

**BOSTON PRIVATE FINANCIAL HOLDINGS:**  
***A National Wealth Management Franchise***

**Timothy L. Vaill**  
Chairman & CEO

**Walter M. Pressey**  
Vice Chairman & President

**David J. Kaye**  
Chief Financial Officer

# Forward Looking Statements

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 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, adverse conditions in the capital and debt markets and the impact of such conditions on the Company's private banking, asset management and investment 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; the passing of adverse 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, 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.

# Key Investment Highlights

- Proven long-term client-centric business model
- Focus on attractive high-net worth market niche
- Strengthened business through multi-pronged repositioning
- Robust capital and liquidity position
- Stable and improving credit quality
- Poised for growth and increasing profitability post TARP

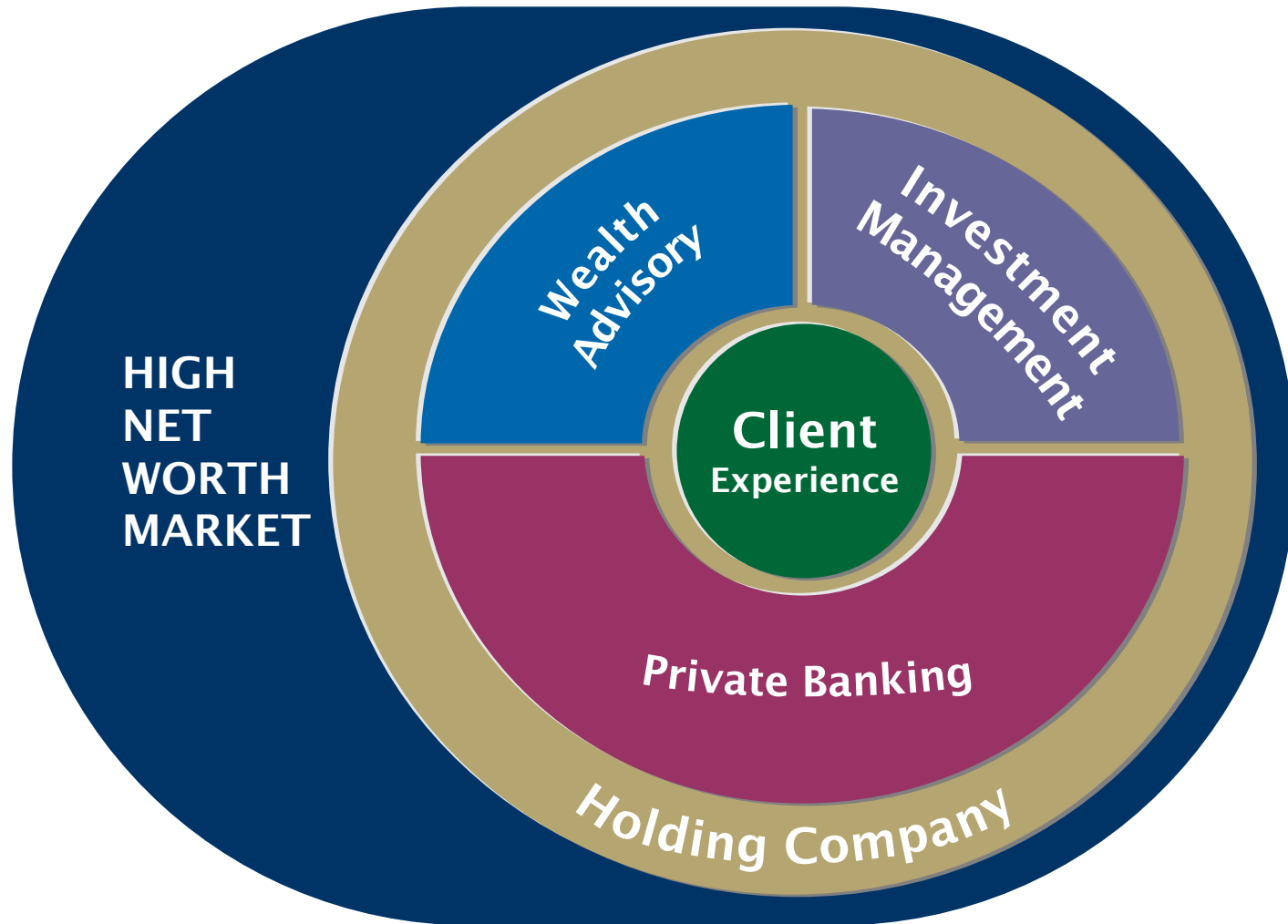


**Well-Positioned to Execute on Our Growth Strategy**

# Executive Management Update

- On June 8, we announced that Clayton G. Deutsch, currently a senior partner at McKinsey & Company, will become Chief Executive Officer and President effective July 31, 2010
  - Mr. Deutsch began his career in banking in the 1970s and has been at McKinsey since 1980
  - He brings deep experience with a number of leading financial institutions, including expertise in private banking, wealth advisory and wealth management
- BPFH Board will elect a new non-executive Chairman from the independent directors to assume that role also on July 31, 2010
- Tim Vaill will continue to serve as a BPFH Director
- Walt Pressey will continue to serve as Vice Chairman and remain a BPFH Director
- Remainder of senior management unchanged

# Proven Long-Term Strategy Remains The Same



# Client-Centric, Private Banking Model

*Private Banks account for 75% of revenue*

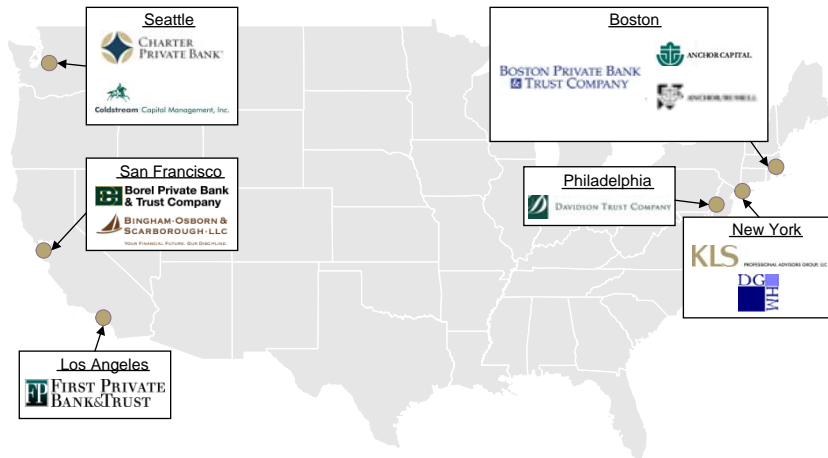
	Private Banking	Wealth Advisory	Investment Management
Q1 Revenue	\$55.4M	\$9.3M	\$9.2M
AUM	\$3.6B	\$7.4B	\$7.3B
Average Operating Margin*	33%	29%	18%
Footprint	4 banks 24 offices	4 firms 5 offices	2 firms 3 offices

*Fee-based revenues generate 35% of core revenues*

\*Q2 08 - Q1 10 quarterly average excluding tax, provision, impairment and one-time items

# Attractive National Footprint

## Affiliates by Region



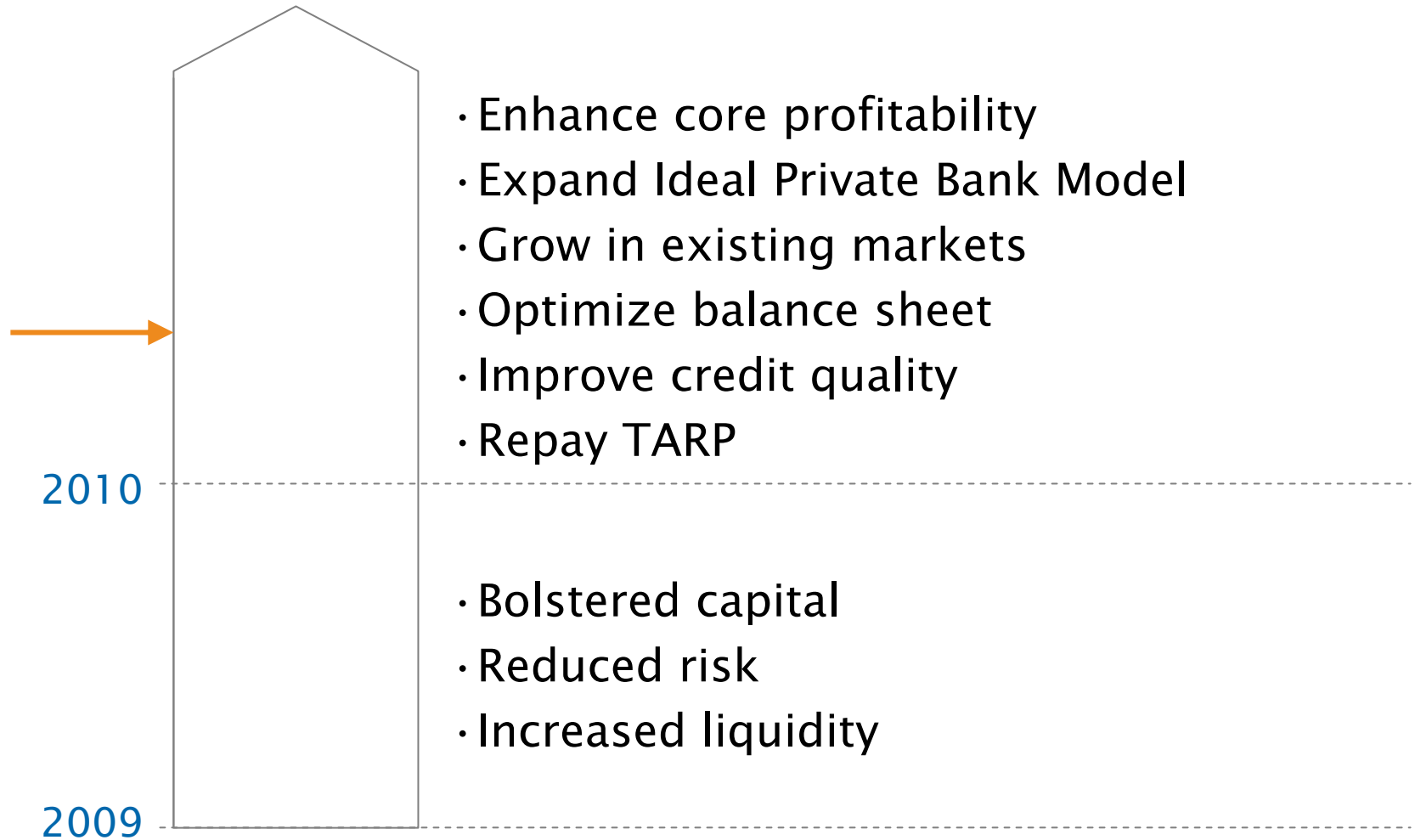
- 6 Regions
- 10 Affiliates
- 32 Offices

## Key Financial Metrics

AUM:	\$18.3 billion
Assets:	\$6.0 billion
Loans:	\$4.4 billion
Deposits:	\$4.5 billion
Q1 Revenue:	\$71.7 million

*Note: Financial data as of March 31, 2010*

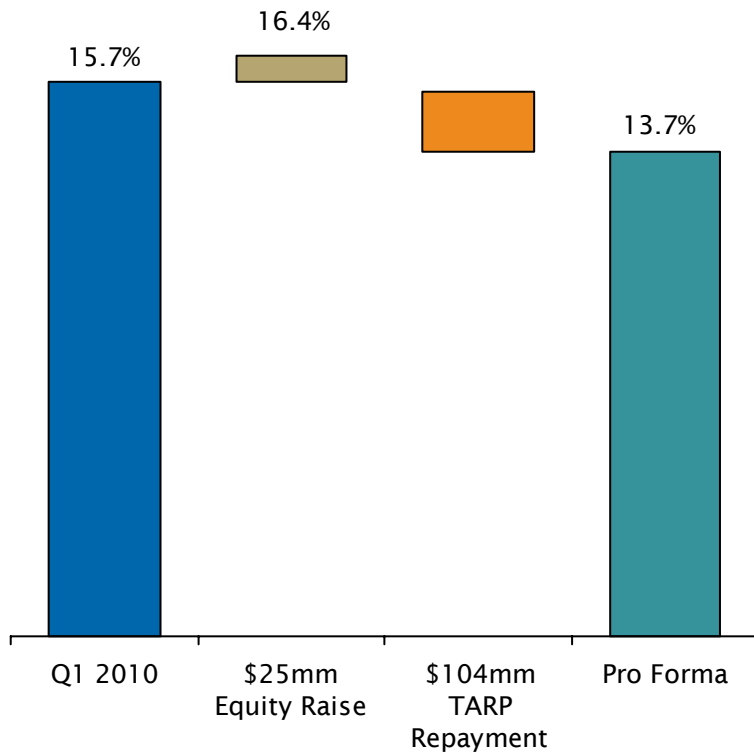
# Past and Present Initiatives



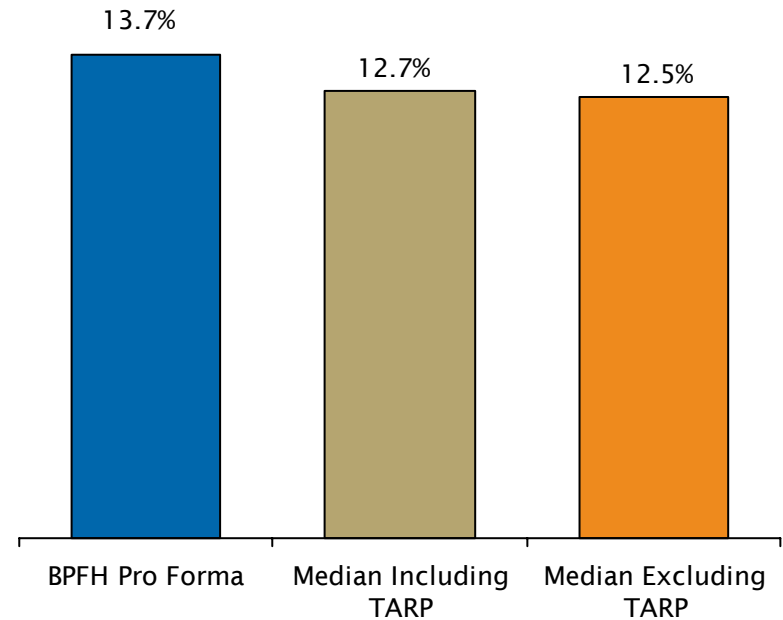


# Strong Capital Position

*Change in Tier 1 ratio due to transaction*



*Pro forma Tier 1 ratio vs. median of all banks with assets of \$5-10bn*



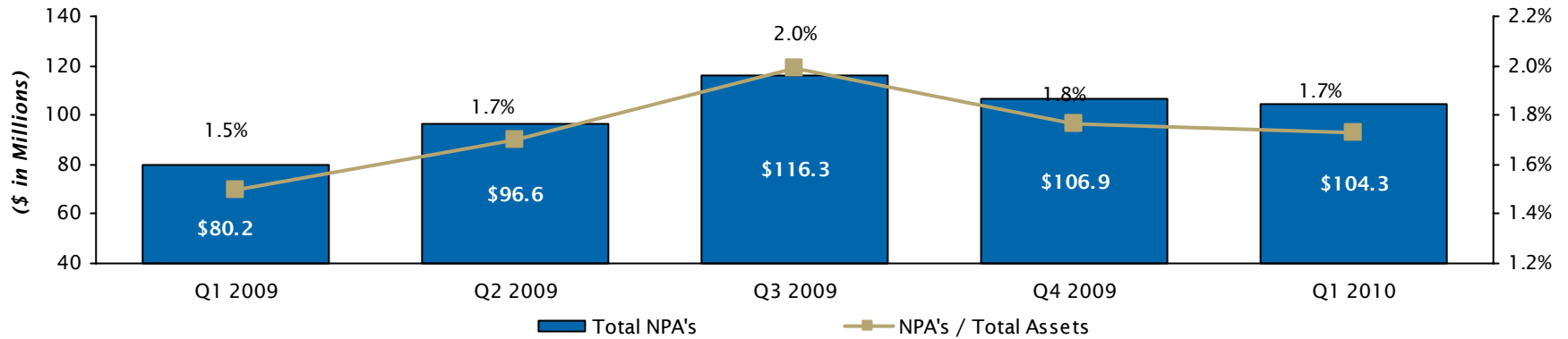
*Strong holding company liquidity to support growth initiatives*

*Boosts TCE / TA to 6.8% pro forma, our highest level since 2003*

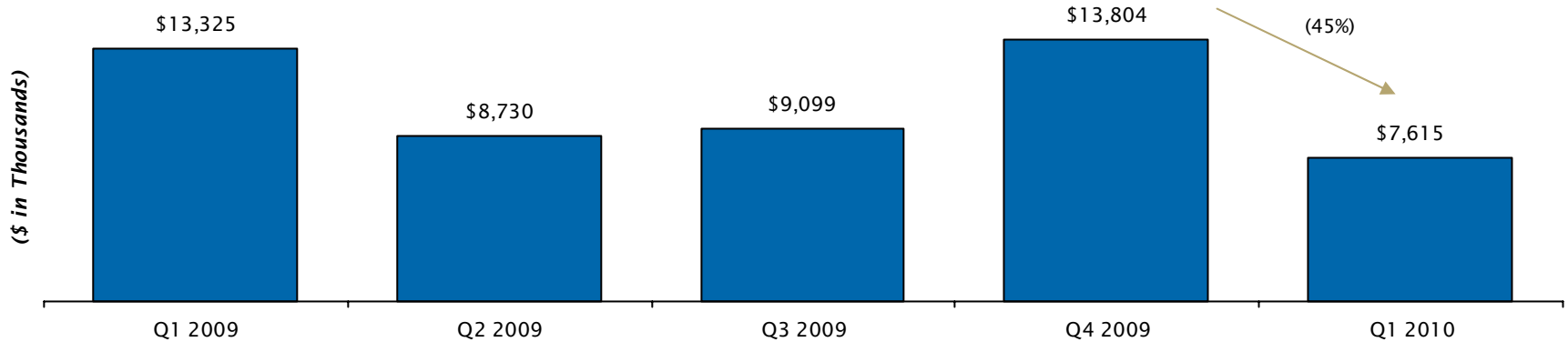
*Ratios include 2008 Carlyle preferred and exclude gross-up participation by Carlyle in this offering*

# Improving Credit Quality – NPAs & Provision

*NPA levels continue to fall*

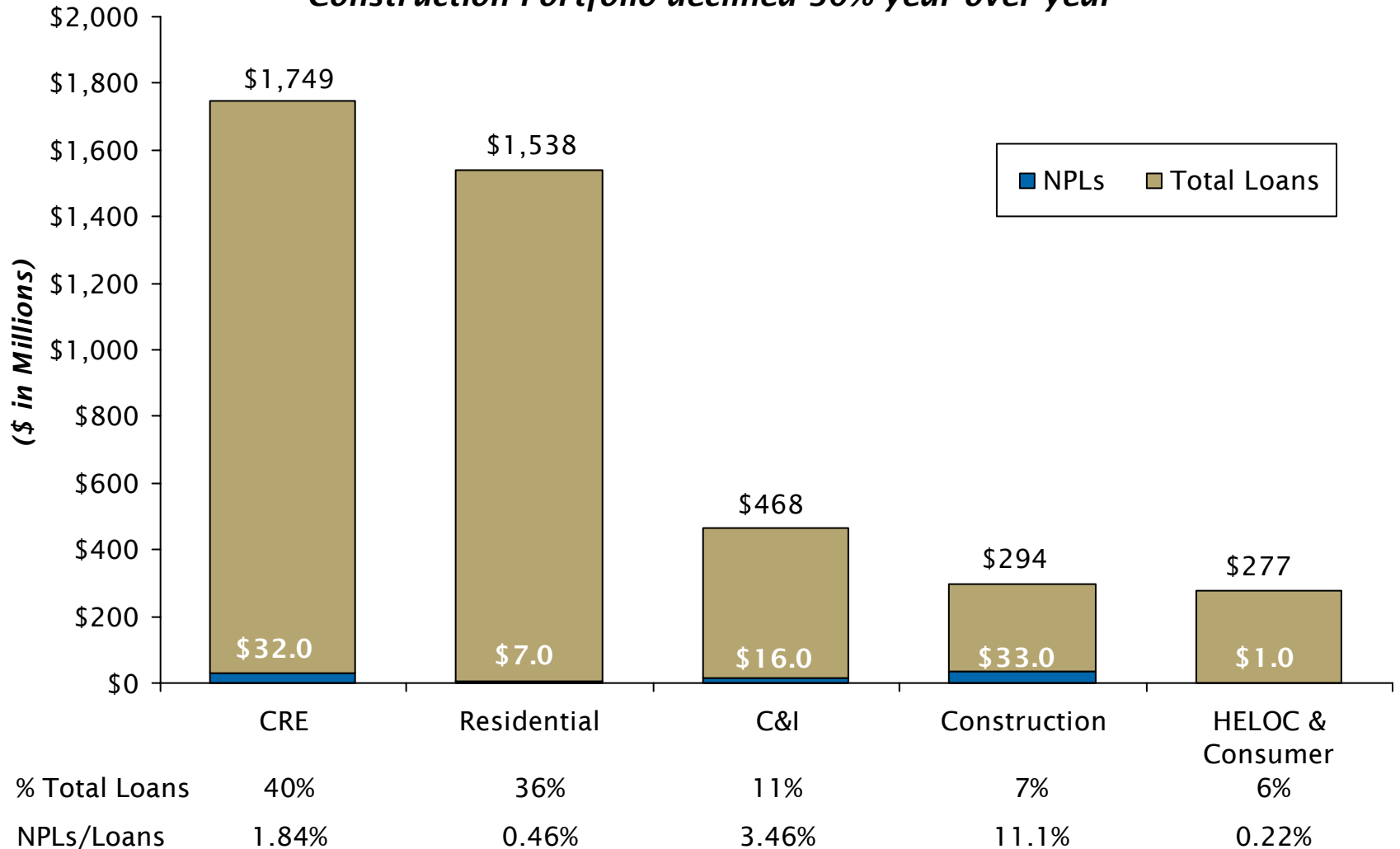


*Provision declined to lowest level since 3Q 2007*



# Improving Credit Quality – Loans By Type

**Construction Portfolio declined 30% year-over-year**

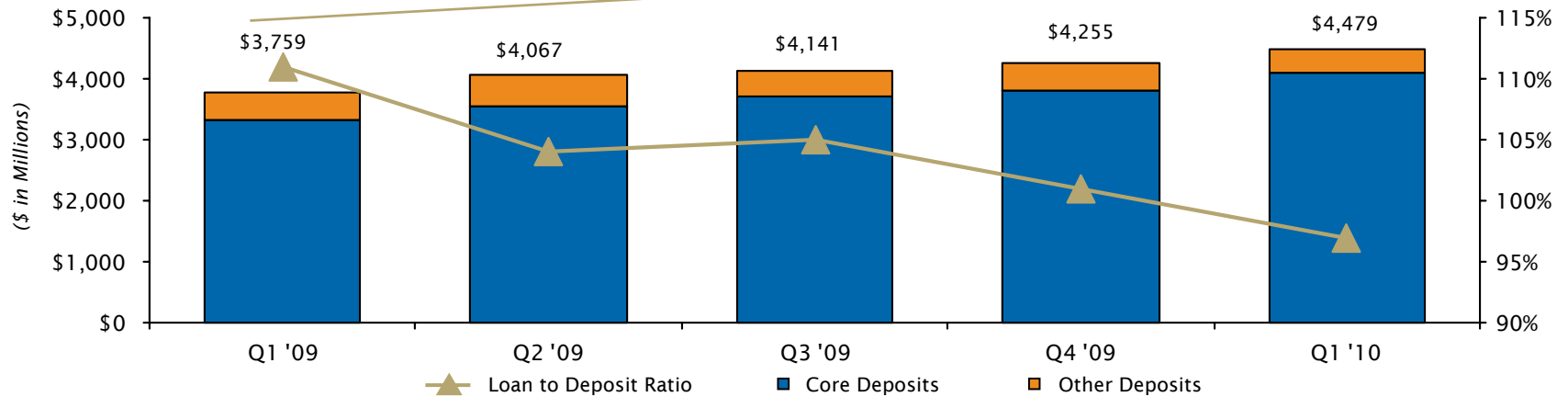


*Excludes loans in suspense and accounting adjustments*

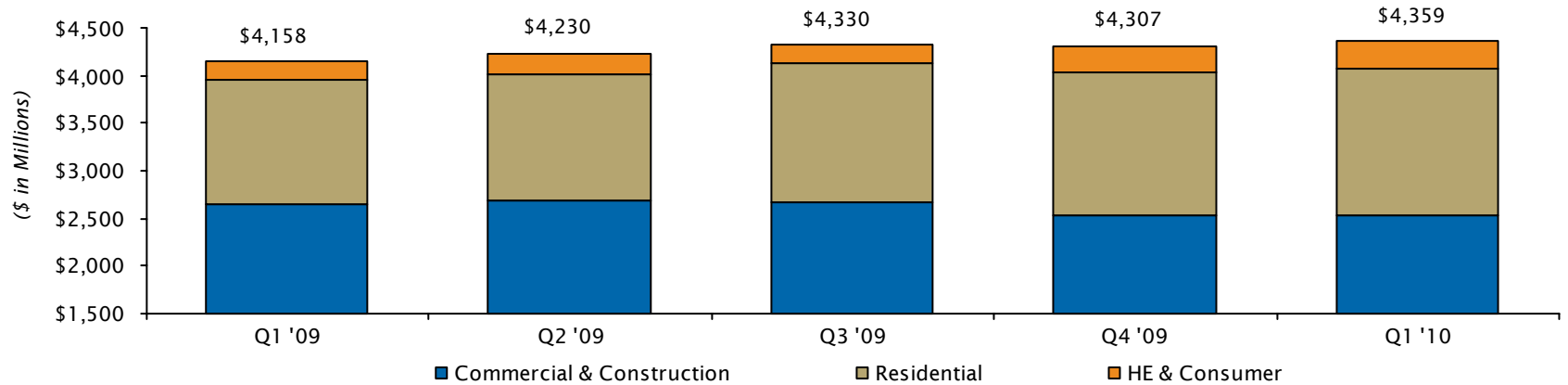
# Strong Balance Sheet Growth Continues

**Core deposits increased 6% in Q1 2010**

Deposit Growth: 19%

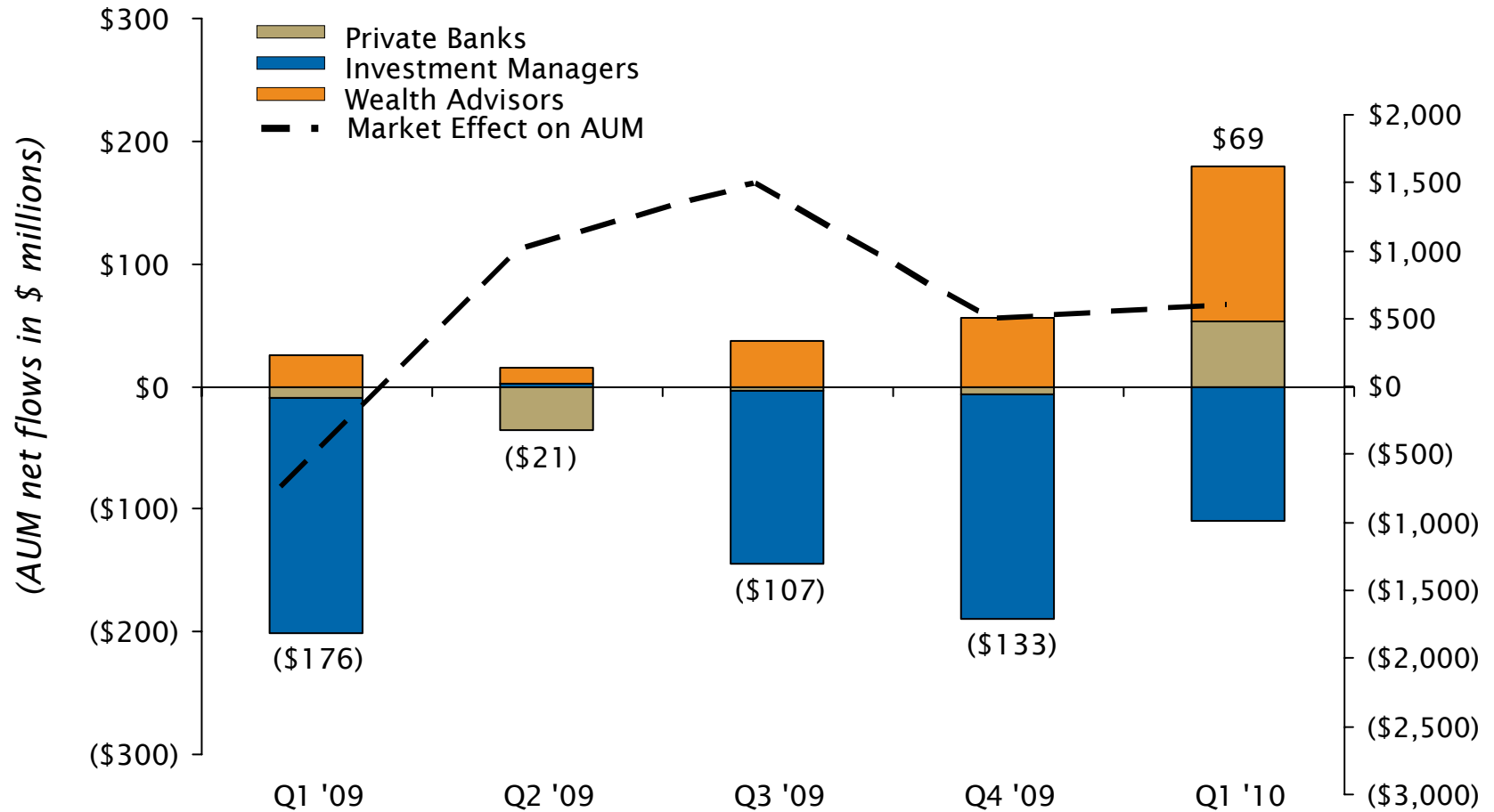


**Residential loan portfolio grew 17% year-over-year**



*Other deposits represent CDARS and Brokered Deposits*

# Recovery in AUM Net Flows



*Excluding market changes and acquisitions*

# Q1 2010 Recap / Financial Highlights

## ***Enhancing Core Profitability***

- Reported net income from continuing operations of \$5.8mm and GAAP EPS of \$0.02
- Net interest margin of 3.18%, up 21bps from 2.97% on a linked quarter basis
- Fee income increase of 1% from the prior quarter and 15% from Q1 2009

## ***Improving Credit Quality***

- NPAs / assets of 1.73%, a decrease of 4bps from 1.77% at Q4 2009
- Net charge-offs / average loans of approximately 0.06% compared to 0.43% during Q4 2009

## ***Optimizing Balance Sheet***

- Grew residential mortgage portfolio 17% YoY; construction exposure decreased 30%
- Core deposits up 6% and brokered deposits down 9% on a linked quarter basis
- Loans / deposits of 97% compared to 111% at Q1 2009

# Q2 2010 QTD Financial Update

(\$ in millions unless otherwise stated)

	Q2 2010 QTD Thru May	Q2 2009 QTD Thru May	Q2 2010 - Q2 2009 QTD Variance	Q1 2010
Total Revenue	\$49.1	\$43.4	13%	\$71.7
Operating Expense	\$37.7	\$36.9	2%	\$56.0
Total Loans	\$4.5bn	\$4.2bn	7%	\$4.4bn
Total Deposits	\$4.4bn	\$3.9bn	13%	\$4.5bn
Assets Under Management	\$17.9bn	\$15.9bn	12%	\$18.3bn
Net Charge-offs	\$2.9	\$1.9	53%	\$2.8
Non-Performing Loans	\$85.3	\$86.7	(2%)	\$88.1
Provision	\$6.2	\$4.6	35%	\$7.6

# Opportunity In Existing Markets

- Achieve scale and expand balance sheet and fee business in existing markets
- Examples:
  - Lift-outs of key business leaders
  - In-market branch/office acquisitions
  - Expand investment management & trust services within private banks
  - Capitalize on dislocation in our markets and attract our target customer base



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