

BOSTON PRIVATE ACQUIRES DAVIDSON CAPITAL MANAGEMENT

*Acquisition Marks Boston Private's Entry
Into the Philadelphia Market*

*Founder James M. Davidson To Continue As Chairman of Davidson;
Alvin Clay To Be Appointed CEO*

Boston, MA, December 11, 2007 – Boston Private Financial Holdings, Inc. (NASDAQ: BPFH) today announced the acquisition of Davidson Capital Management, comprised of Davidson Trust Company and Davidson Investment Counselors. The acquisition marks Boston Private's entrance into the affluent "Main Line" area of greater Philadelphia, PA. James M. Davidson, the founder and current CEO of Davidson, will continue as the firm's Chairman. Alvin A. Clay III, a veteran Philadelphia wealth management executive, will purchase a minority interest in the firm and will be named Davidson's CEO. Clay spent 18 years with Pitcairn Financial Group in Jenkintown, PA, the last 14 as its President and CEO. Steve Klammer will continue his role serving as President of Davidson Trust Company and all other employees are also expected to remain.

Davidson Trust Company provides investment counsel and personalized fiduciary services for high net worth clients. The firm focuses on coordinating the investment, tax and fiduciary elements of wealth management. Davidson Investment Counselors is an equity and fixed income investment firm. As of November 1, 2007, Davidson Capital Management had approximately \$1.0 billion of assets under management. The transaction will be accretive to Boston Private on a GAAP basis within 12 months and immediately accretive on a cash basis. Concurrent with the closing of the transaction Davidson Trust Company and Davidson Investment Counselors will become one firm and be known as Davidson Trust Company.

"The acquisition of Davidson allows Boston Private to enter the affluent Philadelphia Main Line area with a solid wealth management organization," said Boston Private Chairman and CEO Timothy L. Vaill. "Davidson, under Al Clay's leadership, will enable Boston Private to further leverage its strategy of providing highly personal, local wealth management services in regions of new and expanding affluence."

James M. Davidson, Founder and Chairman of Davidson, commented, "We have established a strong company, well-positioned for future growth. I look forward to partnering with Al Clay and the Boston Private management team to capitalize on the opportunities provided by being part of a larger, publicly-traded organization. Like our firm, Boston Private and its family of well-respected wealth management affiliates are

dedicated to delivering a high-caliber wealth management experience for the long term. This transaction is well-aligned with our commitment to quality and to serving the needs of our current and future clients.”

“We are thrilled to welcome Davidson to the Boston Private family,” said Jay Cromarty, Eastern Region President for Boston Private. “Jim Davidson has done a terrific job in building these fine companies. We are looking forward to working together with Jim, Al Clay and the rest of the Davidson leadership team to bring Davidson to the next level as we work to take advantage of growth opportunities throughout the Philadelphia area.”

Under the terms of the agreement, Boston Private will acquire a 70% interest in the Davidson Trust Company. The remaining 30% will be owned by Jim Davidson, Al Clay and the other senior executives of Davidson Capital Management. The Company will pay 50% of the total consideration at the close and the remaining 50% over a 3 year period. The amount of future payments is tied to the growth of Davidson Trust Company.

Berkshire Capital and Goodwin Procter advised Boston Private on this transaction.

Boston Private Wealth Management Group

Boston Private is a financial services company that owns independently operated affiliates located in key geographic regions of the U.S. Boston Private's affiliates offer private banking, wealth advisory and investment management services to the high net worth marketplace, selected businesses and institutions. The Company's strategy is to enter new markets primarily through selected acquisitions, and then expand its wealth management business by way of organic growth. It makes investments in mid-size firms in demographically attractive areas, forming geographic clusters that represent the firm's core competencies in the three industry segments. Boston Private provides continuing assistance to its affiliates with strategic matters, marketing, compliance and operations. For more information about Boston Private, visit the Company's web site at www.bostonprivate.com

Davidson Capital Management

Davidson Capital Management consists of two organizations that play specific roles implementing comprehensive wealth management solutions for its clients. Davidson Trust Company, chartered by the Commonwealth of Pennsylvania in 1989, was established to serve client needs for investment counsel and personalized fiduciary services. DTC concentrates on the coordination of the investment, tax and fiduciary aspects of wealth management. Davidson Investment Counselors was founded in 1974 and is a registered investment adviser. The seasoned equity and fixed income investment disciplines provide clients with a conservative, long-term approach to investing in the financial markets.

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This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including, without limitation, (i) statements about the benefits of the transaction to Davidson or Boston Private, including future financial and operating results, enhanced and future revenues that may be realized from the transaction, the accretive effect of the transaction on Boston Private's financial results, and Boston Private's strategic and performance goals for Davidson; (ii) statements with respect to Boston Private's or Davidson's strategy, initiatives, plans, objectives, expectations, and intentions; (iii) statements regarding the expected timing of the transaction; (iv) statements regarding future operations, market position or prospects of either Boston Private or Davidson; and (v) other statements identified by words such as "will", "continues", "increases", "expand", "grow", "opportunity", "believes," "expects," "anticipates," "estimates," "intends," "plans," "target," and similar expressions. These statements are based upon the current beliefs and expectations of Boston Private's management and are subject to significant risks and uncertainties. Actual results may differ from those set forth in the forward-looking statements. The following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in such forward-looking statements: (1) the expected benefits to Boston Private's wealth management initiatives may not be realized or may be realized more slowly than expected; (2) expected revenue and business synergies from the transaction may not be fully realized or realized within the expected time frame; (3) competitive pressures among investment management companies may increase significantly or have an adverse effect on pricing, spending, product offerings, third-party relationships, revenues and Boston Private's and Davidson's abilities to attract and retain clients; (4) the strength of the United States economy in general and specifically the strength of the Philadelphia and other economies in which Boston Private and Davidson will be operating may be different than expected resulting in, among other things, a reduced demand for

wealth management services; and (5) adverse conditions in the stock market, the public debt market and other capital markets and the impact of such conditions on Boston Private's and Davidson's asset management activities and fees from such activities. Additional factors that could cause Boston Private's results to differ materially from those described in the forward-looking statements can be found in Boston Private's other press releases and Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q and Current Reports on Form 8-K filed with or furnished to the Securities and Exchange Commission. All subsequent written and oral forward-looking statements concerning the proposed transaction or other matters and attributable to Boston Private, Davidson or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements referenced above. Neither Boston Private nor Davidson 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.