

S T A T E M E N T  
O F F I N A N C I A L  
C O N D I T I O N



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**D**ear Friend,  
Boston Private Bank & Trust Company posted another solid first quarter, and I am pleased to share the results with you:

**2009 First Quarter Financial Highlights:**

- Pretax earnings grew 12% as compared to the same period last year.
- Net interest income was up 11% due to an increase in both earnings assets and margins.
- Business growth was solid, with net loans up 7% and deposits up 9%.
- Fee income was down, primarily as a result of the market impact on assets under management.

Boston Private Bank & Trust offers private banking and investment management and trust services to individuals and businesses. Our unique position as the only Boston-based private bank has a special appeal for those who value access to local decision-makers and appreciate our longstanding commitment to the greater Boston area. “Outstanding” Community Reinvestment Act ratings every year since 2000 further demonstrate the breadth and depth of our commitment to our entire community, including low- and moderate-income people and neighborhoods. We recognize that the Bank’s success is tied directly to the growth and stability of the communities we serve, as well as to the quality of the services we render.

Thank you for your business and your trust. Know that we are always ready to listen to your needs and understand your goals—and we’re nimble enough to make adjustments that make sense for you in these uncertain times. Please don’t hesitate to contact us with questions or suggestions.

Sincerely,



Mark D. Thompson  
CEO & President

**Boston Private Bank & Trust Company**  
**CONDENSED BALANCE SHEETS**

(Unaudited)	March 31,	
(\$ in Thousands)	2009	2008
<b>Assets</b>		
Cash & Short-Term Investments	\$28,389	\$65,689
Investment Securities	538,515	573,341
Loans Held for Sale	6,127	4,454
Commercial Loans	1,112,608	1,008,392
Mortgage Loans	1,057,034	1,040,972
Home Equity & Other Loans	91,298	57,048
Total Loans	2,260,940	2,106,412
Less: Allowance for Loan Losses	26,237	23,136
Net Loans	2,234,703	2,083,276
Other Assets	110,629	108,147
<b>Total Assets</b>	<b>\$2,918,363</b>	<b>\$2,834,907</b>

**Liabilities & Shareholder's Equity**

Demand Deposits	\$477,696	\$352,622
NOW Accounts	185,737	184,012
Savings & Money Market	778,433	989,260
Certificates of Deposit	558,899	308,214
Total Deposits	2,000,765	1,834,108
Borrowings	665,504	786,724
Other Liabilities	27,745	19,557
Total Liabilities	2,694,014	2,640,389
Shareholder's Equity	224,349	194,518
<b>Total Liabilities &amp; Shareholder's Equity</b>	<b>\$2,918,363</b>	<b>\$2,834,907</b>

**Boston Private Bank & Trust Company**  
**CONDENSED STATEMENTS OF INCOME**

(Unaudited)	Three Months Ended March 31,	
(\$ in Thousands)	2009	2008
Interest Income	\$34,403	\$36,951
Interest Expense	14,375	19,109
Net Interest Income	20,028	17,842
Provision for Loan Losses	1,216	1,345
Net Interest Income after Provision	18,812	16,497
Investment Management Fees	3,496	4,180
Banking Fees and Other Income	2,571	2,169
Operating Expenses	15,703	15,139
Income Before Income Taxes	9,176	7,707
Income Taxes	2,496	926
<b>Net Income</b>	<b>\$6,680</b>	<b>\$6,781</b>

**Boston Private Bank & Trust Company**  
**SELECTED FINANCIAL DATA**

(Unaudited)	At and for the Three Months Ended March 31,	
(\$ in Thousands)	2009	2008
Assets Under Management	\$2,310,000	\$2,788,000
Return on Average Assets	0.89%	0.96%
Return on Average Equity	12.67%	14.29%
Net Interest Margin	3.03%	2.88%
Total Fees and Other Income / Revenues	23.25%	26.25%
Allowance for Loan Losses / Total Loans	1.16%	1.10%

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## Policy Group

Mark D. Thompson  
*Chief Executive Officer & President*

James C. Brown  
*Executive Vice President  
Chief Lending Officer*

Robert C. Buffum, Jr.  
*Senior Vice President  
Chief Risk Officer*

Gary L. Garber  
*Senior Vice President  
Chief Information Officer*

James D. Henderson  
*Executive Vice President*

Pilar Pueyo  
*Senior Vice President*

Anne L. Randall  
*Executive Vice President  
Chief Financial & Administrative Officer*

George G. Schwartz  
*Executive Vice President  
Chief Operating Officer & Treasurer*

John J. Sullivan  
*Executive Vice President*

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## Board of Directors

Herbert S. Alexander  
*Managing Partner  
Alexander, Aronson, Finning & Company*

John H. Clymer  
*Senior Counsel  
Nixon Peabody LLP*

Eugene S. Colangelo  
*Chairman of the Board  
Julio Enterprises  
Chairman of the Board  
Boston Private Bank & Trust Company*

W. Pearce Coues  
*Former Chairman  
MGI Properties  
Senior Advisor  
Eaton Vance*

James D. Dawson  
*Chief Executive Officer, Private Banking Group  
Boston Private Financial Holdings, Inc.*

Kathleen M. Graveline  
*Private Investor*

Charles T. Grigsby  
*Consultant*

Susan P. Haney  
*Private Investor*

E. Christopher Palmer  
*President & Managing Shareholder  
Palmer and Corbett, PC*

John D. Macomber  
*Founder & Chief Executive Officer  
BuildingVision, Inc.*

Patricia McGovern  
*General Counsel & Senior Vice President  
Beth Israel Deaconess Medical Center*

Michael F. Schiavo  
*Consultant*

James K. Schmidt  
*Private Investor*

Alan D. Solomont  
*Chairman & Chief Executive Officer  
Solomont Bailis Ventures*

Mark D. Thompson  
*Chief Executive Officer & President  
Boston Private Bank & Trust Company*

Timothy L. Vail  
*Chairman & Chief Executive Officer  
Boston Private Financial Holdings, Inc.*

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## Office Locations

Headquarters: Boston Office  
Ten Post Office Square  
Boston, Massachusetts  
(617) 912-1900

Wellesley Office  
336 Washington Street  
Wellesley, Massachusetts  
(781) 707-7700

Back Bay Office  
500 Boylston Street  
Boston, Massachusetts  
(617) 912-4500

Jamaica Plain Loan Center  
401c Centre Street  
Jamaica Plain, Massachusetts  
(617) 524-6050

Kendall Square Office  
One Cambridge Center  
Cambridge, Massachusetts  
(617) 646-4800

Newton Centre Office  
1223 Centre Street  
Newton, Massachusetts  
(617) 646-4850

Seaport Office  
157 Seaport Boulevard  
Boston, Massachusetts  
(617) 646-4880

Lexington Office  
1666 Massachusetts Avenue  
Lexington, Massachusetts  
(617) 912-3600

Hingham Office  
7 Central Street  
Hingham, Massachusetts  
(781) 740-2405

Beverly Office  
57 Enon Street, Route 1A  
Beverly, Massachusetts  
(978) 922-8000

# BOSTON PRIVATE BANK & TRUST COMPANY

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