CAMBRIDGE BANCORP
QUARTERLY UNAUDITED RESULTS
June 30, 2012

Dollar amounts in thousands (except share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2012	2011	**2012**	2011
Interest Income	**$ 12,409**	$ 11,948	**$ 24,813**	$ 23,549
Interest Expense	**876**	960	**1,743**	1,998
Net Interest Income	**11,533**	10,988	**23,070**	21,551
Provision for Loan Losses	**250**	250	**550**	500
Non-Interest Income	**4,834**	4,528	**9,639**	9,170
Non-Interest Expense	**11,073**	10,548	**22,336**	20,962
Income Before Taxes	**5,044**	4,718	**9,823**	9,259
Income Taxes	**1,593**	1,542	**3,087**	2,978
Net Income	**$ 3,451**	$ 3,176	**$ 6,736**	$ 6,281
Data Per Common Share:				
Basic Earnings Per Share	**$ 0.90**	$ 0.84	**$ 1.76**	$ 1.66
Diluted Earnings Per Share	**$ 0.89**	$ 0.83	**$ 1.74**	$ 1.64
Dividends Declared Per Share	**$ 0.37**	$ 0.35	**$ 0.74**	$ 0.70
Avg. Common Shares Outstanding:				
Basic	**3,842,976**	3,797,457	**3,830,199**	3,781,031
Diluted	**3,879,498**	3,844,931	**3,866,397**	3,827,097
Selected Operating Ratios:				
Net Interest Margin	**3.59%**	4.02%	**3.65%**	3.95%
Return on Average Assets, after taxes	**1.02%**	1.10%	**1.02%**	1.10%
Return on Average Equity, after taxes	**13.95%**	13.76%	**13.77%**	13.83%

	June 30, 2012	December 31, 2011	June 30, 2011
Total Assets	**$ 1,353,344**	$ 1,275,860	$ 1,156,726
Total Loans	**702,533**	673,265	641,568
Non-Performing Loans	**1,131**	1,204	871
Allowance for Loan Losses	**10,790**	10,159	9,787
Allowance to Non-Performing Loans	**953.85%**	844.09%	1124.28%
Allowance to Total Loans	**1.54%**	1.51%	1.53%
Total Deposits	**1,202,950**	1,125,654	1,005,943
Total Stockholders' Equity	**100,319**	96,633	94,664
Book Value Per Share	**$ 26.08**	$ 25.39	$ 24.89
Tangible Book Value Per Share	**$ 25.98**	$ 25.28	$ 24.76

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED BALANCE SHEETS

	June 30, 2012	December 31, 2011
	(In thousands)	
ASSETS		
Cash and due from banks	$ 42,029	$ 22,512
Overnight investments	—	—
Total cash and cash equivalents	42,029	22,512
Investment securities:		
Available for sale, at fair value	495,220	470,232
Held-to-maturity, at amortized cost	72,683	74,256
Total investment securities	567,903	544,488
Loans held for sale	253	—
Loans:		
Residential mortgage	333,127	330,933
Commercial mortgage	258,340	231,595
Home equity	56,454	61,307
Commercial	39,126	38,260
Consumer	15,486	11,170
Total loans	702,533	673,265
Allowance for loan losses	(10,790)	(10,159)
Net loans	691,743	663,106
Stock in FHLB of Boston, at cost	5,010	4,806
Bank owned life insurance	22,673	17,331
Banking premises and equipment, net	5,812	6,216
Accrued interest receivable	4,364	4,423
Other assets	13,557	12,978
Total assets	$ 1,353,344	$ 1,275,860
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 319,792	$ 285,724
Interest bearing checking	307,308	316,454
Money market	65,464	58,532
Savings	367,028	328,771
Certificates of deposit	143,358	136,173
Total deposits	1,202,950	1,125,654
Short-term borrowings	—	2,500
Long-term borrowings	30,000	30,000
Other liabilities	20,075	21,073
Total liabilities	1,253,025	1,179,227
Stockholders' equity:		
Common stock, par value $1.00; Authorized 5,000,000 shares; Outstanding: 3,846,046 and 3,805,748 shares, respectively	3,846	3,806
Additional paid-in capital	23,808	23,001
Retained earnings	72,129	68,232
Accumulated other comprehensive income	536	1,594
Total stockholders’ equity	100,319	96,633
Total liabilities and stockholders’ equity	$ 1,353,344	$ 1,275,860

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended June 30,	
	2012	2011
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 8,359	$ 8,114
Interest on taxable investment securities	3,528	3,324
Interest on tax exempt investment securities	508	495
Dividends on FHLB of Boston stock	6	4
Interest on overnight investments	8	11
Total interest income	12,409	11,948
Interest expense:		
Interest on deposits	561	662
Interest on borrowed funds	315	298
Total interest expense	876	960
Net interest income	11,533	10,988
Provision for loan losses	250	250
Net interest income after provision for loan losses	11,283	10,738
Noninterest income:		
Wealth management income	3,366	3,310
Deposit account fees	606	539
ATM/Debit card income	265	255
Bank owned life insurance income	161	136
Gain on disposition of investment securities	172	93
Gain on loans held for sale	76	—
Other income	188	195
Total noninterest income	4,834	4,528
Noninterest expense:		
Salaries and employee benefits	6,635	6,123
Occupancy and equipment	1,847	1,768
Data processing	904	886
Professional services	407	492
Marketing	437	437
FDIC Insurance	175	133
Other expenses	668	709
Total noninterest expense	11,073	10,548
Income before income taxes	5,044	4,718
Income tax expense	1,593	1,542
Net income	$ 3,451	$ 3,176
Per share data:		
Basic earnings per common share	$ 0.90	$ 0.84
Diluted earnings per common share	$ 0.89	$ 0.83
Average shares outstanding - basic	3,842,976	3,797,457
Average shares outstanding - diluted	3,879,498	3,844,931

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended June 30,	
	2012	2011
	(In thousands)	
Net income	$ 3,451	$ 3,176
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	(96)	(39)
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(51)	2,013
Less: reclassification adjustment for gains recognized in net income	(111)	(57)
Other comprehensive income/(loss)	(258)	1,917
Comprehensive income/(loss)	$ 3,193	$ 5,093

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Six Months Ended June 30,	
	2012	2011
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 16,687	$ 15,723
Interest on taxable investment securities	7,089	6,819
Interest on tax exempt investment securities	1,016	986
Dividends on FHLB of Boston stock	12	7
Interest on overnight investments	9	14
Total interest income	24,813	23,549
Interest expense:		
Interest on deposits	1,113	1,405
Interest on borrowed funds	630	593
Total interest expense	1,743	1,998
Net interest income	23,070	21,551
Provision for loan losses	550	500
Net interest income after provision for loan losses	22,520	21,051
Noninterest income:		
Wealth management income	6,709	6,570
Deposit account fees	1,198	1,077
ATM/Debit card income	504	483
Bank owned life insurance income	342	250
Gain on disposition of investment securities	429	361
Gain on loans held for sale	76	—
Other income	381	429
Total noninterest income	9,639	9,170
Noninterest expense:		
Salaries and employee benefits	13,339	12,025
Occupancy and equipment	3,791	3,595
Data processing	1,791	1,781
Professional services	867	936
Marketing	875	875
FDIC Insurance	347	445
Other expenses	1,326	1,305
Total noninterest expense	22,336	20,962
Income before income taxes	9,823	9,259
Income tax expense	3,087	2,978
Net income	$ 6,736	$ 6,281
Per share data:		
Basic earnings per common share	$ 1.76	$ 1.66
Diluted earnings per common share	$ 1.74	$ 1.64
Average shares outstanding - basic	3,830,199	3,781,031
Average shares outstanding - diluted	3,866,397	3,827,097

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Six Months Ended June 30,	
	2012	2011
	(In thousands)	
Net income	$ 6,736	$ 6,281
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	(191)	(55)
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(590)	1,014
Less: reclassification adjustment for gains recognized in net income	(277)	(231)
Other comprehensive income/(loss)	(1,058)	728
Comprehensive income/(loss)	$ 5,678	$ 7,009

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Six Months Ended June 30,	
	2012	**2011**
	(In thousands)	
Cash flows provided by operating activities:		
Net income	$ 6,736	$ 6,281
Adjustments to arrive at net cash provided by operating activities:		
Provision for loan losses	550	500
Amortization of deferred charges/(income), net	432	71
Depreciation and amortization	715	726
Bank owned life insurance income	(342)	(250)
Gain on disposition of investment securities	(429)	(361)
Compensation expense from stock option and restricted stock grants	228	196
Change in loans held for sale	(253)	—
Change in accrued interest receivable, deferred taxes, other assets and other liabilities	(1,235)	(506)
Other, net	90	413
Net cash provided by operating activities	6,492	7,070
Cash flows used by investing activities:		
Origination of loans	(96,734)	(126,365)
Purchase of:		
Investment securities - AFS	(105,858)	(59,448)
Investment securities - HTM	(823)	(492)
Maturities, calls and principal payments of:		
Loans	67,257	53,198
Investment securities - AFS	56,986	73,767
Investment securities - HTM	2,388	7,327
Proceeds from sale of investment securities - AFS	22,748	35,351
Purchase of bank owned life insurance	(5,000)	(5,001)
Net increase in FHLB of Boston stock	(204)	—
Purchase of banking premises and equipment	(311)	(500)
Net cash used by investing activities	(59,551)	(22,163)
Cash flows provided by financing activities:		
Net increase in deposits	77,296	12,135
Net (decrease)/increase in short-term borrowings	(2,500)	8,823
Proceeds from issuance of common stock	619	999
Repurchase of common stock	(3)	(109)
Cash dividends paid on common stock	(2,836)	(2,650)
Net cash provided by financing activities	72,576	19,198
Net increase in cash and cash equivalents	19,517	4,105
Cash and cash equivalents at beginning of period	22,512	15,756
Cash and cash equivalents at end of period	$ 42,029	$ 19,861
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,752	$ 2,016
Cash paid for income taxes	2,705	3,515
Non-cash transactions:		
Change in accumulated other comprehensive income, net of taxes	(1,058)	728