levels

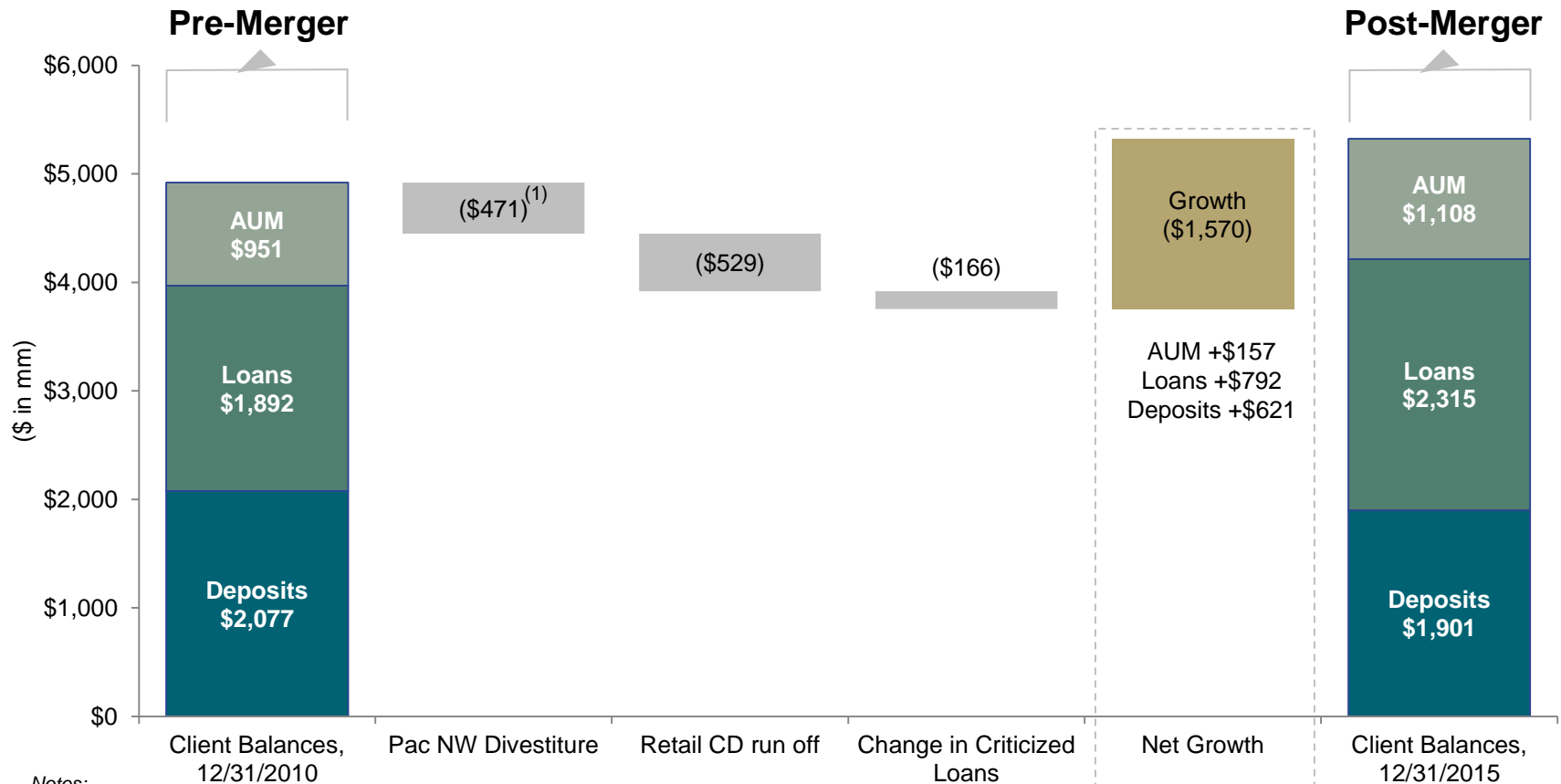
1. Expand Wealth Management activity
2. Drive West Coast client expansion
3. Tightly manage expenses
4. Manage risk and efficiently manage capital

Expand Wealth Management Activity



Drive West Coast Client Expansion

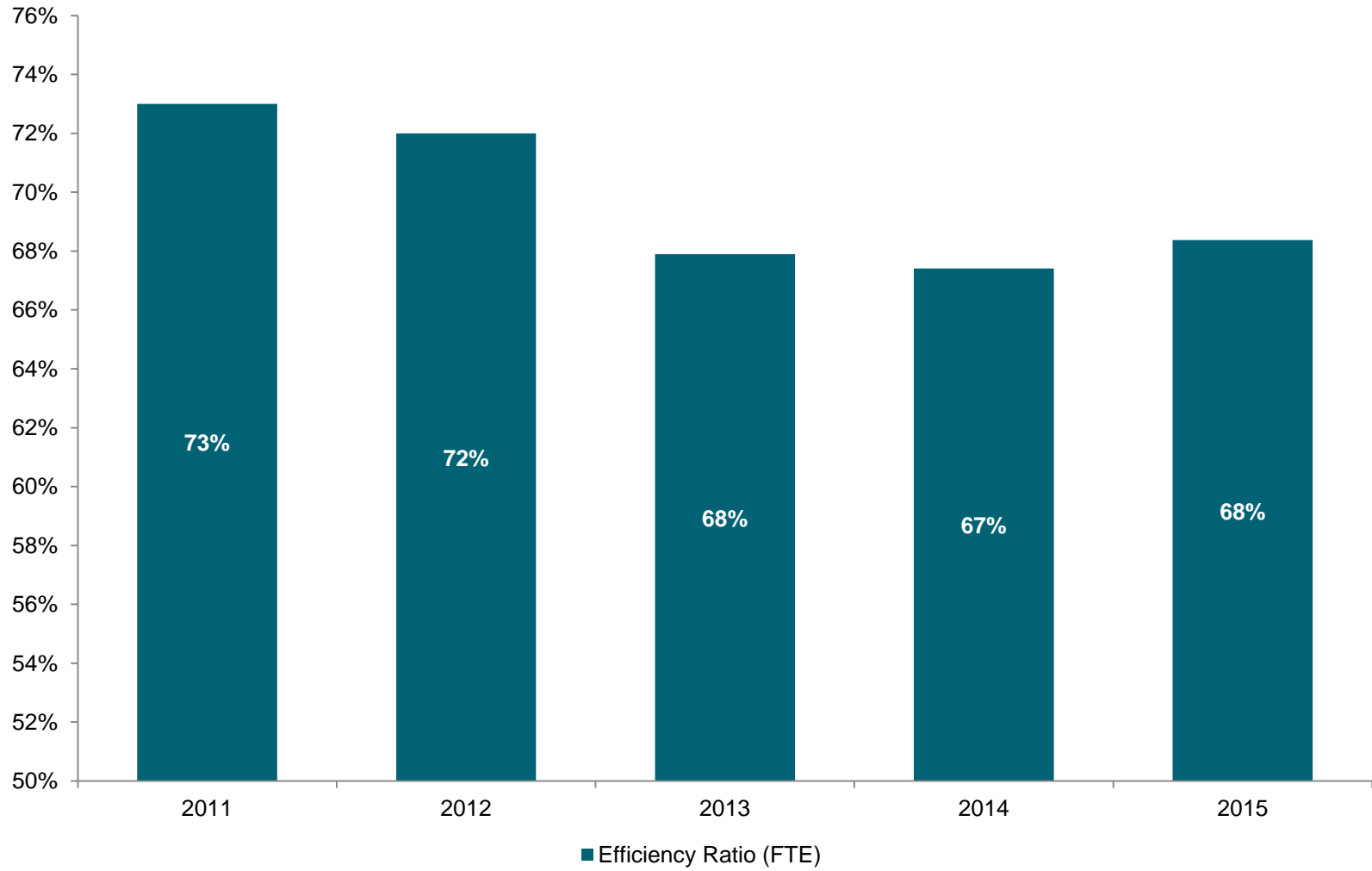
Excluding Purposeful Reduction Initiatives,
Private Bank West Coast Client Balances Growing at 6% CAGR



Notes:

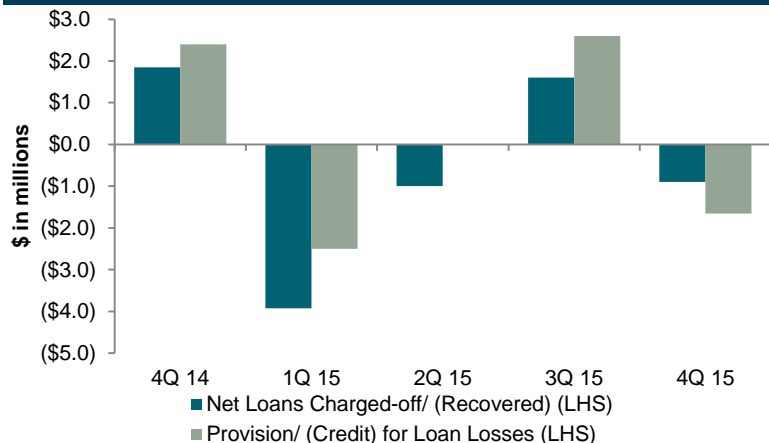
(1) Includes \$203 mm in loans and \$268 mm in deposits as of 12/31/10.

Expenses Continue to be Tightly Managed Following 2011-2012 Restructuring Savings



Asset Quality

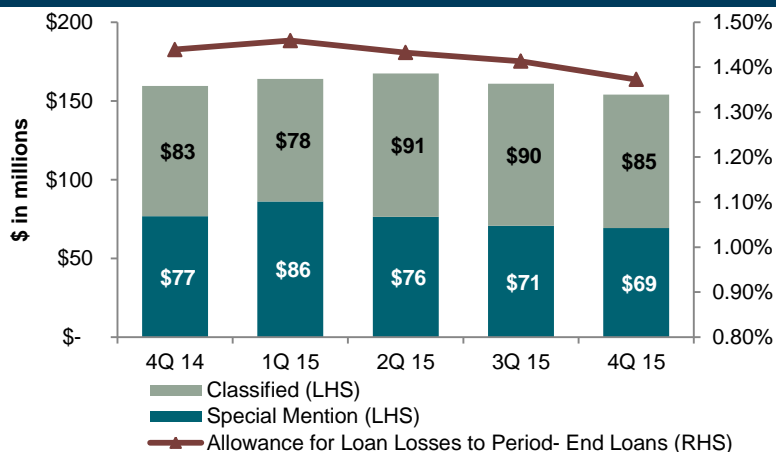
Net-Chargeoffs & Provision for Loan Losses



Comments

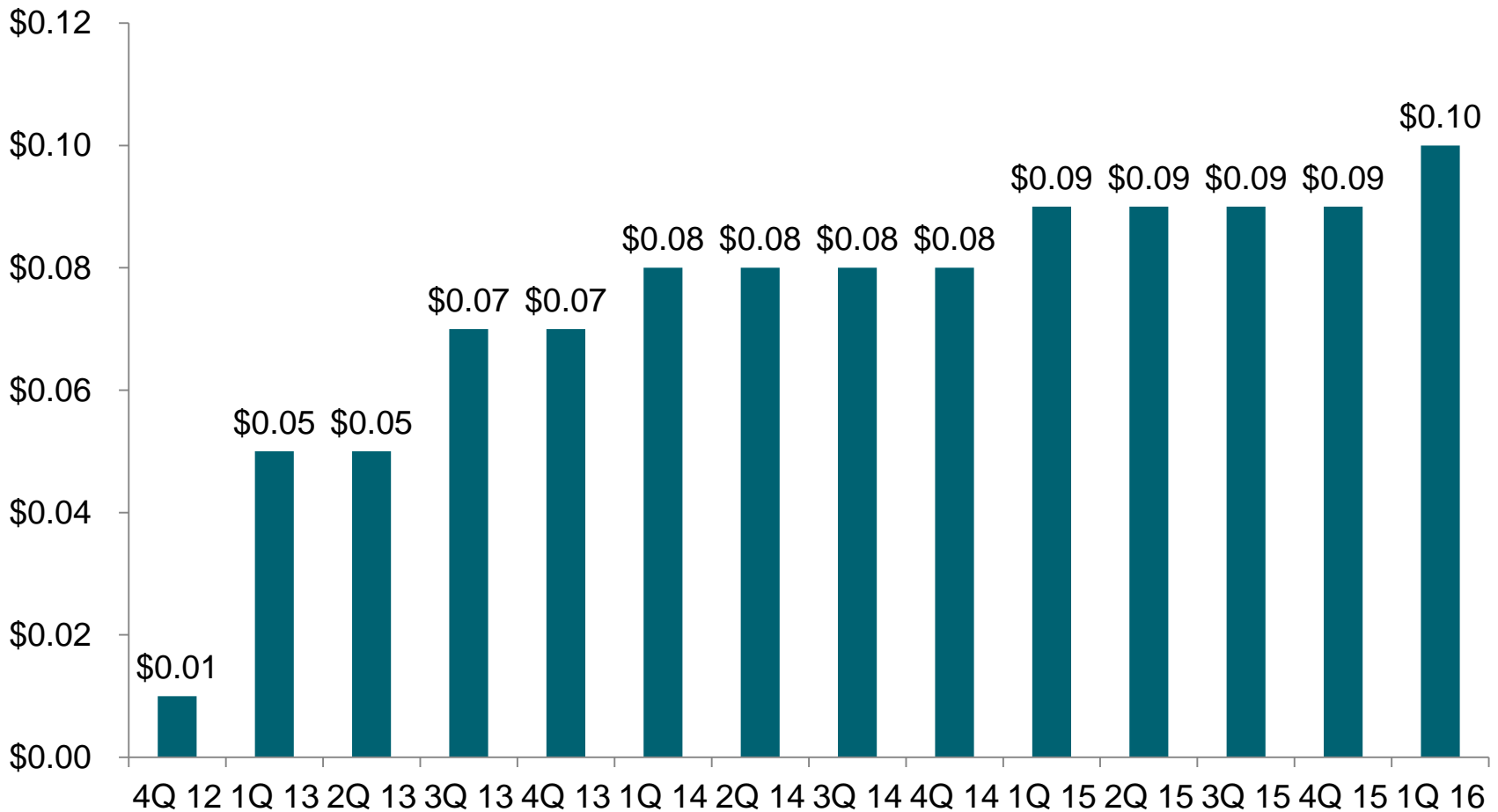
- Our provision for loan loss continues to closely track our quarterly Net-Charge Offs / Net-Recoveries
- The Company recorded a provision credit of \$1.7 million in 4Q15 due to net recoveries of \$900 thousand and a reduction in criticized and classified loans, partially offset by loan growth

Criticized Loans & Allowance for Loan Losses



- Total Criticized Loans decreased 3% year-over-year to \$154 million
- Allowance for Loan Loss as a percent of Total Loans finished the quarter at 1.37%

Capital Return Strategy: Dividends



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

Appendix

Consolidated Performance Metrics

(\$ in millions except per share data)

	4Q15	3Q15	4Q14
Return on Average Common Equity	8.0%	7.3%	6.9%
Return on Average Tangible Common Equity	11.9%	10.9%	10.6%
Core Fee Income Ratio	43%	46%	47%
Efficiency Ratio (FTE)	71.6% ¹	66%	71%
Tier 1 Common Equity Ratio	9.8%	9.7%	9.2%
Total AUM	\$27,595	\$27,406	\$29,907
Diluted EPS	\$0.17	\$0.16	\$0.13

Notes:

(1) Excludes restructuring

Consolidated Income Statement

(\$ in millions)				% Change	
	4Q15	3Q15	4Q14	LQ	Y/Y
Net Interest Income	\$48.1	\$46.5	\$44.1	4%	9%
Core Fees	37.1	39.4	39.6	(6%)	(6%)
Total Other Income	0.6	0.0	0.3	NMF	NMF
Total Revenue	\$85.9	\$85.9	\$84.1	(0%)	2%
Operating Expenses	\$67.4	\$61.9	\$63.8	9%	6%
Pre-tax Pre-Provision Income	\$18.5	\$24.0	\$20.3	(23%)	(9%)
Provision Expense / (Credit)	(1.7)	2.6	2.4	NMF	NMF
Pre-tax Income from Continuing Operations	\$20.1	\$21.4	\$17.9	(6%)	12%
Taxes	5.6	8.2	5.9	(31%)	(4%)
Discontinued Operations	1.5	1.3	1.5	11%	(4%)
NCI	0.9	1.0	1.3	(7%)	(30%)
Net Income	\$15.0	\$13.5	\$12.2	11%	23%

Comments

- Core Fees decreased 6% year-over-year due to lower AUM at Boston Private Wealth and the Investment Management segment
- Effective tax rate was 28% in the 4Q15 and reflects changes to executive compensation

Consolidated Expense Trends

(\$ in millions)	% Change				
	4Q15	3Q15	4Q14	LQ	Y/Y
Operating Expenses:					
Salaries and employee benefits	\$39.5	\$37.9	\$39.9	4%	(1%)
Occupancy and equipment	10.0	9.1	8.5	10%	17%
Professional services	3.8	2.8	3.3	33%	14%
Marketing and business development	4.0	2.0	2.4	99%	65%
Contract services and data processing	1.5	1.6	1.5	(6%)	(1%)
Amortization of intangibles	1.8	1.7	1.7	9%	5%
FDIC insurance	1.1	0.9	0.9	19%	28%
Restructuring	2.0	1.5	0.7	33%	NMF
Other	3.7	4.4	4.8	(15%)	(22%)
Total Operating Expenses	\$67.4	\$61.9	\$63.8	9%	6%

Comments

- Compensation and Benefits increased 4% linked quarter as 3Q15 included one-time adjustments to decrease equity based performance compensation
- Marketing expense increased \$2 million linked quarter and reflects the timing of marketing campaigns at Boston Private
- Professional fees increased 33% or \$1 million linked quarter driven by higher legal fees
- The Company recorded a restructuring charge of \$2.0 million in 4Q15 related to actions at Boston Private Wealth

Consolidated Income Statement – Full Year

(\$ in millions)			% Change
	FY 2015	FY 2014	YY
Net Interest Income	\$185.8	\$179.7	3%
Core Fees	157.1	139.0	13%
Total Other Income	4.1	1.8	NMF
Total Revenue	\$346.9	\$320.5	8%
Operating Expenses	\$255.2	\$227.1	12%
Pre-tax Pre-Provision Income	\$91.8	\$93.4	(2%)
Provision Expense / (Credit)	(1.6)	(6.4)	NMF
Pre-tax Income from Continuing Operations	\$93.3	\$99.8	(6%)
Taxes	30.4	32.4	(6%)
Discontinued Operations	6.4	6.2	4%
NCI	4.4	4.8	(7%)
Net Income	\$64.9	\$68.8	(6%)

Comments

- Total Revenue increased 8% from 2014
 - Net Interest Income increased 3%, reflecting Average Earning Asset growth of 7%, partially offset by NIM compression of 6 basis points
 - Core Fees Increased 13% to \$157 million in 2015 driven largely by the acquisition of Banyan Partners, along with higher revenue from the Wealth Advisors and higher Banking fees.
- Operating expenses increased 12% or \$28 million to \$255 million
 - Step-up in expenses is largely attributable to the Banyan acquisition

Private Bank Performance Highlights

(\$ in millions)					
	% Change				
	4Q15	3Q15	4Q14	LQ	Y/Y
Net Interest Income	\$49.1	\$47.4	\$45.1	4%	9%
Core Fees	1.9	3.1	2.0	(40%)	(7%)
Total Other Income	0.5	(0.4)	0.1	NMF	NMF
Total Revenue	\$51.5	\$50.1	\$47.2	3%	9%
Operating Expenses	\$32.1	\$27.4	\$29.2	17%	10%
Pre-tax Pre-Provision Income	\$19.4	\$22.7	\$18.0	(15%)	8%
Provision Expense / (Credit)	(1.7)	2.6	2.4	NMF	NMF
Pre-tax Income from Continuing Operations	\$21.1	\$20.1	\$15.6	5%	35%
Taxes	6.9	6.3	4.5	10%	53%
Net Income	\$14.1	\$13.8	\$11.1	2%	27%

Comments

- Net Interest Income increased 4% linked quarter and 9% year-over-year
- Core Fees decreased 40% linked quarter due to lower swap fees
- Operating Expenses increased 17% linked quarter reflecting higher incentive compensation and seasonally high marketing expense

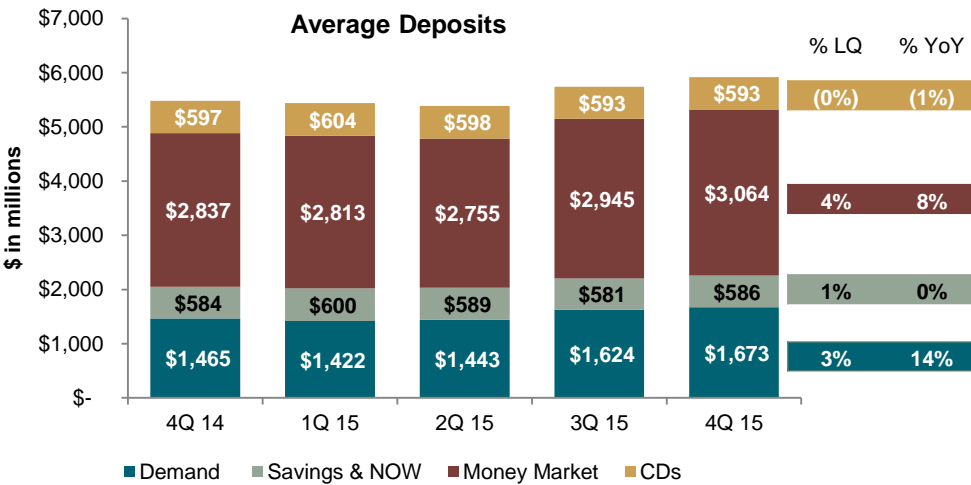
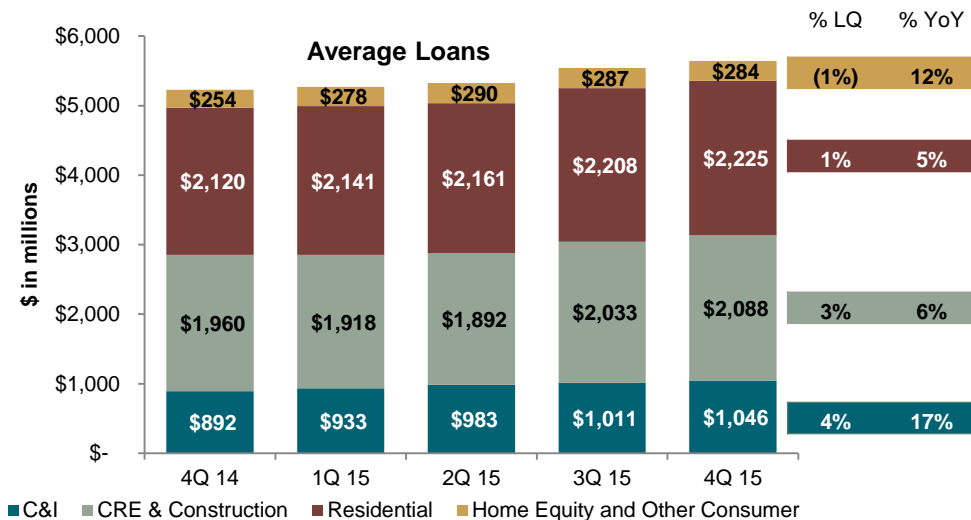
Key Statistics

	4Q15	3Q15	4Q14
Efficiency Ratio (FTE)	58%	52%	59%
Net Interest Margin	2.94%	2.91%	2.90%
Average Loan-to-Deposits Ratio ¹	94%	95%	94%

Notes:

(1) Reflects bank subsidiary only.

Balance Sheet Highlights

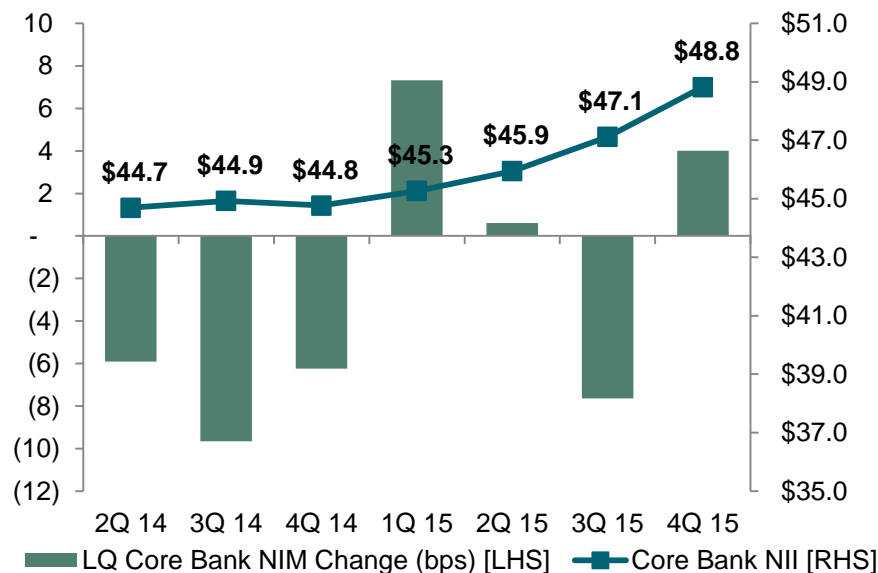


Comments

- Total Average Loans increased 8% year-over-year, led by C&I (+17%) and CRE and Construction (+6%) and Residential (+5%)
- Total Average Deposits increased 8% year-over-year to \$5.9 billion
- Demand (+14%) and Money Market (+8%) both posted strong year-over-year growth
- CDs continue to trend lower, down 1% year-over-year
- Deposit growth has been strong across East Coast and West Coast markets

Net Interest Margin

Core Bank NIM vs. Core Bank NII (\$ in mm)



Comments

- Excluding interest recovered on previous non-accrual loans, Bank Net Interest Income has increased sequentially four straight quarters
- Cash and Investments yield increased yields on Mortgage Backed Securities and Taxable Municipal securities
- Loan yields were flat-to-higher across all major loan categories sequentially
- Cost of Funds, including DDA, was flat linked quarter and down two basis points year-over-year

Bank Yield/ Cost

	4Q 14	1Q 15	2Q 15	3Q 15	4Q 15
Cash and Investments	1.45%	1.83%	1.98%	1.89%	1.97%
Loans	3.71%	3.80%	3.63%	3.58%	3.62%
Interest-Bearing Deposits	0.38%	0.39%	0.39%	0.38%	0.40%
Total Interest-Bearing Liabilities	0.53%	0.52%	0.51%	0.51%	0.52%
Cost of Funds Including DDA	0.40%	0.40%	0.39%	0.38%	0.38%
Net Interest Margin (FTE)	2.90%	3.07%	2.97%	2.91%	2.94%
Core Net Interest Margin (FTE)	2.89%	2.96%	2.97%	2.89%	2.93%

Boston Private Wealth Performance Highlights

(\$ in millions)				% Change	
	4Q15	3Q15	4Q14	LQ	Y/Y
Total Revenue	\$11.8	\$12.9	\$13.3	(9%)	(12%)
Operating Expenses	\$15.1	\$14.3	\$12.8	5%	18%
Pre-tax Income from Continuing Operations	(\$3.3)	(\$1.4)	\$0.5	NMF	NMF
Taxes	(1.3)	(0.5)	0.3	NMF	NMF
Net Income	(\$2.0)	(\$0.8)	\$0.3	NMF	NMF
Memo:					
Pre-tax Income from Continuing Operations	(\$3.3)	(\$1.4)	\$0.5	NMF	NMF
Depreciation & Amortization	0.8	0.8	0.9	(2%)	(6%)
EBITDA	(\$2.5)	(\$0.5)	\$1.4	NMF	NMF
<i>Unusual Items:</i>					
Add back: Operational Loss	-	0.2	-		
Add back: Restructuring	2.0	1.5	0.7		
Less: Earn-out Liability	-	(0.5)	-		
Adjusted EBITDA	(\$0.5)	\$0.7	\$2.1	NMF	NMF

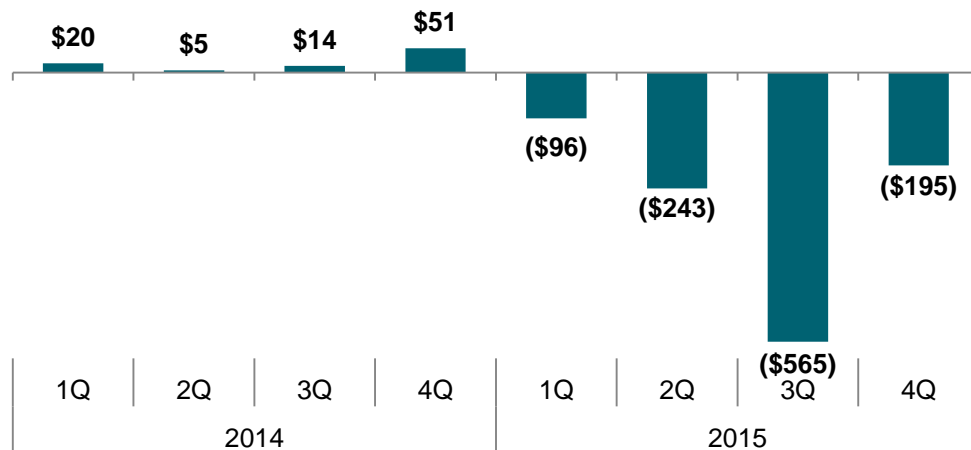
Key Statistics			
	4Q15	3Q15	4Q14
Net Flows (\$ in mm)	(\$195)	(\$565)	\$51
Total AUM (\$ in mm)	\$7,976	\$8,060	\$9,274
Reported EBITDA Margin	-21%	-4%	10%
Adjusted EBITDA Margin	-4%	5%	16%

Comments

- 3Q15 Total Revenue includes a market value adjustment for the Banyan Partners earn out of \$500 thousand, excluding this adjustment Total Revenue decreased 5% linked quarter due to lower AUM
- Excluding restructuring charges, Operating Expenses increased 2% linked quarter due to higher legal fees and higher occupancy expense
- Benefits of 4Q15 restructuring yield an expected pre-tax operating income margin of 10-15%

Boston Private Wealth Flows

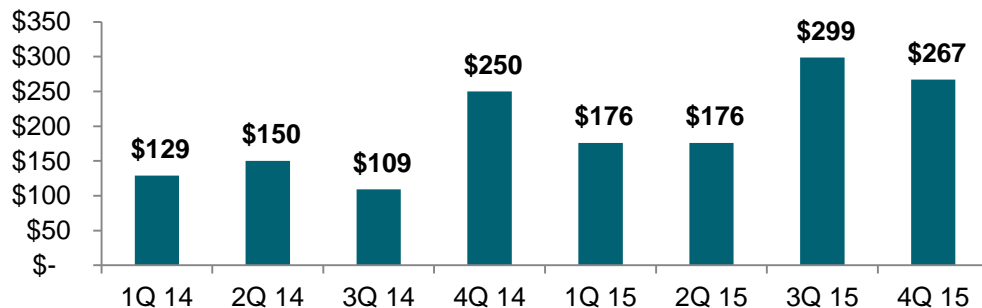
BPW Net Flows (\$ in millions)



Comments

- Net Flows have improved sequentially due to lower levels of client attrition
- New business generation has been robust in the second half of the year post integration

BPW New Business 8 Quarter Trend (\$ in millions)



Wealth Advisory Performance Highlights

(\$ in millions)

	4Q15	3Q15	4Q14	% Change	
				LQ	Y/Y
Total Revenue	\$12.6	\$12.5	\$12.5	0%	1%
Operating Expenses	\$8.2	\$9.3	\$8.9	(12%)	(8%)
Pre-tax Income from Continuing Operations	\$4.4	\$3.2	\$3.6	35%	23%
Taxes	1.7	1.3	1.3	36%	34%
NCI	0.5	0.4	0.6	28%	(15%)
Net Income	\$2.1	\$1.6	\$1.7	36%	28%
Memo EBITDA:					
Pre-tax Income from Continuing Operations	\$4.4	\$3.2	\$3.6	35%	23%
Depreciation & Amortization	0.5	0.5	0.5	0%	(4%)
EBITDA	\$4.8	\$3.7	\$4.0	31%	20%

Comments

- Total Revenue increased 1% year-over-year
- Operating Expenses decreased 8% year-over-year and 12% linked quarter due to lower incentive compensation
- 4Q15 segment EBITDA margin was 38%, well-above the corporate target of 30%
- Full year EBITDA margin was 34%

Key Statistics

	4Q15	3Q15	4Q14
Net Flows (\$ in mm)	(\$54)	\$19	\$51
Total AUM (\$ in mm)	\$9,688	\$9,537	\$9,883
EBITDA Margin	38%	30%	32%
Pre-Tax Margin	35%	26%	29%

Investment Management Performance Highlights

(\$ in millions)				% Change	
	4Q15	3Q15	4Q14	LQ	Y/Y
Total Revenue	\$10.9	\$11.4	\$11.9	(4%)	(9%)
Operating Expenses	\$8.2	\$8.3	\$8.5	(1%)	(4%)
Pre-tax Income from Continuing Operations	\$2.7	\$3.1	\$3.4	(13%)	(20%)
Taxes	0.9	1.0	1.1	(10%)	(17%)
NCI	0.4	0.6	0.7	(31%)	(43%)
Net Income	\$1.4	\$1.5	\$1.5	(7%)	(11%)
Memo EBITDA:					
Pre-tax Income from Continuing Operations	\$2.7	\$3.1	\$3.4	(13%)	(20%)
Depreciation & Amortization	0.8	0.8	0.8	0%	2%
EBITDA	\$3.5	\$3.9	\$4.2	(10%)	(16%)

Comments

- Total Revenue decreased 9% year-over year and 4% linked quarter due to net outflows and market volatility
- Operating expenses were lower 4% year-over-year representing lower incentive compensation and the retirement of key executives
- Segment EBITDA margin remain above the 30% target

Key Statistics

	4Q15	3Q15	4Q14
Net Flows (\$ in mm)	(\$294)	(\$205)	(\$258)
Total AUM (\$ in mm)	\$9,952	\$9,830	\$10,772
EBITDA Margin	32%	34%	35%
Pre-Tax Margin	25%	27%	28%