



Investor Presentation

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Q3 2010

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 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, effectiveness of our investment programs, and evaluations of future interest rate trends and liquidity, expectations as to growth in assets, deposits and results of operations, receipt of regulatory approval for pending acquisitions, success of acquisitions, future operations, market position, financial position, and prospects, plans and objectives of management. 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, 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 the value of the securities in our investment portfolio, changes in loan defaults and charge-off rates; the adequacy of loan loss reserves; reductions 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; and risks related to the identification and implementation of acquisitions; 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. 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.

Forward Looking Statement

Please note that the loan classifications are assessments made by the Company of the status of the loans based on the facts and circumstances known to the Company, including management judgment, at that time of assessment. Some or all of these classifications may change in the future if there are unexpected changes in the financial condition of the borrower, including but not limited to, changes resulting from continuing deterioration in general economic conditions on a national basis or in the local markets in which the Company operates adversely affecting, among other things, real estate values. Such conditions, as well as other changes which adversely affect borrowers' ability to service or repay loans, typically result in changes in loan default and charge-off rates, as well as increased provisions to loan loss reserves, which adversely affect financial performance and financial condition of companies such as Boston Private. These circumstances are not entirely foreseeable and as a result, may not be able to be accurately reflected in the Company's analysis of credit risk.

In particular, loans that form the category "Special Mention" are considered more variable than other categories, since they will typically migrate through categories more quickly.

Agenda

1. Our Credit Situation

2. Our Priorities

- Appendix

Our Loan Portfolio At A Glance

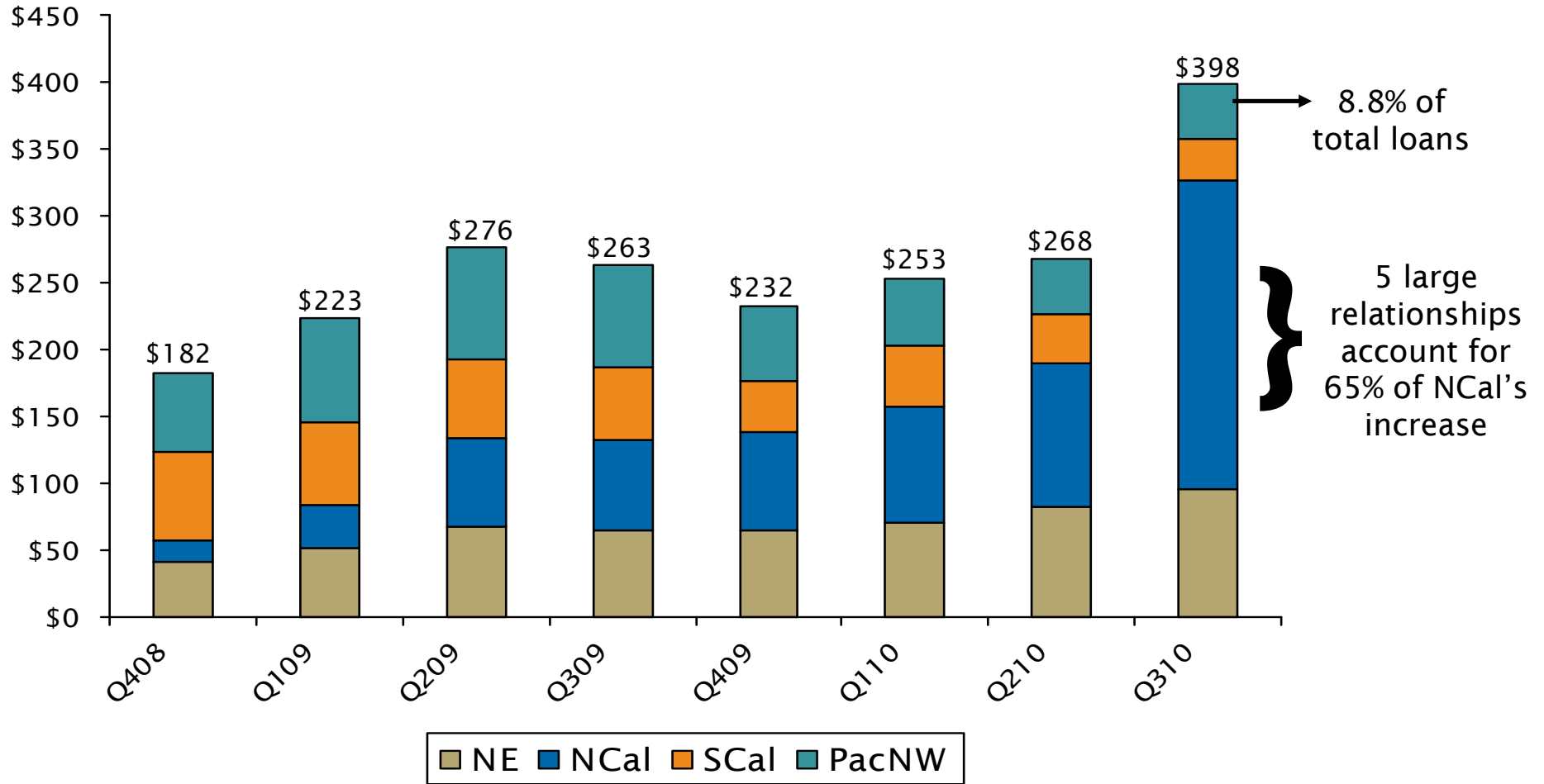
| (\$millions) | NE | NCal | Scal | PacNw | Total |
|--------------------|----------------|----------------|--------------|--------------|----------------|
| Resi Mortgage | 1,155 | 277 | 159 | 44 | 1,635 |
| HELOC/Cons | 202 | 72 | 16 | 7 | 296 |
| C&I | 446 | 90 | 53 | 42 | 632 |
| CRE | 636 | 846 | 180 | 92 | 1,755 |
| Constr/Land | 98 | 98 | 2 | 14 | 211 |
| Total Loans | \$2,537 | \$1,383 | \$410 | \$198 | \$4,528 |

Portfolio Facts:

- Resi Mortgage
36% of total portfolio
50%+ '09-'10 Vintages
NCOs < 1bp
- HELOC/Consumer
7% of total portfolio
NCOs = \$0
- C&I
14% of total portfolio
70% in NE
NCOs of 150bps
- **CRE/Construction**
43% of total portfolio
82% of criticized loans
NCOs of 120bps

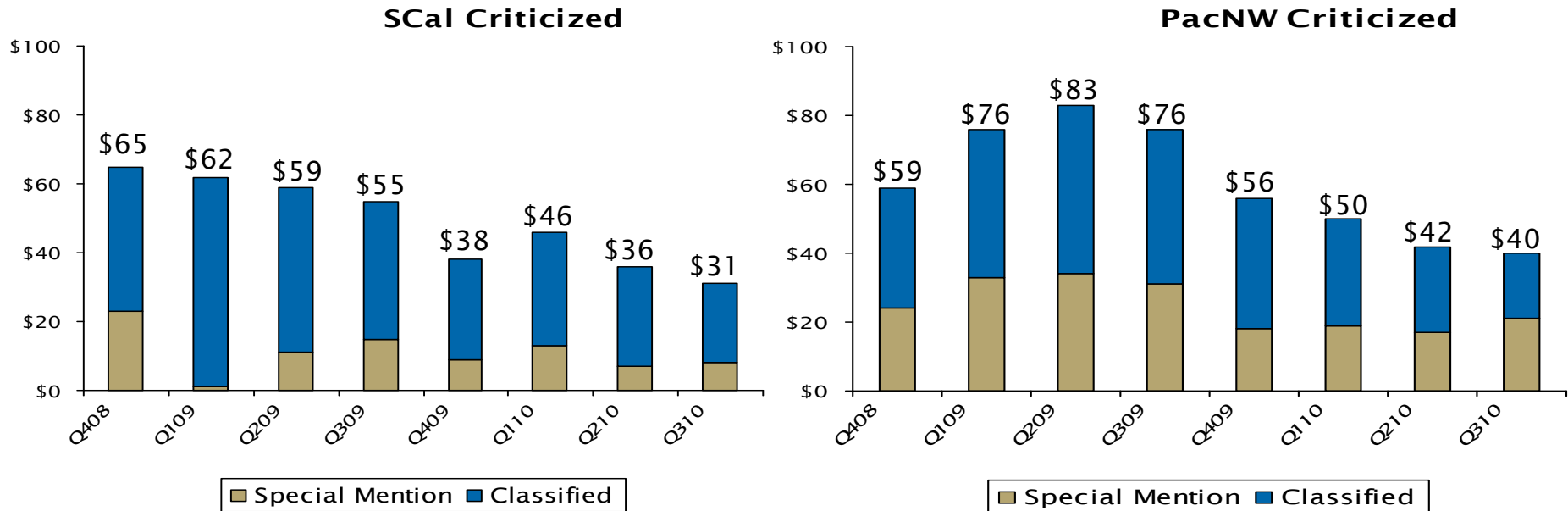
Criticized Loans (Classified + Special Mention) by Region

NCal increase in Criticized Loans drove degradation in Q310



Criticized Loans: SCal and PacNW

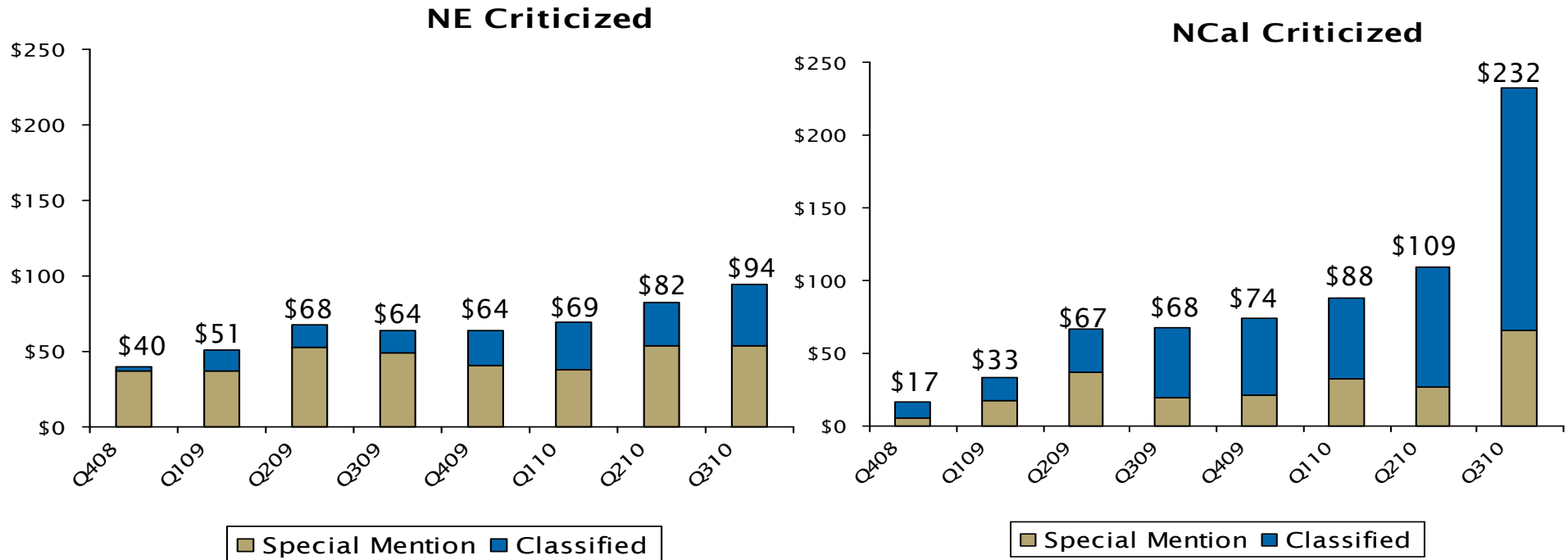
Both SCal and PacNW have driven improved credit quality



- Approximately 60% of the problem loans at peak were Construction and Land related
- Employed 12 workout specialists (combined) to drive down Criticized Loans 50% from peak in both regions
- Combined \$3mm credit to the provision 3Q10 YTD
 - \$1mm net recoveries (\$6mm gross)

Criticized Loans: NE and NCal

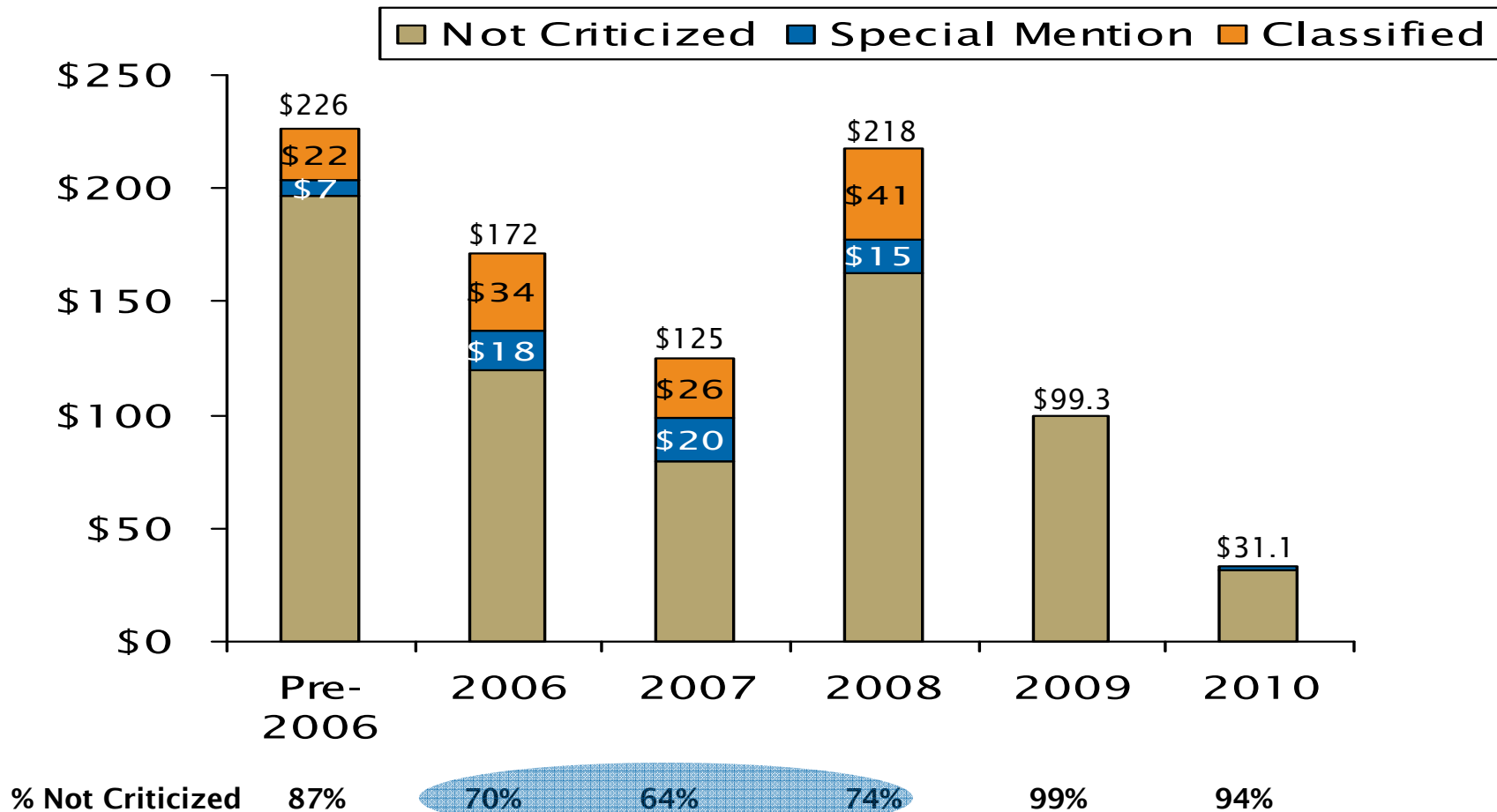
Both NCal and NE have experienced credit quality degradation in the past 3 quarters



- CRE has driven 93% of the combined increase in the criticized loans since Q409
- NCal CRE accounts for 82% of the increase
 - \$184mm of the \$232mm criticized loans in NCal are CRE
 - 83% of the criticized CRE loans were originated between 2006-2008

NCal CRE by Vintage

Of the \$514mm originated between 06-08, \$361mm is Not Criticized, \$53mm is Special Mention, and \$101 is Classified



2006-2008 Vintage: NCal Non-Criticized Loans

The roughly \$360mm of Non Criticized loans have the following characteristics:

- **The top 10 relationships account for \$123mm (34%) of the portfolio**
 - Median original LTV of top 10 was 48%
 - 50% Office/Medical, 30% Retail

- **Excluding the top 10 relationships, of the remaining \$237mm:**
 - Median original LTV was 52%
 - 18% Office/Medical, 17% Manufacturing/warehouse
 - 15% multi-family, 14% retail
 - 13% Hospitality, 12% Single Family

- **Median original LTV of current Classified loans was 63%**

- **\$56mm (24%) of current Non-Criticized (2006-2008 Vintages) has a higher risk with original LTVs >60%**

Steps We Are Taking

- New leadership installed in NCal
 - Jim Dawson interim CEO of Borel, led initial recovery in SCal in 2008
 - New CCO of Borel named in 3Q10
 - Reshaped Borel's DLC and OLC (new membership)
- 9 workout personnel hired during 2010 in NCal
 - 4 started in 3Q10
- All Commercial exposures over \$1.5mm reviewed by the end of Q310
 - Covers 70%+ of the Commercial portfolio
- Ongoing additional reviews begun in Q310
 - Weekly reviews of all problem loans
 - Continuous quarterly reviews of all large borrowers
 - Pipeline reviewed monthly for compliance with concentration/credit limits

Our Priorities

1. Address remaining credit quality issues
2. Improve our core performance
 - Strengthen our Private Banks
 - Improve Wealth Advisory and Investment Management performance
 - Take cost out of the Company

Private Banking Group Performance Highlights – Q3 YTD

| (\$millions) | YTD 2009 | YTD 2010 | % Change |
|---------------------------|----------------|----------------|--------------|
| NII | \$126.3 | \$142.7 | 13% |
| Fees | \$19.7 | \$21.3 | 8% |
| <u>Other Revenue</u> | <u>\$13.5</u> | <u>\$3.5</u> | <u>(74%)</u> |
| Total Revenue | \$159.5 | \$167.5 | 5% |
| <u>Operating Expenses</u> | <u>\$108.2</u> | <u>\$108.9</u> | <u>1%</u> |
| PTPP | \$51.3 | \$58.6 | 14% |
| <u>Provision</u> | <u>\$31.2</u> | <u>\$54.6</u> | <u>75%</u> |
| Pre-Tax Income | \$20.1 | \$4.0 | (80%) |
| Efficiency Ratio | 68% | 65% | |

Results Driven By:

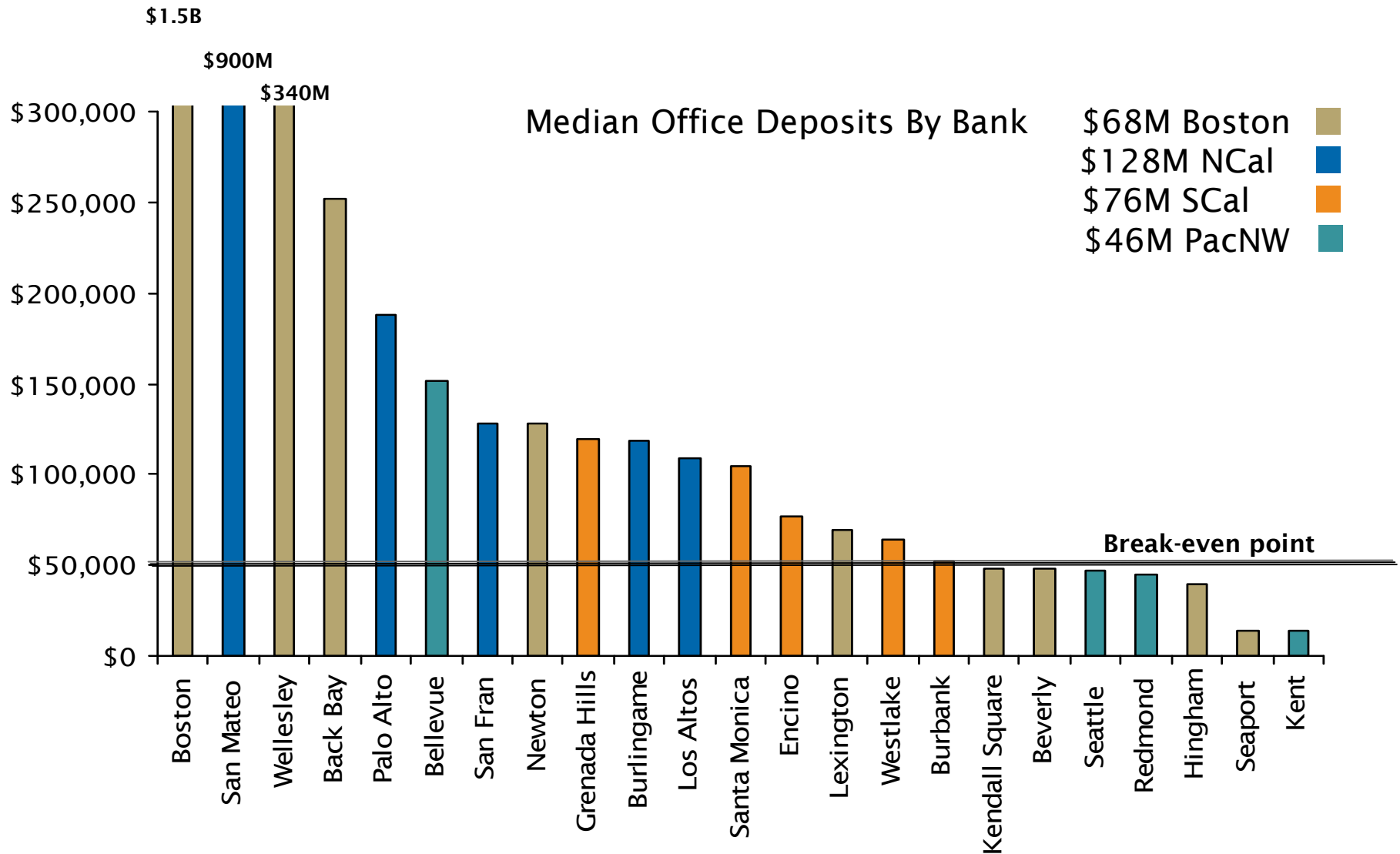
- Growth in all markets
+5% Loans
+5% Deposits
- Firm pricing, better mix
- Greater focus on IM&T
- SCal and PacNW at break-even, trending positive
- Over \$2mm of credit/workout expenses per quarter
- NCal provision

Current Bank Performance

| | Boston Private | Borel Private | First Private | Charter Private |
|---------------------|----------------|---------------|---------------|-----------------|
| ROE | 12% | (14%) | 2% | 2% |
| Efficiency Ratio | 53% | 56% | 97% | 112% |
| Operating Leverage* | 10.4/0.5 | 0.3/10.1 | 1.1/(7.1) | (2.9)/(9.1) |
| PTPP Income (\$M) | \$35.5 | \$24.0 | \$0.4 | (\$1.2) |
| Risk-Based Capital | 11.6% | 10.8% | 15.2% | 17.1% |

| | | | | |
|--------------|--------|--------|--------|--------|
| AUM | \$2.6B | \$0.9B | ----- | ----- |
| Loans | \$2.5B | \$1.4B | \$0.4B | \$0.2B |
| Deposits | \$2.5B | \$1.4B | \$0.4B | \$0.3B |
| NIM | 3.02% | 4.26% | 3.91% | 3.46% |
| Deposit Cost | 0.85% | 0.80% | 0.99% | 0.60% |

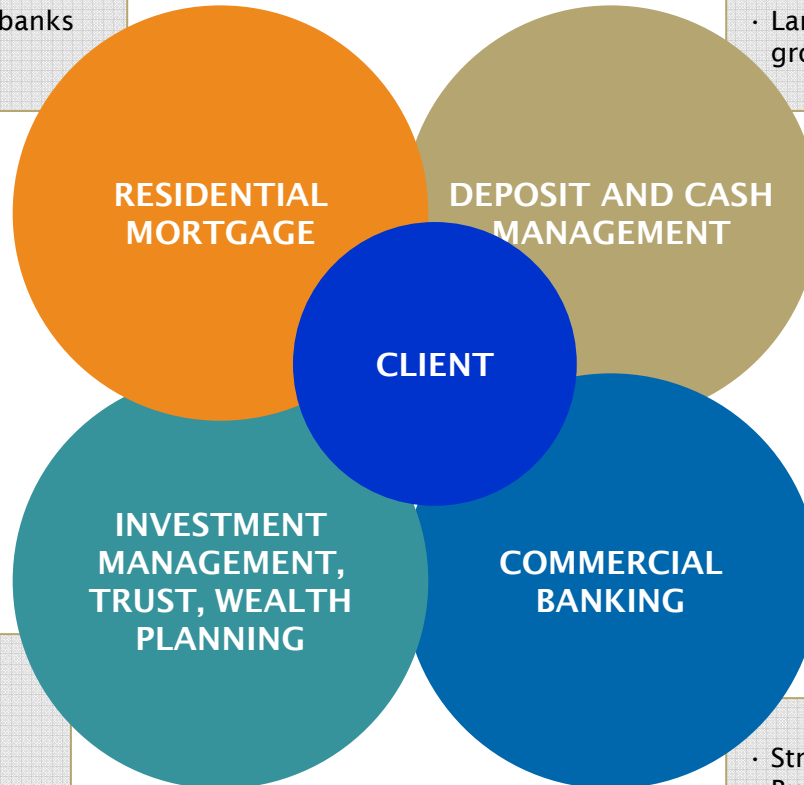
Median Office Is Over \$100M In Deposits All Banks Have Strong Endpoints Upon Which To Build



Our Private Banking Model Represents A Powerful Client Value Proposition

- Extremely strong model
- Strong price-for-risk
- Large note sizes
- Area of growth for all 4 banks

- Our proven strength across all 4 markets
- Stable deposit base, stable mix
- Distinctive client services
- Large office deposit bases, with remaining growth potential



- Strong IM performance
- 16% penetration ratio in Boston
- Under-developed on the West Coast
- Opportunity to introduce Boston Private Model across our client base and footprint

- Strong performance in Boston
- Building C&I capability on the West Coast
- Lowering CRE concentration

Independent Client Survey Findings

#1 in “Client Service
Distinctiveness”

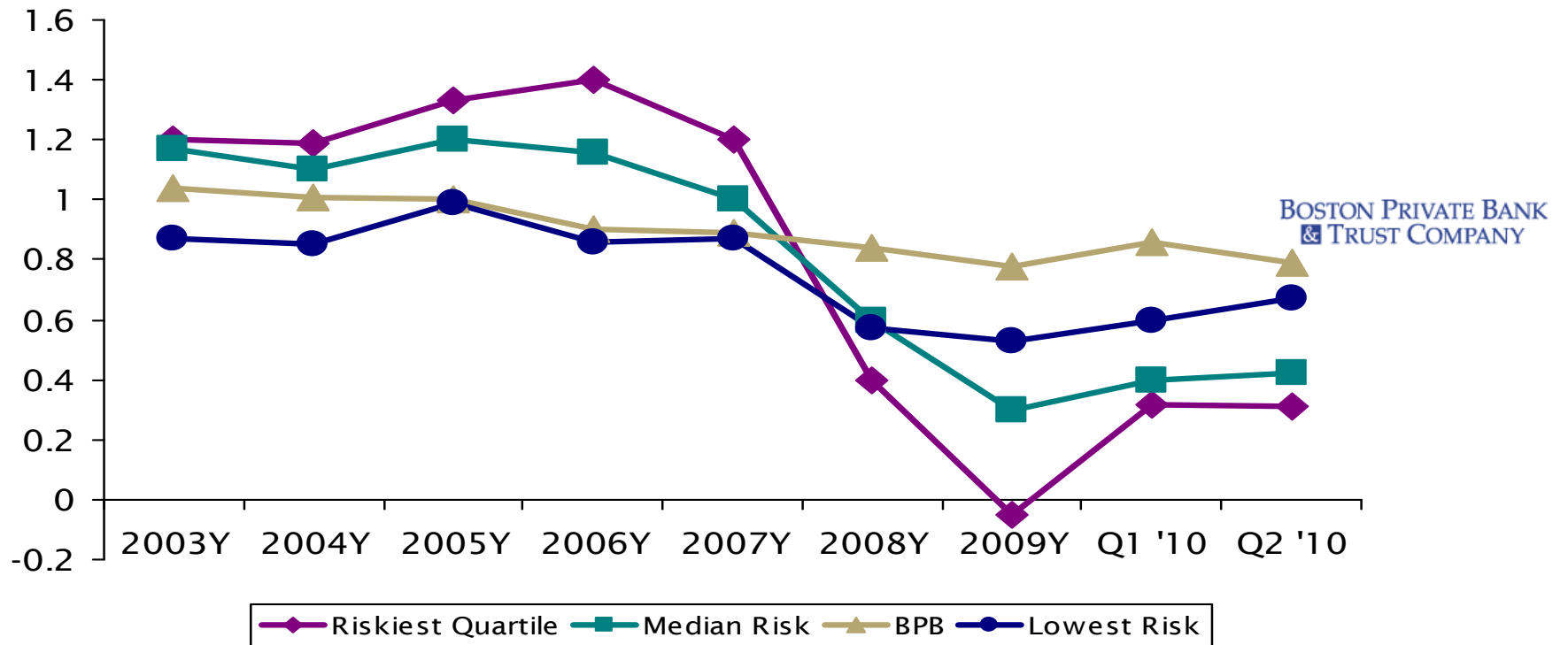
#7 in “Client Loyalty”

#4 in “Worthy of A
Price Premium”

Boston Private Bank & Trust Represents an Appealing Performance Profile

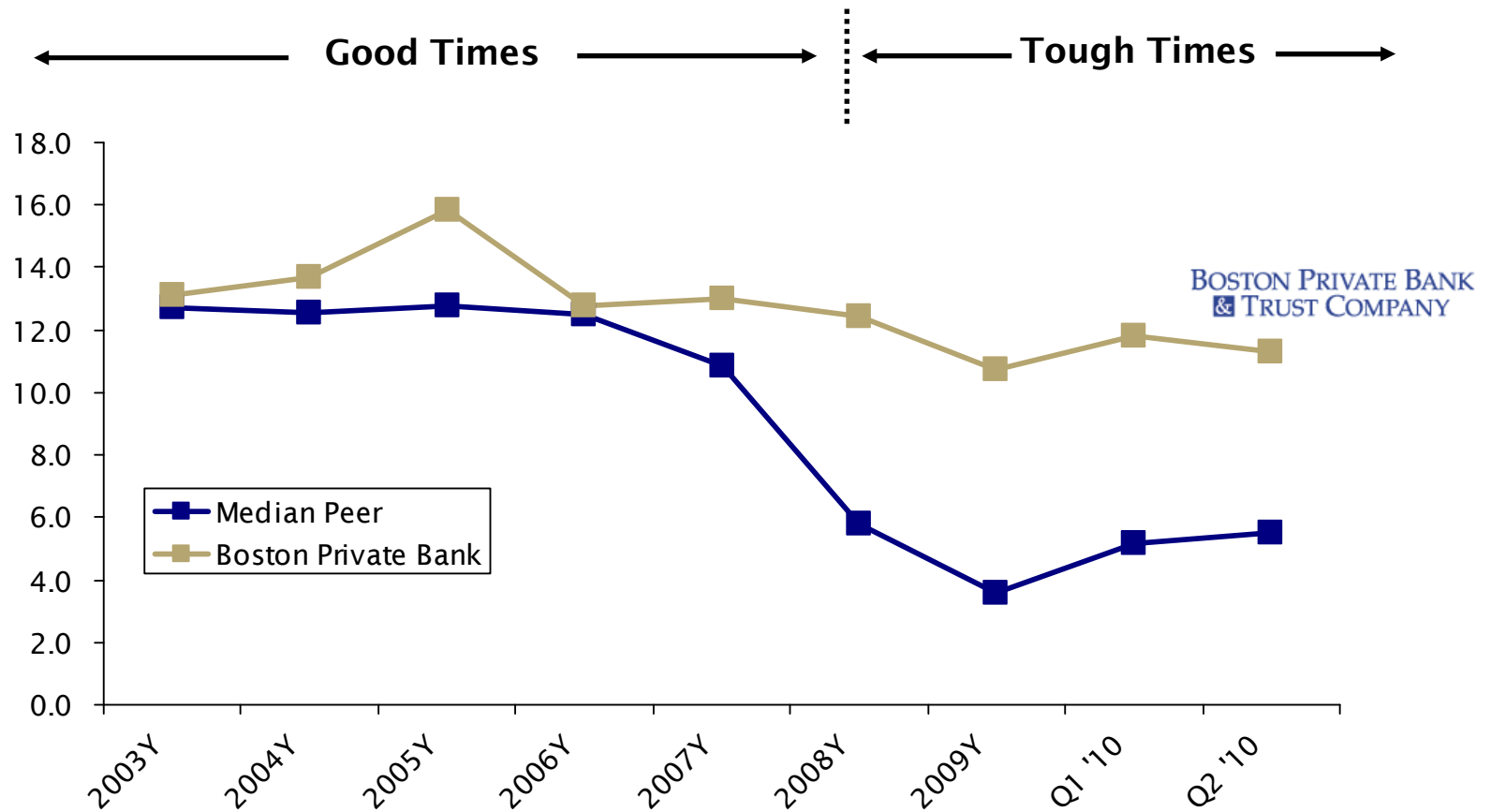
Boston Private Bank's lower risk profile has allowed it to outperform in good and down markets

ROAA By "Riskiest Quartile"



BPBTC's Historical ROE Beats the Industry

Despite “underperforming” the peer group on ROAA, BPBTC consistently outperformed its peers in ROE – even in the good times.



Wealth Management Performance Highlights – Q3 YTD

| <i>(\$millions)</i> | YTD 2009 | YTD 2010 | % Change |
|---------------------------|---------------|---------------|------------|
| Inv Mgt Fees | \$24.2 | \$27.3 | 13% |
| Wealth Adv Fees | \$25.7 | \$28.1 | 9% |
| <u>Other Revenue</u> | <u>\$0.1</u> | <u>\$0.1</u> | NM |
| Total Revenue | \$50.0 | \$55.5 | 11% |
| <u>Operating Expenses</u> | <u>\$39.3</u> | <u>\$44.1</u> | <u>12%</u> |
| Pre-Tax Income | \$10.7 | \$11.4 | 7% |
| Profit Margin | 21% | 21% | |
| AUM (\$Billions) | \$13.9 | \$15.1 | 9% |
| Net Flows (\$millions) | (\$255) | \$48 | |

Results Driven By:

- Equity market lift
- Positive flows
- 91% of IM AUM in top quartile
- 2bp decline in pricing
- Compensation reset at KLS

Wealth Advisory and Investment Management Overview

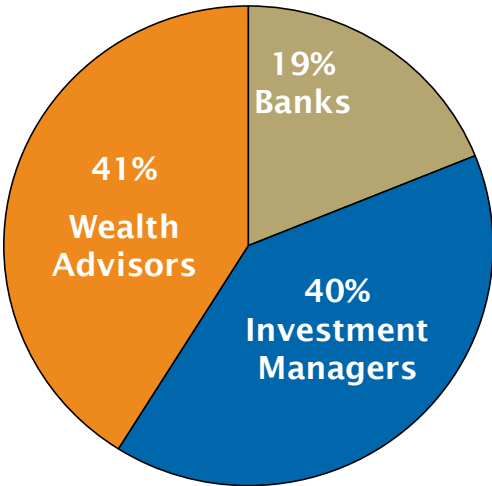
As of Q3 10

| | AUM | YOY AUM Growth | YTD Revenue | YTD Expenses* | Rev./Expense Leverage YOY (%) | YTD Pre-tax Income* |
|--------------|----------------|----------------|----------------|----------------|-------------------------------|---------------------|
| Anchor | \$6.3B | 6% | \$20.8M | \$15.5M | 13/4 | \$5.3M |
| DGHM | \$1.2B | 20% | \$6.6M | \$6.5M | 11/2 | \$0.1M |
| KLS | \$4.5B | 8% | \$13.7M | \$10.4M | 1/37 | \$3.3M |
| BOS | \$2.1B | 11% | \$9.9M | \$7.3M | 18/16 | \$2.6M |
| DTC | \$1.0B | 9% | \$4.5M | \$4.4M | 19/4 | <\$0.1M |
| Total | \$15.1B | 8% | \$55.5M | \$44.1M | | \$11.4M |

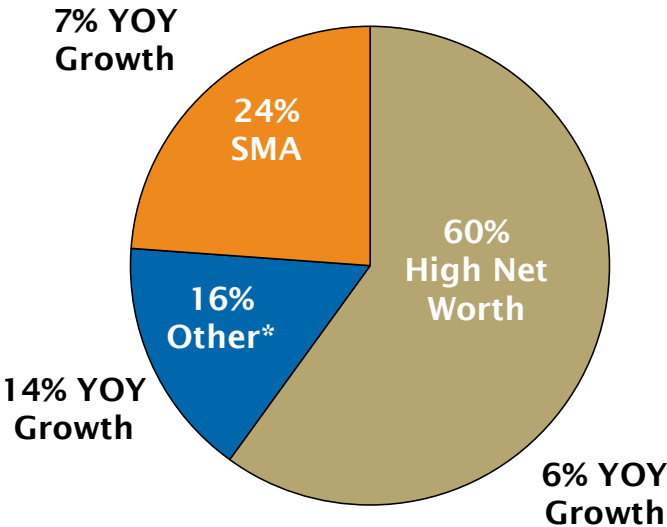
* Includes \$3.7 million non-cash amortization

Fee Based Profile As of Q3 10

Total AUM \$19.5B



AUM By Client \$19.5B



Anchor Capital

➤ \$6.3B AUM

DGHM

➤ \$1.2B AUM

Combined IM Affiliates

➤ \$7.5B AUM

➤ \$6.8B Top Quartile 3yr

➤ 91% in upper quartile

**Includes Corporate, ERISA, Public, Foundations and Endowment*

Initiatives to Expand Our Wealth Advisory and Investment Management Business

- Increased/expanded marketing and sales efforts with Anchor and DGHM
 - Encouraging client wins over past several quarters
- Stepped-up levels of client acquisition and development activity by KLS and BOS
- Bank referral initiatives with KLS
- Marketplace partnership with Davidson Trust and Boston Private Bank & Trust to more fully develop the wealth advisory/private banking platform for DTC clients

Holding Company Costs – Q3 YTD

| (\$millions) | YTD 2009 | YTD 2010 | % Change |
|---------------------------|-----------------|-----------------|--------------|
| NII | (\$8.1) | (\$7.1) | 13% |
| <u>Other Revenue</u> | <u>\$1.1</u> | <u>\$.3</u> | <u>(75%)</u> |
| Total Revenue | (\$7.0) | (\$6.8) | 3% |
| Operating Expenses | \$17.6 | \$20.8 | 18% |
| <u>Westfield Payment*</u> | = | <u>\$3.8</u> | <u>n/m</u> |
| HoldCo Pre-Tax | (\$24.6) | (\$23.8) | 3% |

Results Driven By:

- Reduction in debt reduces interest expense
- Executive transition charges in 2010

Operating Expenses:

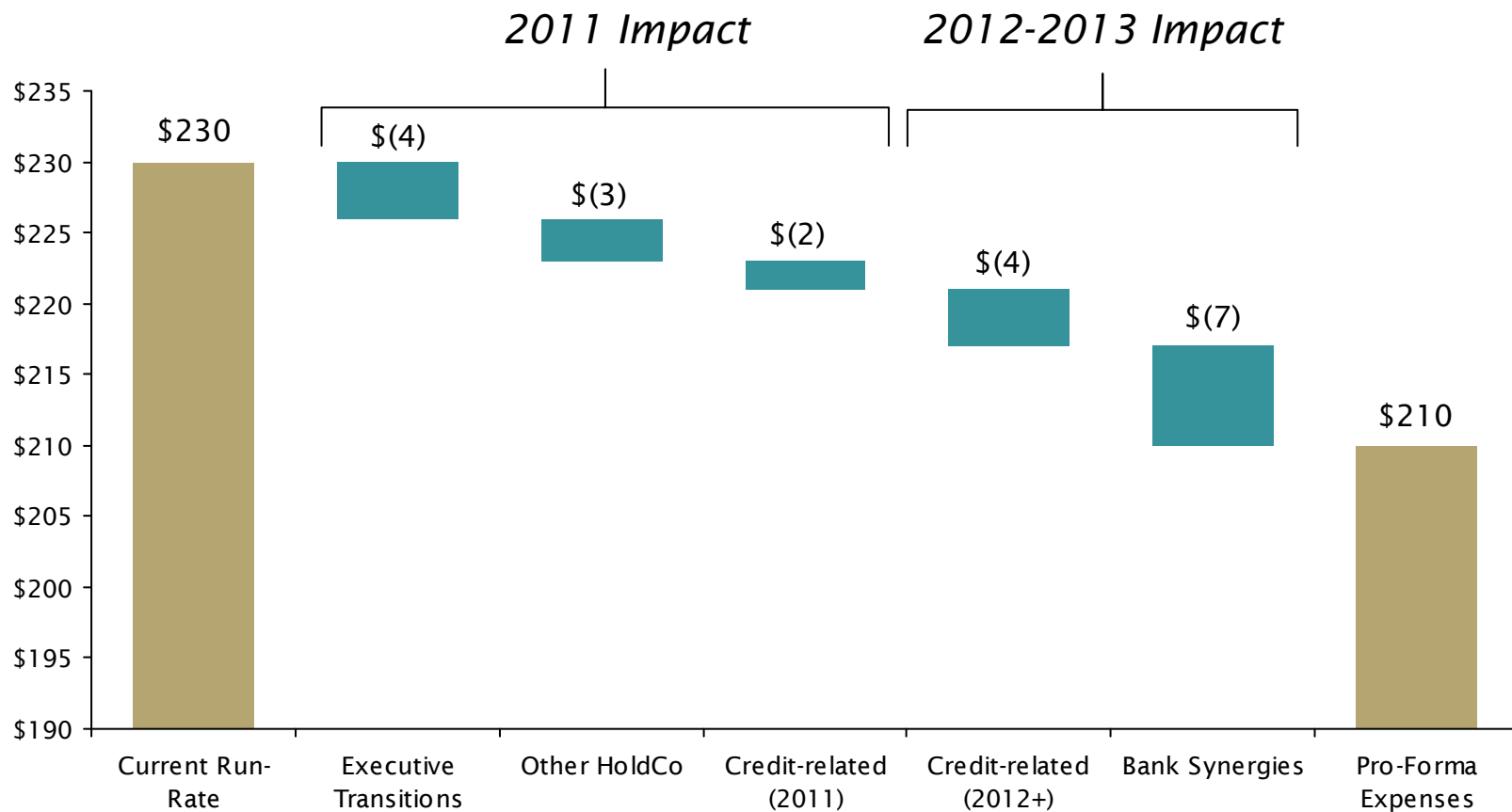
- 61% Comp & Benefits
- 22% Professional Fees (Audit, legal, etc.)
- 17% Other (Insurance, Travel, etc.)

*2 quarters of a 12.5% revenue share through 2017, shown in Discontinued Ops, net of tax

BPFH Cost Program: + 2.5% ROE Impact

*A target reduction of \$20mm would improve the efficiency ratio by 7 points**

BPFH \$20mm Cost Reduction Plan (in \$millions)



Summary

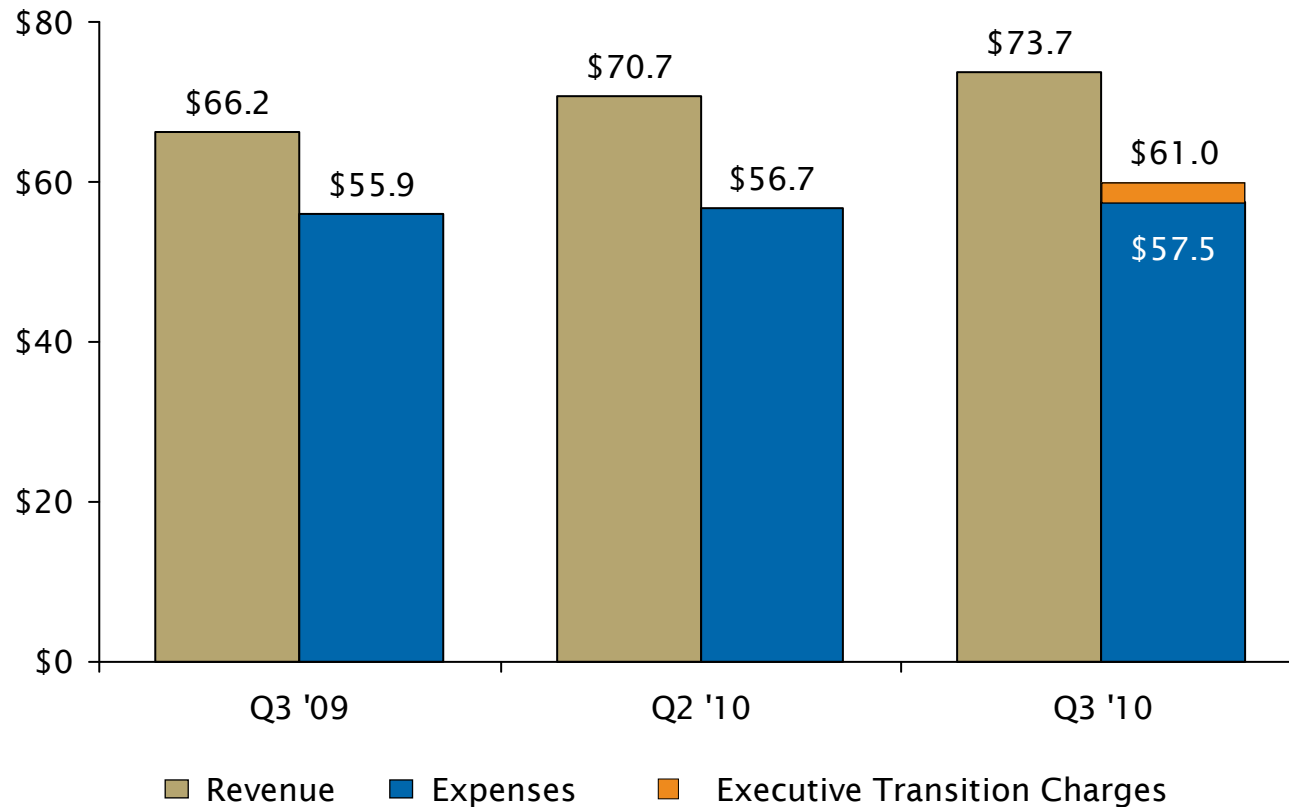
Our Action Plan:

- Address remaining credit quality issues
- Strengthen our banks – move toward high performance Private Banking across our franchise
- Improve Wealth Advisory and Investment Management performance
- Take cost out of the company

Appendix

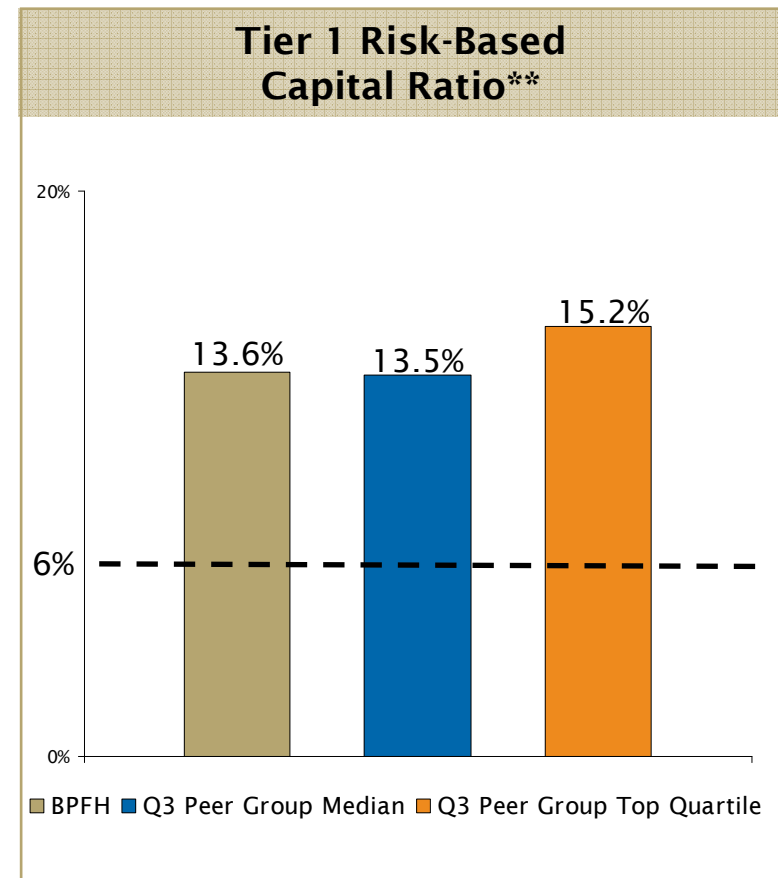
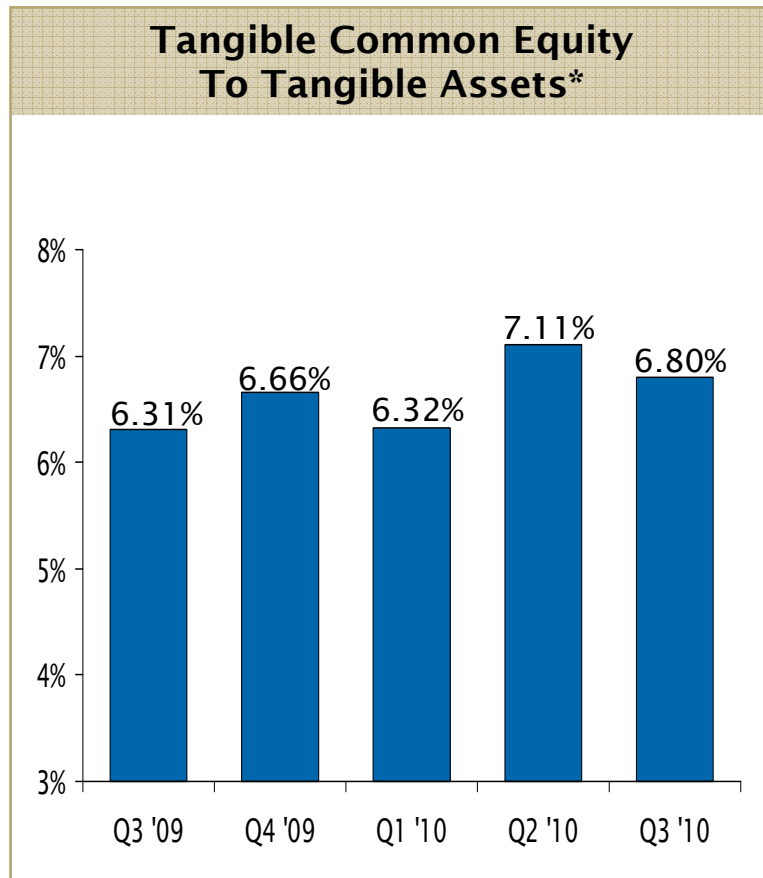
Operating Efficiency

(\$ in Millions)



| Revenue Growth | |
|---------------------------|-----|
| LQ | YOY |
| 4% | 11% |
| Expense Growth Reported | |
| LQ | YOY |
| 8% | 9% |
| Expense Growth Normalized | |
| LQ | YOY |
| 1% | 3% |

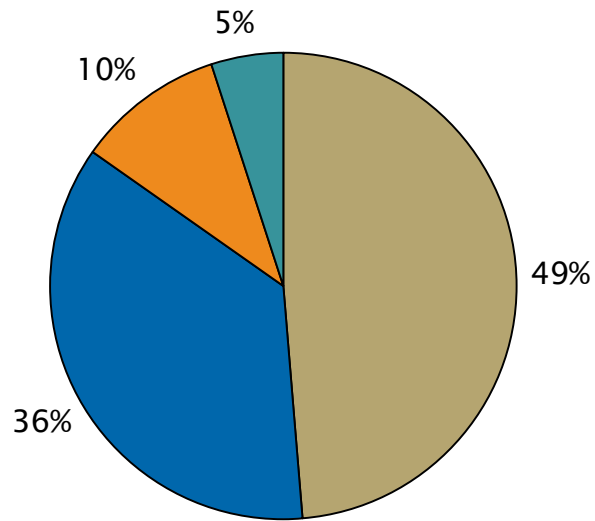
Strong Capital Position



*Includes Carlyle Preferreds and the redeemable non-controlling interest

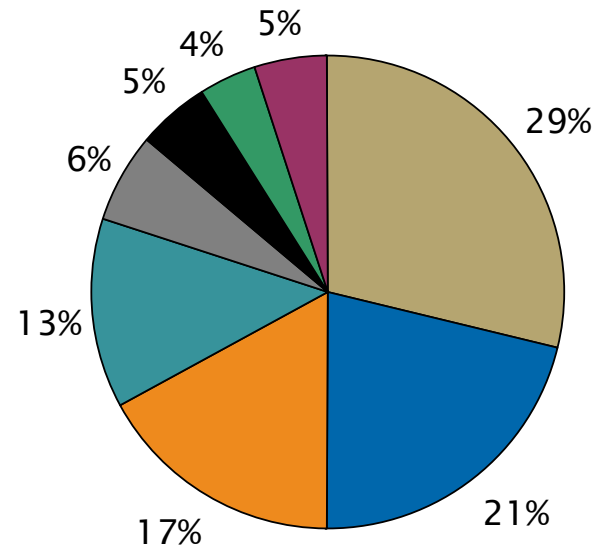
Diversified CRE Portfolio

CRE Portfolio By Region



- Northern California
- New England
- Southern California
- Pacific Northwest

CRE Portfolio By Type



- Office/Medical
- Retail
- MFG/IND/WRHS
- Multi-Family
- Hospitality
- Single Family
- Not for Profit
- Recreational
- All Other



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