

SECURITIES AND EXCHANGE COMMISSION

FORM 8-K

Current report filing

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FILER

BOSTON PRIVATE FINANCIAL HOLDINGS INC

CIK: **821127** | IRS No.: **042976299** | State of Incorpor.: **MA** | Fiscal Year End: **1231**
Type: **8-K** | Act: **34** | File No.: **000-17089** | Film No.: **04969989**
SIC: **6022** State commercial banks

Mailing Address
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BOSTON MA 02109*

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BOSTON MA 02109
6175561900*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report (Date of earliest event reported): August 12, 2004

BOSTON PRIVATE FINANCIAL HOLDINGS, INC.

(Exact name of registrant as specified in charter)

Massachusetts
*(State or other jurisdiction
of incorporation)*

0-17089
(Commission file number)

04-2976299
*(IRS employer
identification no.)*

Ten Post Office Square, Boston, Massachusetts 02109
(Address of principal executive offices) (Zip code)

(617) 912-1900
(Registrant's telephone number, including area code)

Item 7. Financial Statements, Pro Forma Financial Information and Exhibits

(c) Exhibits.

- 99.1 Letter from Boston Private Bank & Trust Company' s Chief Executive Officer regarding Bank' s Financial Results
- 99.2 Boston Private Bank & Trust Company' s Unaudited Financial Statements for Six Months ended June 30, 2004

Item 9. Regulation FD Disclosure

Boston Private Bank & Trust Company (“Bank”), a wholly owned subsidiary of Boston Private Financial Holdings, Inc. (“Boston Private”), has prepared a brochure containing information relating to the Bank’ s financial results for the six months ended June 30, 2004. It is expected that this brochure will be provided to existing deposit clients of the Bank, and also to prospective clients or others, upon their request. The brochure consists of a letter (the “Letter”) from Mark Thompson, the Chief Executive Officer of the Bank, and unaudited financial statements (the “Financial Statements”) reflecting the Bank’ s financial results for the six months ended June 30, 2004. The Letter is furnished herewith as Exhibit 99.1 and the Financial Statements are furnished herewith as Exhibit 99.2. The Letter and the Financial Statements are incorporated into this Item 9 by reference in their entirety.

The information in this Current Report on Form 8-K (including the exhibits hereto) is furnished pursuant to Item 9 and shall not be deemed to be “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that Section, nor shall it be deemed incorporated by reference in any filing of the Company under the Securities Act of 1933, as amended. Furthermore, the furnishing of this Current Report on Form 8-K is not intended to constitute a determination by the Company that the information contained herein (including the exhibits hereto) is material or that the dissemination of such information is required by Regulation FD.

The Letter (furnished herewith as Exhibit 99.1) contains forward-looking statements within the meaning of the Federal securities laws. Forward-looking statements include all statements, estimates, projections, expectations or predictions about future events and often include words such as “estimate,” “projects,” “will,” “targets,” “expects,” and other words or expressions indicating statements about the future. Reliance should not be placed on forward-looking statements because they involve known and unknown risks, uncertainties and other factors, which are in some cases beyond the control of Boston Private, and which may cause the actual results, performance or achievements of Boston Private to differ materially from anticipated future results, performance or achievements expressed or implied by such forward-looking statements. Boston Private disclaims any obligation to update any of the forward-looking statements contained herein to reflect future events or developments.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

BOSTON PRIVATE FINANCIAL HOLDINGS,
INC.

Date: August 12, 2004

/s/ Walter M. Pressey

Walter M. Pressey

President and Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit</u>	<u>Description</u>
99.1	Letter from Boston Private Bank & Trust Company' s Chief Executive Officer regarding Bank' s Financial Results
99.2	Boston Private Bank & Trust Company' s Unaudited Financial Statement for Six Months ended June 30, 2004

In 2004 the financial services industry is expected to remain in transition with major consolidation taking place locally and nationally. Boston Private Bank & Trust Company remains an independent, private bank where decisions are made locally and where clients enjoy our commitment to exceptional service, our accessibility and responsiveness, and our ability to tailor financial solutions to meet the needs of individuals and businesses. The Bank has an exciting opportunity to expand its market share. It is our goal to surpass our clients' expectations by providing top notch personal service and outstanding performance.

Total assets of the Bank grew to \$1.8 billion as of June 30, 2004, a 22% increase as compared to June 30, 2003. The majority of our asset growth was the result of an increase in the loan portfolio, which grew \$183 million, or 18%, net of the allowance for loan losses. The Bank's loan composition is roughly 60% residential and 40% commercial, which provides the Bank with a good mix of assets and helps reduce its interest rate and credit risk. Deposits grew 22% to \$1.4 billion as of June 30, 2004, which was a strong source of liquidity and funding for the Bank's asset growth.

Net income was \$7.2 million for the first half of 2004, which was up \$750,000, or 12% as compared to the same period last year. Net income in the first half of 2003 was negatively impacted by a change in the tax laws. Net interest income was \$23.6 million for the first half of 2004, up 4% compared to the same period in 2003, despite continued volatility of interest rates. Investment management fees grew during the first six months of 2004, up 19% as compared to the same period last year. This growth was driven by both new business and market appreciation of assets under management. As you can see from our financial highlights, the loyalty and dedication of our clients and employees have resulted in strong capital, excellent loan quality, and continuing growth at Boston Private Bank & Trust Company. I'm extremely grateful to our clients and employees for their commitment to this organization.

Mark Thompson
Chief Executive Officer

Boston Private Bank & Trust Company
CONDENSED BALANCE SHEETS

(Unaudited)

(In Thousands)

	June 30,	
	2004	2003
Assets		
Cash & Short Term Investments	\$35,578	\$57,888
Investment Securities	485,225	328,590
Loans Held for Sale	6,068	21,440
Commercial Loans	506,524	447,774
Mortgage Loans	681,775	558,322
Home Equity & Other Loans	50,867	47,396
Total Loans	1,239,166	1,053,492
Less: Allowance for Loan Losses	(15,043)	(12,803)
Net Loans	1,224,123	1,040,689
Other Assets	47,923	31,485
Total Assets	\$1,798,917	\$1,480,092
Liabilities & Shareholder' s Equity		

Demand deposits	\$212,255	\$177,460
NOW accounts	178,089	197,842
Savings & Money Market	864,797	634,411
Certificates of Deposit	115,076	111,982
Total Deposits	1,370,217	1,121,695
Borrowings	306,999	249,116
Other Liabilities	13,186	9,403
Total Liabilities	1,690,402	1,380,214
Shareholder' s Equity	108,515	99,878
Total Liabilities & Shareholder' s Equity	\$1,798,917	\$1,480,092

Boston Private Bank & Trust Company
CONDENSED STATEMENTS OF INCOME

(Unaudited)

(In Thousands)

	Six Months Ended June 30,	
	2004	2003
Interest Income	\$34,761	\$33,100
Interest Expense	11,134	10,312
Net Interest Income	23,627	22,788

Provision for Loan Losses	1,100	1,009
Net Interest Income after Provision	22,527	21,779
Investment Management Fees	5,721	4,799
Banking Fees and Other Income	1,563	4,125
Operating Expenses	20,379	19,077
Income Before Income Taxes	9,432	11,626
Income Taxes	2,202	5,146
Net Income	\$7,230	\$6,480

Boston Private Bank & Trust Company
SELECTED FINANCIAL DATA

(Unaudited)

(\$ In Thousands)

	Six Months Ended June 30,	
	2004	2003
Average Assets Under Management	\$1,955,000	\$1,693,000
Return on Average Assets	0.83 %	0.91 %
Return on Average Equity	13.31 %	13.49 %
Net Interest Margin	3.02 %	3.44 %
Total Fees and Other Income / Revenues	23.56 %	28.14 %

Allowance for Loan Losses / Total Loans

1.22 % 1.22 %