

## TRANSACTION PROFILE: CHARTER FINANCIAL/BOSTON PRIVATE

Hovde Financial is pleased to announce the terms of the signing of a merger agreement between our client, Bellevue, Washington-based Charter Financial Corporation ("CFC"), and Boston Private Financial Holdings, Inc. (NASDAQ: BPFH) of Boston, Massachusetts. The terms of the agreement provide CFC shareholders with a liquidity event or a tax-free reinvestment opportunity in a liquid currency with the ability to elect \$45.70 or 1.5951 shares of BPFH stock in exchange for each CFC share for a total deal value of approximately \$70.0 million. CFC shareholders may elect any combination of stock or cash such that the total consideration equates to 60% stock and 40% cash. The deal represents the second highest priced valuation as a multiple of trailing 12-month earnings in Washington since 1999 in a transaction where the seller also received over 3x book value.

In addition to attractive pricing, CFC maintains its autonomy as a subsidiary of Boston Private, keeping the Charter Bank name, local decision-making authority, and nearly all employees. Additionally, Charter will benefit from a larger lending limit, additional access to capital, and an increase in the breadth of products available to its client base. CFC's management team and board of directors will remain in tact and continue its oversight of Charter with a minimally invasive integration process.

The acquisition of CFC represents an ideal fit for Boston Private's business model which emphasizes three core capabilities – private banking, wealth advisory, and investment management. Charter's client base consisting of high net worth individuals and small businesses provides a great complement to Boston Private's current Pacific Northwest presence with Coldstream Capital Management, a multi-client family office with locations in Bellevue and Portland, Oregon. Together, Coldstream and Charter Bank will provide an increased array of products and services to each party's clientele and comprise Boston Private's Pacific Northwest platform. CFC's four branches, in Bellevue, Redmond, Seattle and Kent will join Coldstream and Boston Private's other operations in New England, California, New York, Boston and Florida to bring a full range of services to its targeted clientele base.

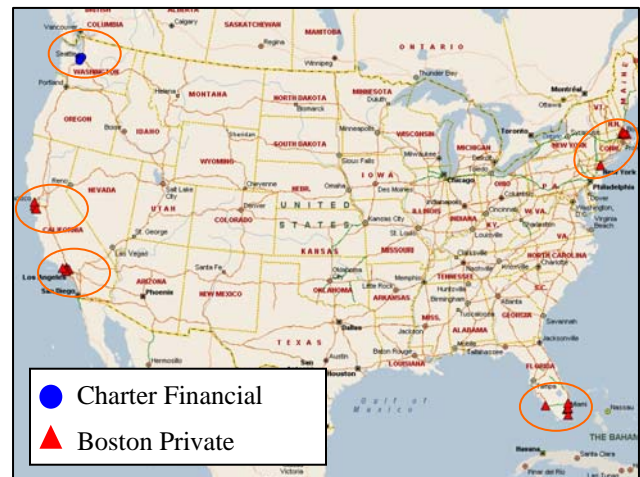
This transaction represents Hovde's third deal in the Seattle MSA since 2005. In each of these transactions, Hovde brought an out-of-state acquirer into the Pacific Northwest expanding the sphere of perspective acquirors past the traditional in-market universe of buyers. The Pacific Northwest continues to be an area of much interest for many financial institutions. The healthy business climate, attractive demographics, and high concentration of wealth provide a ripe banking environment that garners the interest of many acquisitive organizations.

### Transaction Terms

- Deal Value: \$70.0 Million
- Mixture: 60% Stock / 40% Cash
- Price to Book and Price to TBV: 338.5%
- Price to LTM Net Income: 23.3x
- Core Deposit Premium: 26.8%

### Financial Data – 12/31/06

	<u>BPFH</u>	<u>CFC</u>
Assets (\$000)	5,763,544	321,835
Deposits (\$000)	4,077,831	249,117
Equity (\$000)	635,197	20,694
2006 Earnings (\$000)	54,373	3,002
Market Cap	\$1.1 Billion	NA
Assets Under Mgmt.	\$29.8 Billion	NA



### About Hovde Financial

Hovde Financial is a nationwide investment bank focused exclusively on the financial services industry, specializing in providing a variety of investment banking and financial advisory services to community banks and thrifts. Founded in 1987, the firm has been a financial advisor in 230 merger and acquisition transactions for an aggregate deal value of over \$19 billion. In addition, Hovde has advised on approximately \$5.5 billion in branch transactions. Client-driven and results-oriented, the firm's experienced principals and bankers are committed to providing superior, value-added advice.