CAMBRIDGE BANCORP
QUARTERLY UNAUDITED RESULTS
December 31, 2013

Dollar amounts in thousands (except share data)

	Three Months Ended December 31,		Year Ended December 31,	
	2013	2012	**2013**	2012
Interest Income	**$ 12,453**	$ 12,327	**$ 47,661**	$ 49,066
Interest Expense	**533**	711	**2,194**	3,191
Net Interest Income	**11,920**	11,616	**45,467**	45,875
Provision for Loan Losses	**500**	100	**1,500**	800
Non-Interest Income	**5,836**	5,216	**23,181**	20,489
Non-Interest Expense	**11,837**	12,217	**46,111**	45,847
Income Before Taxes	**5,419**	4,515	**21,037**	19,717
Income Taxes	**1,780**	1,512	**6,897**	6,314
Net Income	**$ 3,639**	$ 3,003	**$ 14,140**	$ 13,403
Data Per Common Share:				
Basic Earnings Per Share	**$ 0.94**	$ 0.78	**$ 3.65**	$ 3.49
Diluted Earnings Per Share	**$ 0.93**	$ 0.77	**$ 3.62**	$ 3.45
Dividends Declared Per Share	**$ 0.42**	$ 0.39	**$ 1.59**	$ 1.50
Avg. Common Shares Outstanding:				
Basic	**3,852,683**	3,851,439	**3,839,146**	3,839,681
Diluted	**3,919,831**	3,900,315	**3,907,201**	3,879,607
Selected Operating Ratios:				
Net Interest Margin	**3.41%**	3.55%	**3.35%**	3.58%
Return on Average Assets, after taxes	**0.99%**	0.87%	**0.99%**	1.00%
Return on Average Equity, after taxes	**13.93%**	11.63%	**13.63%**	13.39%

	December 31, 2013	December 31, 2012
Total Assets	**$ 1,533,710**	$ 1,417,986
Total Loans	**942,451**	742,249
Non-Performing Loans	**1,703**	1,570
Allowance for Loan Losses	**12,708**	10,948
Allowance to Non-Performing Loans	**746.11%**	697.25%
Allowance to Total Loans	**1.35%**	1.47%
Total Deposits	**1,409,047**	1,281,333
Total Stockholders' Equity	**109,283**	104,891
Book Value Per Share	**$ 28.13**	$ 27.21
Tangible Book Value Per Share	**$ 27.93**	$ 27.05

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED BALANCE SHEETS

	December 31, 2013	December 31, 2012
	(In thousands)	
ASSETS		
Cash and cash equivalents	$ 88,107	$ 59,923
Investment securities:		
Available for sale, at fair value	388,793	502,318
Held to maturity, at amortized cost	59,181	71,133
Total investment securities	447,974	573,451
Loans held for sale, at lower of cost or fair value	403	1,684
Loans:		
Residential mortgage	458,176	347,908
Commercial mortgage	363,294	276,428
Home equity	46,635	50,574
Commercial	50,758	47,570
Consumer	23,588	19,769
Total loans	942,451	742,249
Allowance for loan losses	(12,708)	(10,948)
Net loans	929,743	731,301
Stock in FHLB of Boston, at cost	6,231	5,010
Bank owned life insurance	23,555	22,903
Banking premises and equipment, net	9,951	6,214
Accrued interest receivable	3,626	3,877
Other assets	24,120	13,623
Total assets	$ 1,533,710	$ 1,417,986
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 382,255	$ 329,211
Interest bearing checking	335,010	363,575
Money market	78,410	60,850
Savings	489,160	393,541
Certificates of deposit	124,212	134,156
Total deposits	1,409,047	1,281,333
Long-term borrowings	—	20,000
Other liabilities	15,380	11,762
Total liabilities	1,424,427	1,313,095
Stockholders' equity:		
Common stock, par value $1.00; Authorized 10,000,000 shares; Outstanding: 3,884,851 and 3,854,951 shares, respectively	3,885	3,855
Additional paid-in capital	26,027	24,421
Retained earnings	83,479	75,787
Accumulated other comprehensive income	(4,108)	828
Total stockholders’ equity	109,283	104,891
Total liabilities and stockholders’ equity	$ 1,533,710	$ 1,417,986

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended December 31,	
	2013	2012
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 9,663	$ 8,919
Interest on taxable investment securities	2,261	2,886
Interest on tax exempt investment securities	510	506
Dividends on FHLB of Boston stock	5	7
Interest on overnight investments	14	9
Total interest income	12,453	12,327
Interest expense:		
Interest on deposits	509	542
Interest on borrowed funds	24	169
Total interest expense	533	711
Net interest income	11,920	11,616
Provision for loan losses	500	100
Net interest income after provision for loan losses	11,420	11,516
Noninterest income:		
Wealth management income	4,301	3,553
Deposit account fees	641	620
ATM/Debit card income	317	275
Bank owned life insurance income	154	169
Gain on disposition of investment securities	131	129
Gain on loans held for sale	51	316
Other income	241	154
Total noninterest income	5,836	5,216
Noninterest expense:		
Salaries and employee benefits	7,124	7,687
Occupancy and equipment	2,078	1,967
Data processing	1,063	888
Professional services	235	322
Marketing	427	487
FDIC Insurance	191	179
Other expenses	719	687
Total noninterest expense	11,837	12,217
Income before income taxes	5,419	4,515
Income tax expense	1,780	1,512
Net income	$ 3,639	$ 3,003
Per share data:		
Basic earnings per common share	$ 0.94	$ 0.78
Diluted earnings per common share	$ 0.93	$ 0.77
Average shares outstanding - basic	3,852,683	3,851,439
Average shares outstanding - diluted	3,919,831	3,900,315

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended December 31,	
	2013	2012
	(In thousands)	
Net income	$ 3,639	$ 3,003
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	5,926	391
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(2,407)	(1,109)
Less: reclassification adjustment for gains recognized in net income	(85)	(89)
Other comprehensive income/(loss)	3,434	(807)
Comprehensive income/(loss)	$ 7,073	$ 2,196

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,	
	2013	2012
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 35,669	$ 33,984
Interest on taxable investment securities	9,905	13,003
Interest on tax exempt investment securities	2,028	2,029
Dividends on FHLB of Boston stock	20	25
Interest on overnight investments	39	25
Total interest income	47,661	49,066
Interest expense:		
Interest on deposits	1,970	2,219
Interest on borrowed funds	224	972
Total interest expense	2,194	3,191
Net interest income	45,467	45,875
Provision for loan losses	1,500	800
Net interest income after provision for loan losses	43,967	45,075
Noninterest income:		
Wealth management income	16,265	14,110
Deposit account fees	2,567	2,398
ATM/Debit card income	1,182	1,043
Bank owned life insurance income	652	713
Gain on disposition of investment securities	1,121	882
Gain on loans held for sale	519	592
Other income	875	751
Total noninterest income	23,181	20,489
Noninterest expense:		
Salaries and employee benefits	26,995	27,835
Occupancy and equipment	8,163	7,660
Data processing	4,012	3,560
Professional services	1,548	1,585
Marketing	1,822	1,842
FDIC Insurance	739	704
Other expenses	2,832	2,661
Total noninterest expense	46,111	45,847
Income before income taxes	21,037	19,717
Income tax expense	6,897	6,314
Net income	$ 14,140	$ 13,403
Per share data:		
Basic earnings per common share	$ 3.65	$ 3.49
Diluted earnings per common share	$ 3.62	$ 3.45
Average shares outstanding - basic	3,839,146	3,839,681
Average shares outstanding - diluted	3,907,201	3,879,607

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Year Ended December 31,	
	2013	2012
	(In thousands)	
Net income	$ 14,140	$ 13,403
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	5,671	104
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(9,887)	(302)
Less: reclassification adjustment for gains recognized in net income	(720)	(568)
Other comprehensive income/(loss)	(4,936)	(766)
Comprehensive income/(loss)	$ 9,204	$ 12,637

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2013	2012
	(In thousands)	
Cash flows provided by operating activities:		
Net income	$ 14,140	$ 13,403
Adjustments to arrive at net cash provided by operating activities:		
Provision for loan losses	1,500	800
Amortization of deferred charges/(income), net	720	1,360
Depreciation and amortization	1,569	1,430
Bank owned life insurance income	(652)	(713)
Gain on disposition of investment securities	(1,121)	(882)
Compensation expense from stock option and restricted stock grants	439	551
Change in loans held for sale	1,281	(1,684)
Change in accrued interest receivable, deferred taxes, other assets and other liabilities	4,998	(8,655)
Other, net	321	291
Net cash provided by operating activities	23,195	5,901
Cash flows used by investing activities:		
Origination of loans	(333,266)	(205,096)
Purchase of:		
Investment securities - AFS	(55,577)	(201,506)
Investment securities - HTM	(4,427)	(824)
Maturities, calls and principal payments of:		
Loans	132,692	135,435
Investment securities - AFS	117,713	130,165
Investment securities - HTM	16,361	3,933
Proceeds from sale of investment securities - AFS	35,557	37,786
Purchase of bank owned life insurance	—	(5,000)
Decrease/(increase) in FHLB of Boston stock	(1,221)	(204)
Purchase of banking premises and equipment	(5,306)	(1,428)
Net cash provided/(used) by investing activities	(97,474)	(106,739)
Cash flows provided by financing activities:		
Net increase/(decrease) in deposits	127,714	155,679
Net increase/(decrease) in short-term borrowings	—	(2,500)
Repayment of long-term borrowings	(20,000)	(10,000)
Proceeds from issuance of common stock	1,255	937
Repurchase of common stock	(342)	(103)
Cash dividends paid on common stock	(6,164)	(5,764)
Net cash provided/(used) by financing activities	102,463	138,249
Net increase/(decrease) in cash and cash equivalents	28,184	37,411
Cash and cash equivalents at beginning of period	59,923	22,512
Cash and cash equivalents at end of period	$ 88,107	$ 59,923
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 2,196	$ 3,205
Cash paid for income taxes	3,610	6,350
Non-cash transactions:		
Change in accumulated other comprehensive income, net of taxes	(4,936)	(766)