Financial Highlights:

CAMBRIDGE BANCORP
QUARTERLY UNAUDITED RESULTS
December 31, 2011

Dollar amounts in thousands (except share data)

	Quarter Ended December 31,		Year Ended December 31,	
	2011	2010	**2011**	2010
Interest Income	**$ 12,191**	$ 11,529	**$ 47,663**	$ 46,556
Interest Expense	**969**	1,133	**3,931**	4,806
Net Interest Income	**11,222**	10,396	**43,732**	41,750
Provision for Loan Losses	**250**	50	**1,000**	550
Non-Interest Income	**4,318**	4,405	**18,147**	19,877
Non-Interest Expense	**11,157**	10,803	**42,685**	41,444
Income Before Taxes	**4,133**	3,948	**18,194**	19,633
Income Taxes	**1,223**	1,294	**5,717**	6,379
Net Income	**$ 2,910**	$ 2,654	**$ 12,477**	$ 13,254
Data Per Common Share:				
Basic Earnings Per Share	**$ 0.77**	$ 0.71	**$ 3.29**	$ 3.53
Diluted Earnings Per Share	**$ 0.76**	$ 0.70	**$ 3.25**	$ 3.51
Dividends Declared Per Share	**$ 0.37**	$ 0.35	**$ 1.42**	$ 1.40
Avg. Common Shares Outstanding:				
Basic	**3,799,977**	3,759,891	**3,791,167**	3,750,065
Diluted	**3,836,814**	3,794,988	**3,834,569**	3,776,787
Selected Operating Ratios:				
Net Interest Margin	**3.79%**	3.91%	**3.90%**	4.15%
Return on Average Assets, after taxes	**0.93%**	0.95%	**1.06%**	1.25%
Return on Average Equity, after taxes	**11.86%**	11.56%	**13.26%**	14.98%

	December 31, 2011	December 31, 2010
Total Assets	**$ 1,275,860**	$ 1,130,988
Total Loans	**673,265**	568,568
Non-Performing Loans	**1,204**	1,147
Allowance for Loan Losses	**10,159**	8,885
Allowance to Non-Performing Loans	**844.09%**	774.31%
Allowance to Total Loans	**1.51%**	1.56%
Total Deposits	**1,125,654**	993,808
Total Stockholders' Equity	**96,633**	89,218
Book Value Per Share	**$ 25.39**	$ 23.73
Tangible Book Value Per Share	**$ 25.28**	$ 23.58

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED BALANCE SHEETS

	December 31, 2011	December 31, 2010
	(In thousands)	
ASSETS		
Cash and due from banks	$ 22,512	$ 15,756
Overnight investments	—	—
Total cash and cash equivalents	22,512	15,756
Investment securities:		
Available for sale, at fair value	470,232	434,829
Held-to-maturity, at amortized cost	74,256	81,272
Total investment securities	544,488	516,101
Loans:		
Residential mortgage	330,933	272,928
Commercial mortgage	231,595	177,944
Home equity	61,307	66,169
Commercial	38,260	38,258
Consumer	11,170	13,269
Total loans	673,265	568,568
Allowance for loan losses	(10,159)	(8,885)
Net loans	663,106	559,683
Stock in FHLB of Boston, at cost	4,806	4,806
Bank owned life insurance	17,331	11,811
Banking premises and equipment, net	6,216	6,043
Accrued interest receivable	4,423	4,478
Other assets	12,978	12,310
Total assets	$ 1,275,860	$ 1,130,988
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 285,724	$ 233,199
Interest bearing checking	316,454	280,060
Money market	58,532	55,026
Savings	328,771	287,784
Certificates of deposit	136,173	137,739
Total deposits	1,125,654	993,808
Short-term borrowings	2,500	1,902
Long-term borrowings	30,000	30,000
Other liabilities	21,073	16,060
Total liabilities	1,179,227	1,041,770
Stockholders' equity:		
Common stock, par value $1.00; Authorized 5,000,000 shares; Outstanding: 3,805,748 and 3,759,891 shares, respectively	3,806	3,760
Additional paid-in capital	23,001	21,456
Retained earnings	68,232	61,375
Accumulated other comprehensive income	1,594	2,627
Total stockholders’ equity	96,633	89,218
Total liabilities and stockholders’ equity	$ 1,275,860	$ 1,130,988

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Quarter Ended December 31,	
	2011	2010
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 8,330	$ 7,466
Interest on taxable investment securities	3,338	3,571
Interest on tax exempt investment securities	502	477
Dividends on FHLB of Boston stock	4	—
Interest on overnight investments	17	15
Total interest income	12,191	11,529
Interest expense:		
Interest on deposits	673	837
Interest on borrowed funds	296	296
Total interest expense	969	1,133
Net interest income	11,222	10,396
Provision for loan losses	250	50
Net interest income after provision for loan losses	10,972	10,346
Noninterest income:		
Wealth management income	3,122	3,211
Deposit account fees	575	544
ATM/Debit card income	251	250
Bank owned life insurance income	128	115
Gain on disposition of investment securities	87	88
Gain on disposition of other real estate owned	—	—
Other income	155	197
Total noninterest income	4,318	4,405
Noninterest expense:		
Salaries and employee benefits	6,916	6,283
Occupancy and equipment	1,876	1,774
Data processing	888	793
Professional services	276	363
Marketing	373	480
FDIC Insurance	155	367
Other expenses	673	743
Total noninterest expense	11,157	10,803
Income before income taxes	4,133	3,948
Income tax expense	1,223	1,294
Net income	$ 2,910	$ 2,654
Per share data:		
Basic earnings per common share	$ 0.77	$ 0.71
Diluted earnings per common share	$ 0.76	$ 0.70
Average shares outstanding - basic	3,799,977	3,759,891
Average shares outstanding - diluted	3,836,814	3,794,988

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,	
	2011	2010
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 32,401	$ 29,926
Interest on taxable investment securities	13,219	14,742
Interest on tax exempt investment securities	1,987	1,842
Dividends on FHLB of Boston stock	14	—
Interest on overnight investments	42	46
Total interest income	47,663	46,556
Interest expense:		
Interest on deposits	2,745	3,564
Interest on borrowed funds	1,186	1,242
Total interest expense	3,931	4,806
Net interest income	43,732	41,750
Provision for loan losses	1,000	550
Net interest income after provision for loan losses	42,732	41,200
Noninterest income:		
Wealth management income	13,152	12,364
Deposit account fees	2,179	2,110
ATM/Debit card income	981	958
Merchant card services	—	267
Bank owned life insurance income	519	367
Gain on disposition of investment securities	552	234
Loss on disposition of other real estate owned	—	(10)
Gain on disposition of merchant services portfolio	—	2,842
Other income	764	745
Total noninterest income	18,147	19,877
Noninterest expense:		
Salaries and employee benefits	25,116	23,895
Occupancy and equipment	7,323	6,692
Data processing	3,594	3,194
Professional services	1,588	1,717
Marketing	1,703	1,744
FDIC Insurance	752	1,296
Other expenses	2,609	2,906
Total noninterest expense	42,685	41,444
Income before income taxes	18,194	19,633
Income tax expense	5,717	6,379
Net income	$ 12,477	$ 13,254
Per share data:		
Basic earnings per common share	$ 3.29	$ 3.53
Diluted earnings per common share	$ 3.25	$ 3.51
Average shares outstanding - basic	3,791,167	3,750,065
Average shares outstanding - diluted	3,834,569	3,776,787

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,	
	2011	2010
	(In thousands)	
Cash flows provided by operating activities:		
Net income	$ 12,477	$ 13,254
Adjustments to arrive at net cash provided by operating activities:		
Provision for loan losses	1,000	550
Amortization of deferred charges/(income), net	561	622
Depreciation and amortization	1,441	1,454
Bank owned life insurance income	(519)	(367)
Gain on disposition of investment securities	(552)	(234)
Loss on disposition of other real estate owned	—	10
Gain on disposition of merchant services portfolio	—	(2,842)
Compensation expense from stock option and restricted stock grants	401	352
Change in accrued interest receivable, deferred taxes, other assets and other liabilities	359	958
Other, net	481	18
Net cash provided by operating activities	15,649	13,775
Cash flows used by investing activities:		
Origination of loans	(211,667)	(142,107)
Purchase of:		
Investment securities - AFS	(235,502)	(279,656)
Investment securities - HTM	(2,531)	(8,958)
Maturities, calls and principal payments of:		
Loans	106,443	110,631
Investment securities - AFS	164,920	149,789
Investment securities - HTM	9,526	11,651
Proceeds from sale of investment securities - AFS	38,540	34,083
Proceeds from sale of other real estate owned	—	810
Proceeds from sale of merchant services portfolio	—	2,842
Purchase of bank owned life insurance	(5,001)	—
Purchase of banking premises and equipment	(1,614)	(1,935)
Net cash used by investing activities	(136,886)	(122,850)
Cash flows provided by financing activities:		
Net increase in deposits	131,846	121,041
Net increase/(decrease) in short-term borrowings	598	(9,539)
Repayment of long-term borrowings	—	(8,000)
Proceeds from issuance of common stock	1,224	788
Repurchase of common stock	(287)	(380)
Cash dividends paid on common stock	(5,388)	(5,253)
Net cash provided by financing activities	127,993	98,657
Net increase (decrease) in cash and cash equivalents	6,756	(10,418)
Cash and cash equivalents at beginning of period	15,756	26,174
Cash and cash equivalents at end of period	$ 22,512	$ 15,756
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 3,946	$ 4,828
Cash paid for income taxes	6,475	7,205
Non-cash transactions:		
Change in accumulated other comprehensive income, net of taxes	(1,033)	(1,251)
Transfer of loans to other real estate owned	—	124

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