

BOSTON PRIVATE

FINANCIAL HOLDINGS, INC.

Fourth Quarter and Year-End 2010 Results

Clayton Deutsch
President & CEO

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Chief Financial Officer

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January 28, 2011

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, 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 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; 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.

GAAP Net Loss to Common Shareholders

	Q4 2010		FY 2010	
	\$ Amount	EPS Impact	\$ Amount	EPS Impact
GAAP Net Loss from Continuing Operations	(\$11.2M)	(\$0.15)	(\$12.1M)	(\$0.17)
Income from Discontinued Operations	\$1.9M	\$0.02	\$3.7M	\$0.05
Non-cash equity adjustments	(\$0.3M)	\$0.00	(\$9.7M)	(\$0.13)
Non-controlling interests	(\$0.7M)	(\$0.01)	(\$2.6M)	(\$0.04)
GAAP Net Loss to Common Shareholders	(\$10.3M)	(\$0.14)	(\$20.7M)	(\$0.29)

Private Banking Group Performance Highlights – Linked Quarter

(\$millions)	Q3 2010	Q4 2010	% Change	Results Driven By:
NII	\$48.8	\$47.4	(3%)	Loans down 1% Deposits flat NIM** of 3.18%, down from 3.42%
Fees	\$5.6	\$5.7	2%	
<u>Other Revenue</u>	<u>\$3.1</u>	<u>\$5.6</u>	<u>81%</u>	
Total Revenue	\$57.5	\$58.7	2%	Expenses inflated by \$3M due to Q4 legal settlement
<u>Operating Expenses</u>	<u>\$37.5</u>	<u>\$41.1</u>	<u>(10%)</u>	
*PTPP	\$20.1	\$17.6	(12%)	Q3 and Q4 provision driven by NCal CRE (Borel)
<u>Provision</u>	<u>\$32.1</u>	<u>\$32.6</u>	<u>2%</u>	
Pre-Tax Loss	(\$12.0)	(\$15.0)	(25%)	
Efficiency Ratio	65%	70%		

*Pre-tax, pre-provision income

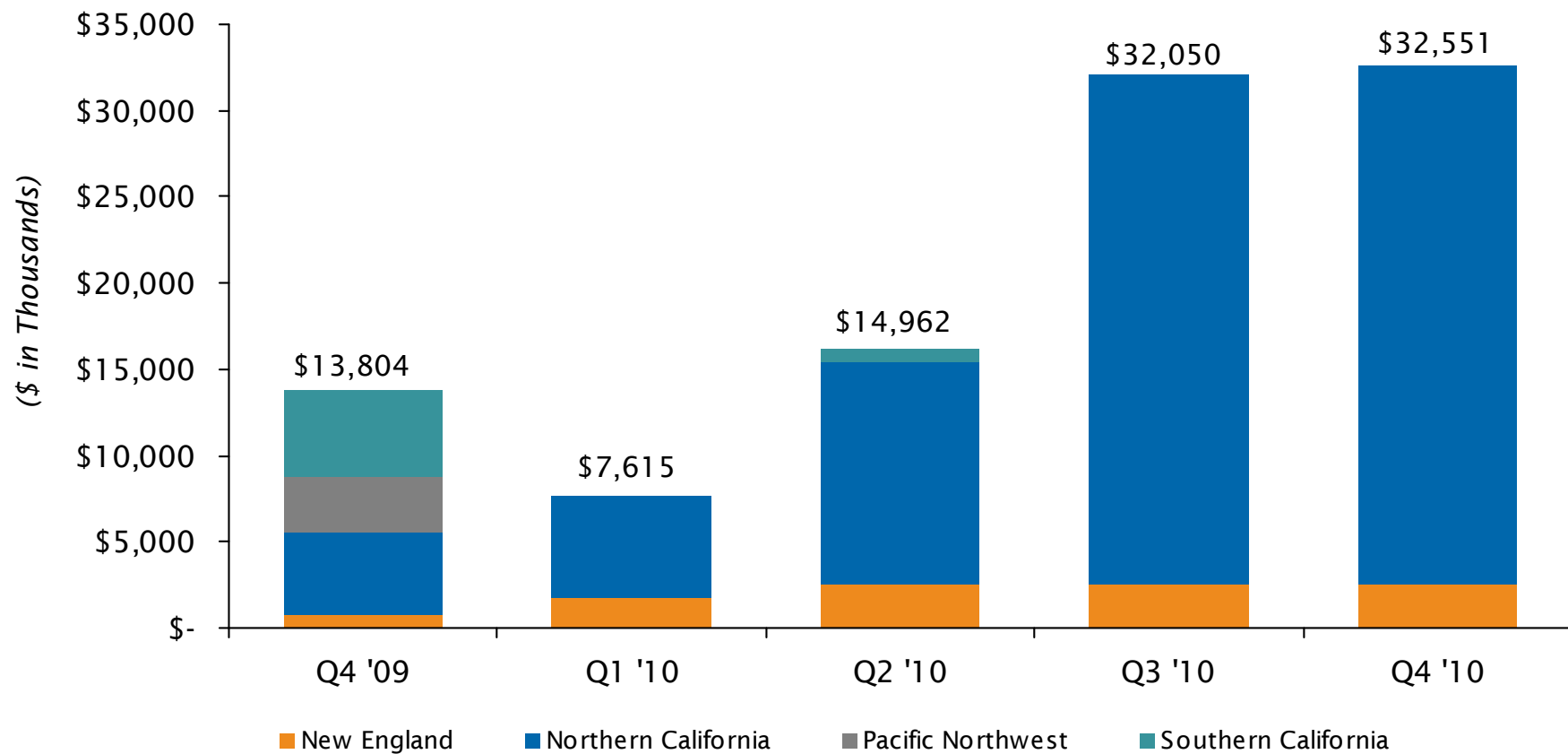
**Consolidated

Private Banking Group Performance Highlights – Full Year

<i>(\$millions)</i>	FY 2009	FY 2010	% Change
NII	\$169.8	\$190.1	12%
Fees	\$20.8	\$22.8	10%
<u>Other Revenue</u>	<u>\$17.7</u>	<u>\$13.3</u>	<u>(25%)</u>
Total Revenue	\$208.3	\$226.2	9%
<u>Operating Expenses</u>	<u>\$144.7</u>	<u>\$150.0</u>	<u>4%</u>
*PTPP	\$63.7	\$76.2	20%
<u>Provision</u>	<u>\$45.0</u>	<u>\$87.2</u>	<u>80%</u>
Pre-Tax Income/(Loss)	\$18.7	(\$11.0)	NM
Efficiency Ratio	69%	66%	

*Pre-tax, pre-provision income

Provision for Loan Losses



Wealth Management Performance Highlights – Linked Quarter

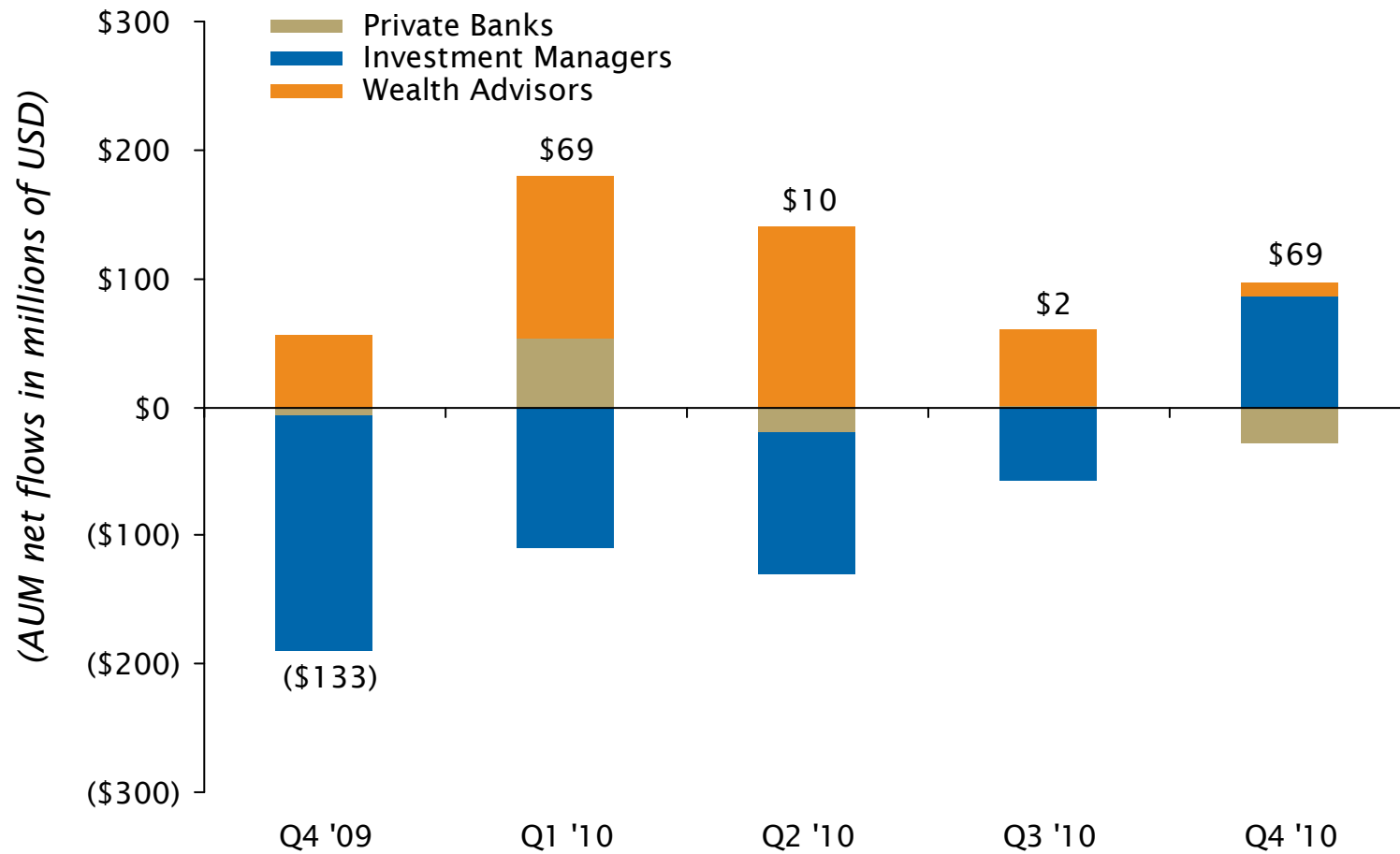
<i>(\$millions)</i>	Q3 2010	Q4 2010	% Change	Results Driven By:
Inv Mgt Fees	\$8.7	\$9.6	10%	AUM up 6% in Q4 Positive flows of \$96M
Wealth Adv Fees	\$9.5	\$9.8	3%	
<u>Other Revenue</u>	<u>\$0.1</u>	<u>\$0.1</u>	--	
Total Revenue	\$18.3	\$19.5	7%	Expenses up due to comp
<u>Operating Expenses</u>	<u>\$14.7</u>	<u>\$15.5</u>	<u>6%</u>	
Pre-Tax Income	\$3.6	\$4.0	11%	Positive operating leverage
Profit Margin	20%	21%		
AUM (\$B)	\$15.1	\$16.0	6%	
Net Flows (\$M)	\$1	\$96		

Wealth Management Performance Highlights – FY 2010

<i>(\$millions)</i>	FY 2009	FY 2010	% Change
Inv Mgt Fees	\$33.2	\$36.9	11%
Wealth Adv Fees	\$34.8	\$37.9	9%
<u>Other Revenue</u>	<u>\$0.2</u>	<u>\$0.2</u>	--
Total Revenue	\$68.2	\$75.0	10%
<u>Operating Expenses</u>	<u>\$52.4</u>	<u>\$59.6</u>	<u>14%</u>
*Pre-Tax Income	\$15.8	\$15.4	(3%)
Profit Margin	21%	21%	
AUM (\$Billions)	\$14.2	\$16.0	13%
Net Flows (\$millions)	(\$382)	\$144	

**Excludes impairment*

AUM Net Flows



Excluding market changes and acquisitions

Holding Company Costs – Linked Quarter

<i>(\$millions)</i>	Q3 2010	Q4 2010	% Change
NII	(\$2.4)	(\$2.5)	(4%)
<u>Other Revenue</u>	<u>\$0.3</u>	<u>\$0.7</u>	<u>NM</u>
Total Revenue	(\$2.1)	(\$1.8)	14%
Operating Expenses	\$8.9	\$6.5	(26%)
<u>Westfield Payment*</u>	<u>\$0.3</u>	<u>\$1.9</u>	<u>NM</u>
HoldCo Pre-Tax	(\$11.0)	(\$8.4)	24%

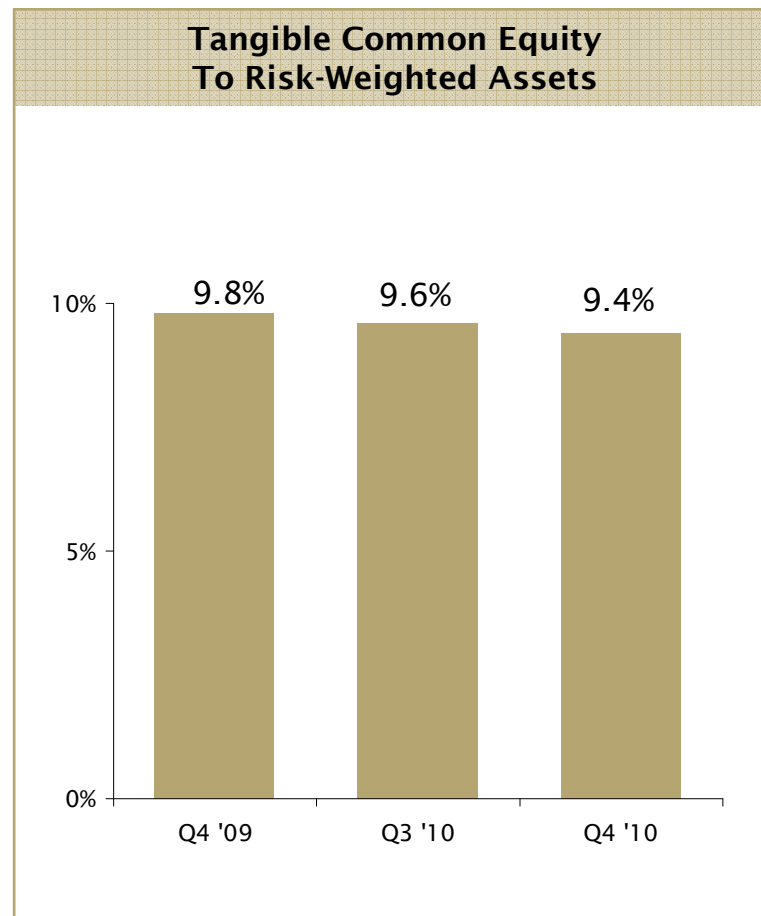
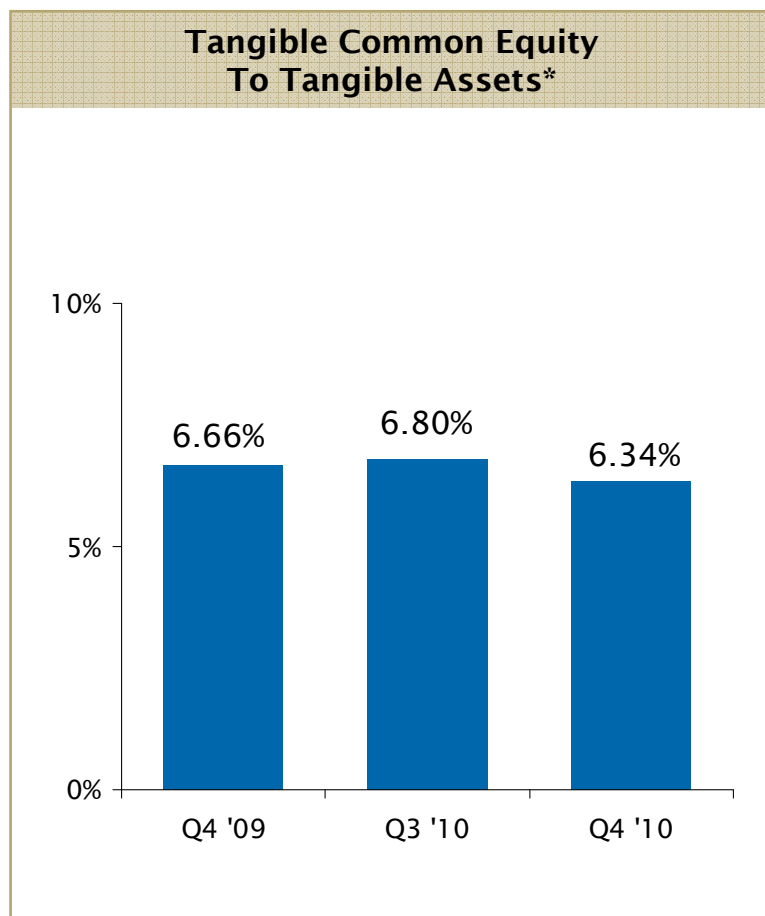
*12.5% revenue share through 2017, shown in Discontinued Ops, net of tax

Holding Company Costs – FY 2010

<i>(\$millions)</i>	YTD 2009	YTD 2010	% Change
NII	(\$10.5)	(\$9.5)	10%
<u>Other Revenue</u>	<u>\$1.1</u>	<u>\$0.9</u>	<u>(18%)</u>
Total Revenue	(\$9.4)	(\$8.6)	9%
Operating Expenses	\$24.2	\$27.3	13%
<u>Westfield Payment*</u>	<u>\$0</u>	<u>\$3.7</u>	<u>NM</u>
HoldCo Pre-Tax	(\$33.6)	(\$32.2)	NM

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

Strong Capital Position



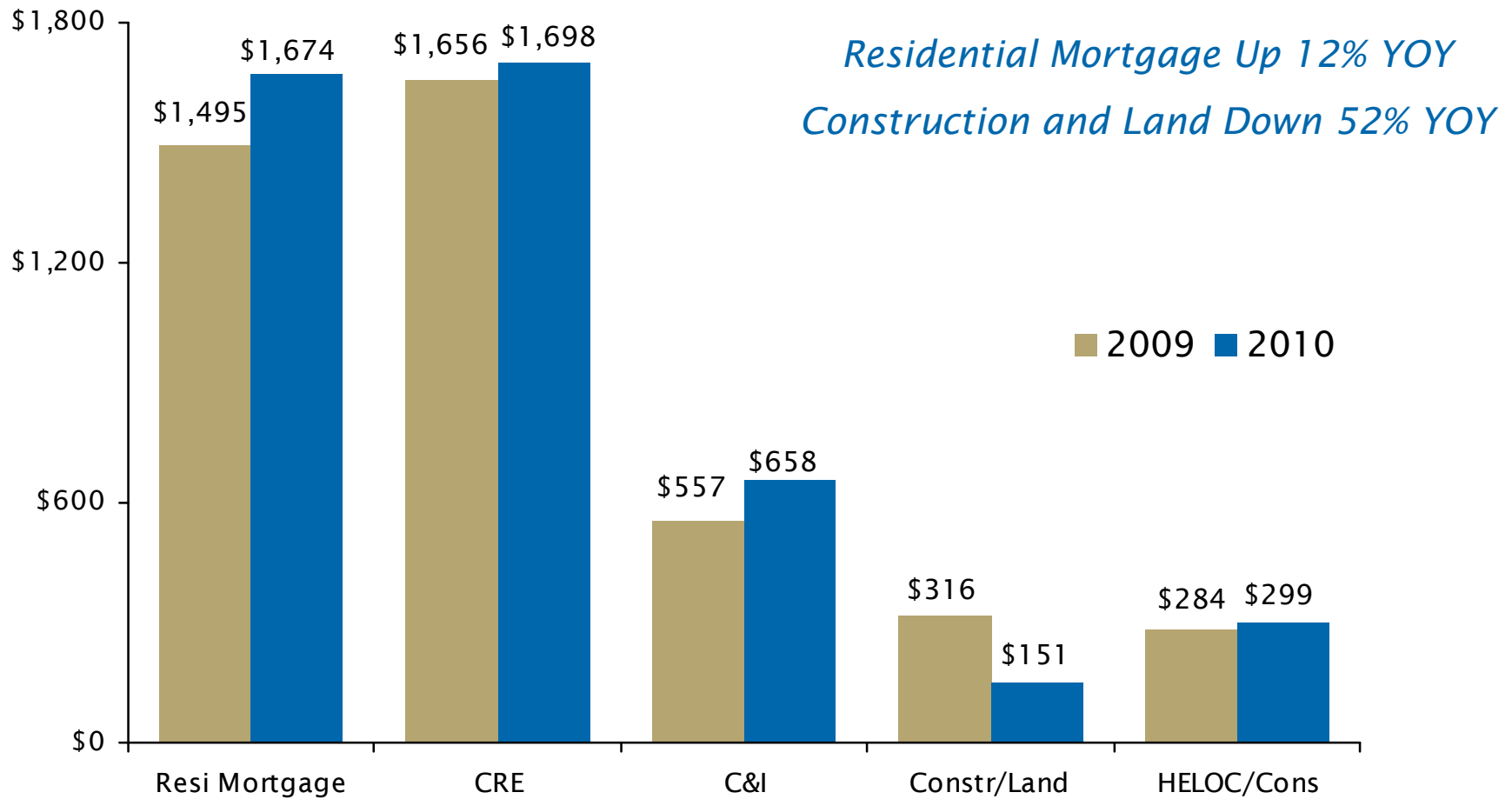
*Includes Carlyle Preferreds and the redeemable non-controlling interest

Our Loan Portfolio At A Glance

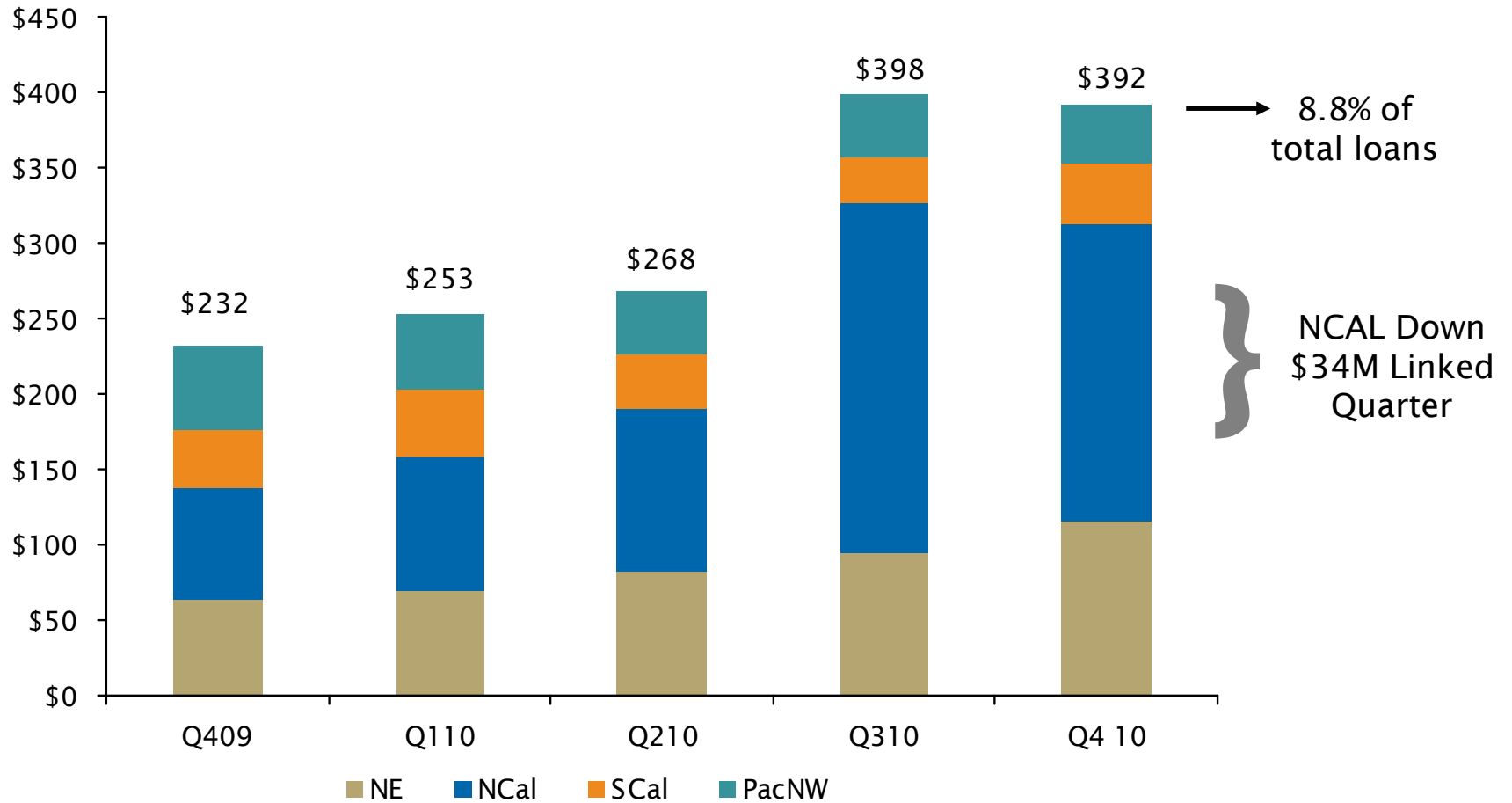
<i>(\$millions)</i>	NE	NCal	Scal	PacNw	Total	Portfolio Facts:
Resi Mortgage	\$1,181	\$294	\$153	\$46	\$1,674	Resi Mortgage 37% of total portfolio 50%+ '09-'10 Vintages NCOs of 4 bps
HELOC/Cons	\$201	\$73	\$18	\$7	\$299	
C&I	\$501	\$62	\$53	\$42	\$658	C&I 15% of total portfolio 76% in NE NCOs of 32 bps
CRE	\$625	\$797	\$182	\$94	\$1,698	CRE/Construction 41% of total portfolio 80% of criticized loans NCOs of 722bps
<u>Constr/Land</u>	<u>\$80</u>	<u>\$55</u>	<u>\$2</u>	<u>\$14</u>	<u>\$151</u>	
Total Loans	\$2,588	\$1,281	\$408	\$203	\$4,480	47% of Non-Accrual Loans are paying as agreed

*Excludes loans in process

Shift in Loan Portfolio Year-Over-Year

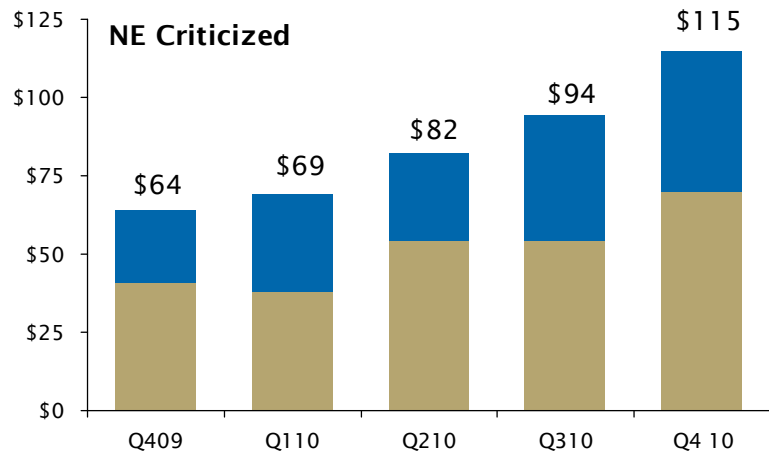


Criticized Loans (Classified + Special Mention) By Region

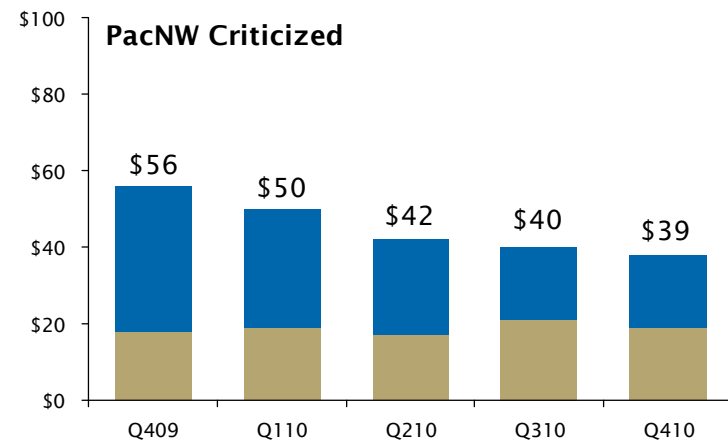
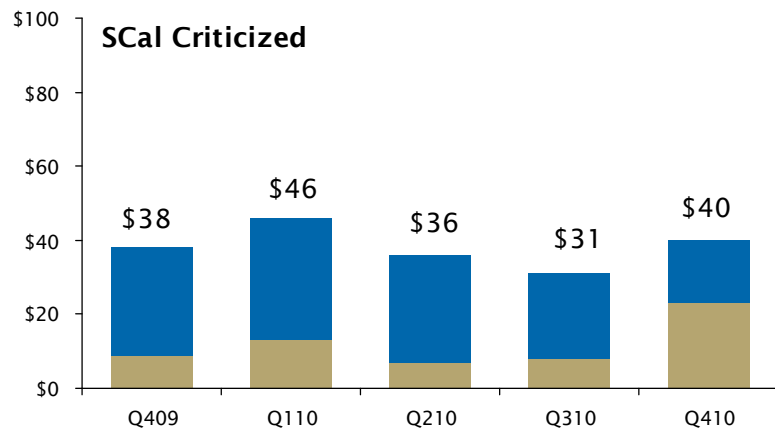


*Special Mention is a "Pass Rated" loan but is used as a transitory category with higher volatility

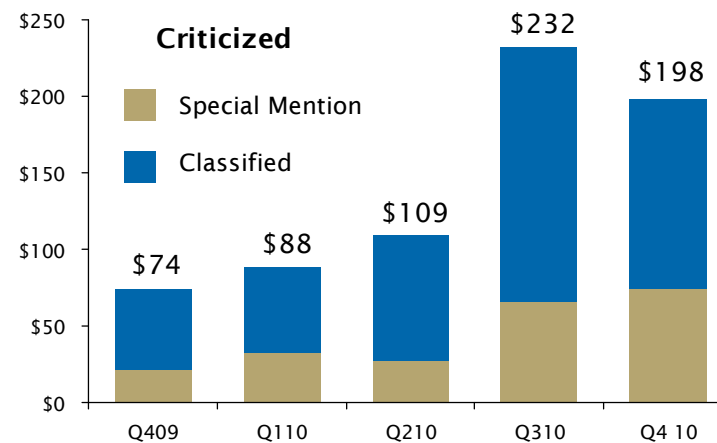
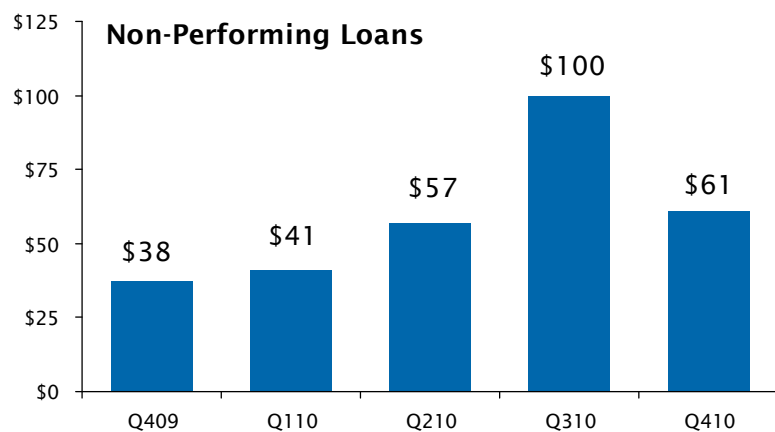
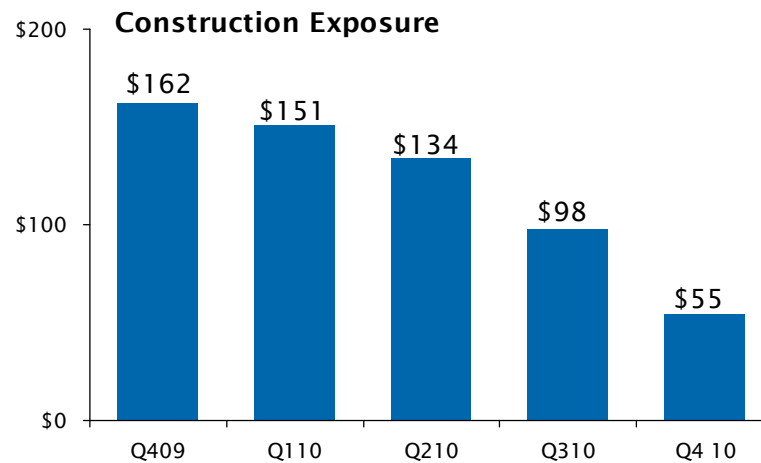
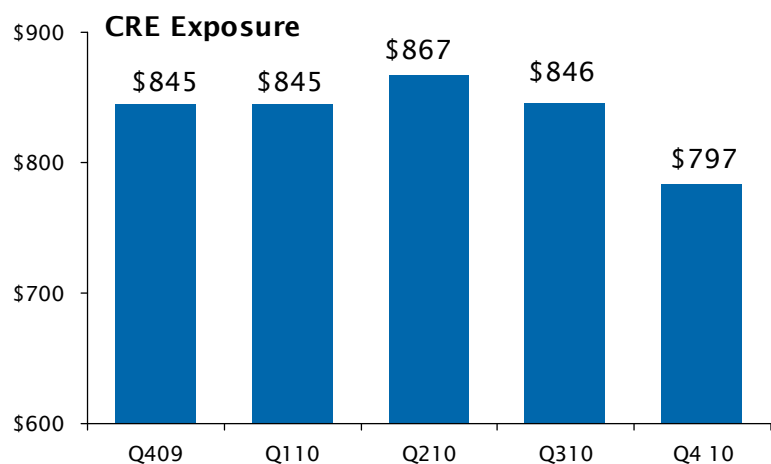
Criticized Loans: NE, SCal and PacNW



Special Mention
Classified

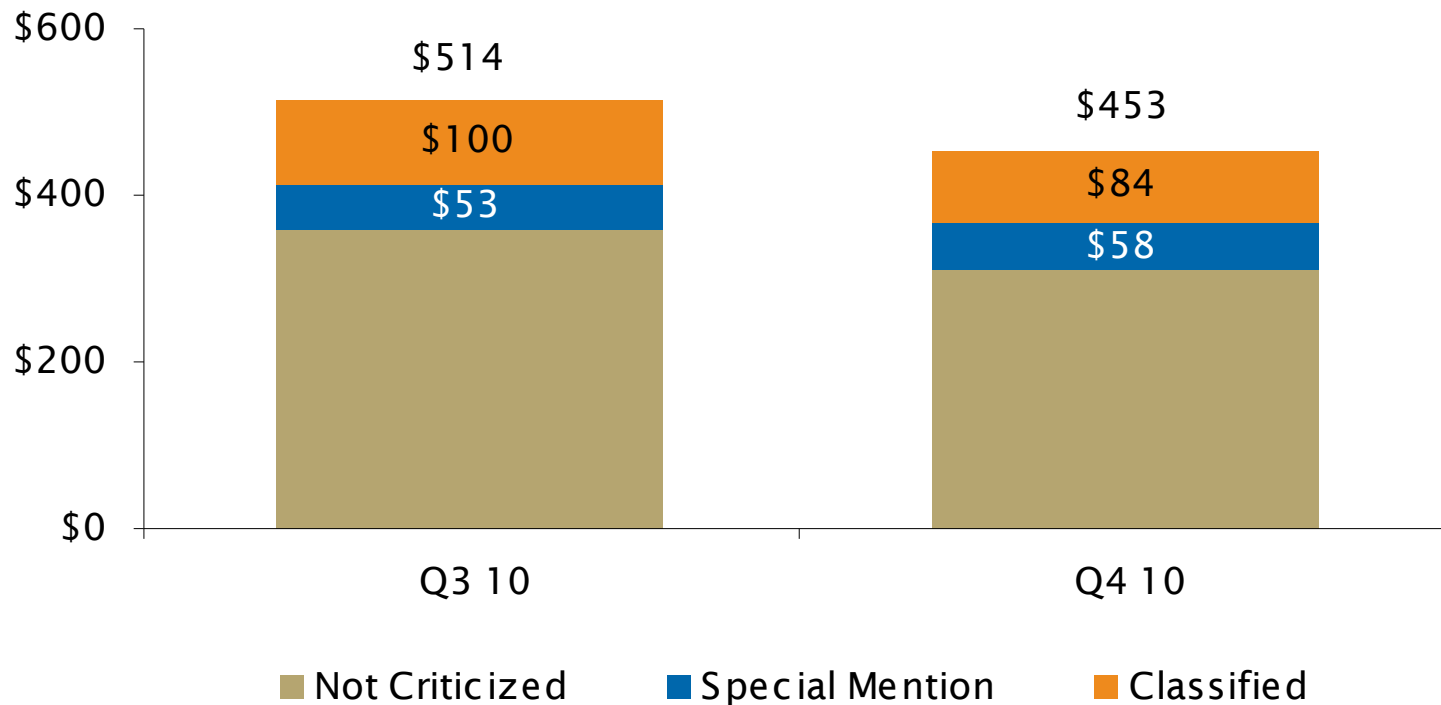


Northern California Credit Metrics

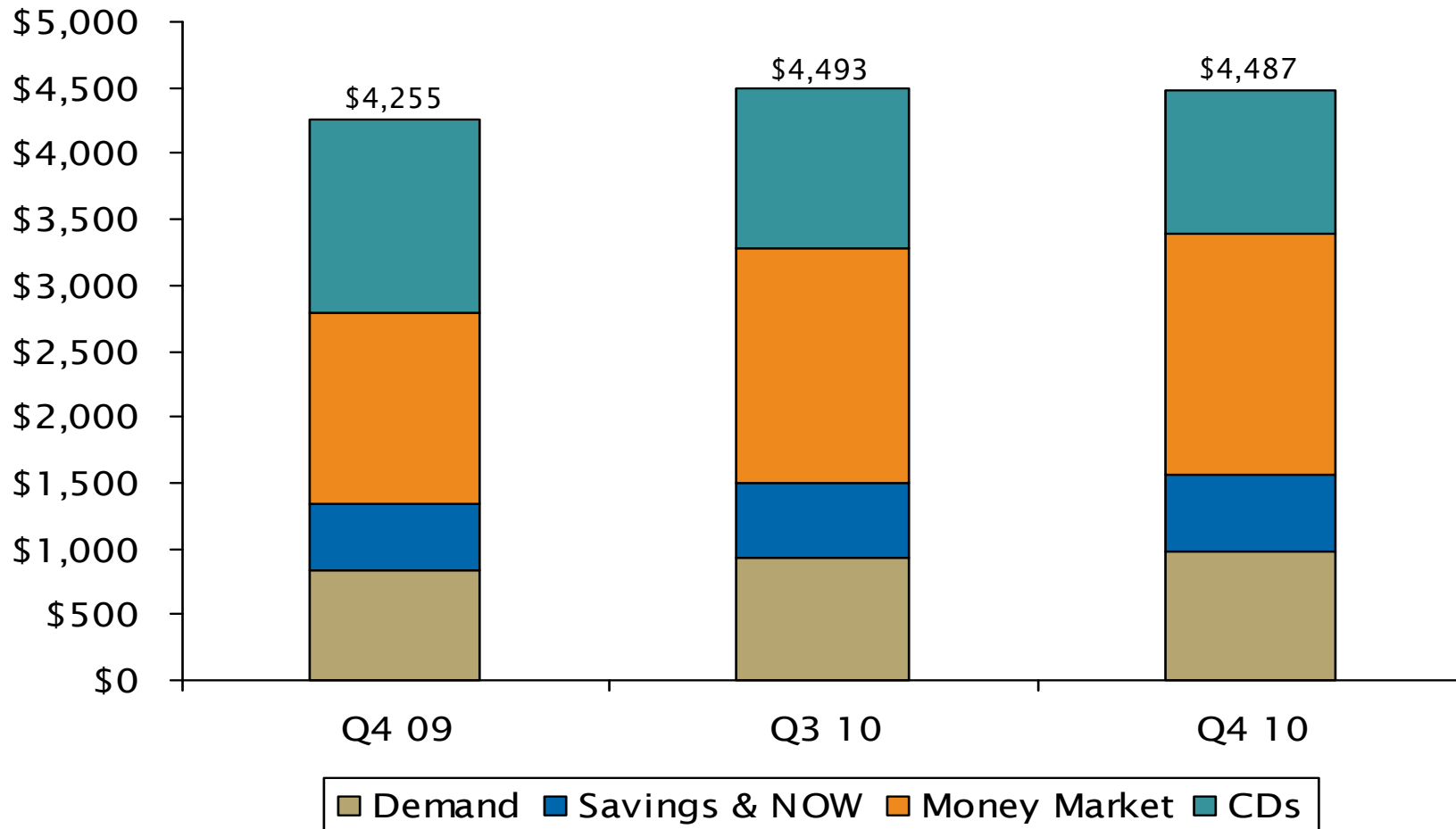


Northern California CRE By Vintage

Loans underwritten during 06-08 represent 30% of Borel's loan portfolio and 75% of its problem loans



Shift In Deposit Base



Our Private Banking Group Restructuring Plan

- Merge four banks into one
- 12 month consolidation program – detailed timetable and calendar
- Target operating model and organization structure developed
- Ready to file for regulatory approval

Summary of Expected Benefits

- Preserves and enhances our distinctive client service skills
- Levers distinctive, economically attractive, and deliverable product platforms
- Streamlines shared services
 - Better risk management
 - Efficiencies
- Creates strong balance sheet, improved P&L, and more efficient capital base

Summary of Estimated Financial Effects

- “Day One” balance sheet is strong
 - Pro forma risk-based capital expected to be above 12%
 - Improved credit risk metrics
- Cost savings of 8-9% of current Private Banking Group cost structure
- Total transition costs of \$6-\$7 million; full run rate savings realized by mid-year 2012

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