CAMBRIDGE BANCORP

INTERIM REPORT
March 31, 2014

CAMBRIDGE BANCORP

1336 MASSACHUSETTS AVENUE, CAMBRIDGE, MASSACHUSETTS 02138
617-876-5500

April 28, 2014

To the Stockholders of Cambridge Bancorp:

Net income for the quarter ending March 31, 2014 was $3,511,000 compared to $3,331,000 for the quarter ending March 31, 2013. The increase of $180,000 (5.4%) was driven primarily by rising net interest income and continued growth in Wealth Management.

The Bank's record loan growth in 2013 provided momentum going into 2014. Both commercial real estate and residential mortgage loans experienced significant upswings. In the first quarter of 2014, net interest income increased $859,000 (7.8%) compared to the same quarter in 2013. There was also a modest turn in the Bank's net interest margin to 3.36% in the quarter ending March 31, 2014, compared to 3.31% in the first quarter of 2013.

Asset quality remains sound. Non-performing loans as a percentage of total loans were 0.18% at March 31, 2014, in line with 0.18% at December 31, 2013. The Allowance for Loan Losses was $13,086,000 or 1.38% of total loans outstanding at March 31, 2014.

Non-interest income of $6,045,000 continued to be a major contributor to the Bank's performance in the first quarter of 2014. Wealth Management's sustained revenue growth was a key factor. In the quarter ending March 31, 2014, Wealth Management fees increased $440,000 (11.7%) to $4,185,000 compared to the first quarter of 2013. Deposit account fees and ATM/Debit Card income held steady; fees from the sale of 30-year conforming residential mortgage loans in the secondary market declined considerably. The residential loan market was very active in the first half of 2013, driven primarily by refinance business. It slowed appreciably in the summer of 2013 as interest rates rose in response to statements made by the Federal Reserve Bank relating to "Quantitative Easing."

In the first quarter of 2014, growth in many sectors of the economy was modest at best. Much of this can be attributed to an especially harsh winter in most parts of the country. As economic activity begins to pick up in the second quarter, we feel the Bank is well positioned to benefit across each of its business lines.

Very truly yours,

Joseph V Roller II

Joseph V. Roller II
President and CEO

CAMBRIDGE BANCORP

UNAUDITED QUARTERLY RESULTS

March 31, 2014

Dollar amounts in thousands (except share data)

	Quarter Ended March 31,	
	2014	2013
Interest Income	**$ 12,337**	$ 11,585
Interest Expense	**516**	623
Net Interest Income	**11,821**	10,962
Provision for Loan Losses	**375**	200
Non-Interest Income	**6,045**	5,889
Non-Interest Expense	**12,267**	11,669
Income Before Taxes	**5,224**	4,982
Income Taxes	**1,713**	1,651
Net Income	**$ 3,511**	$ 3,331
Data Per Common Share:		
Basic Earnings Per Share	**$ 0.90**	$ 0.86
Diluted Earnings Per Share	**$ 0.89**	$ 0.85
Dividends Declared Per Share	**$ 0.42**	$ 0.39
Avg. Common Shares Outstanding:		
Basic	**3,897,724**	3,855,467
Diluted	**3,939,980**	3,918,832
Selected Operating Ratios:		
Net Interest Margin	**3.36%**	3.31%
Return on Average Assets	**0.94%**	0.96%
Return on Average Equity	**12.62%**	12.83%

	March 31, 2014	December 31, 2013	March 31, 2013
Total Assets	**$1,482,814**	$1,533,710	$1,365,658
Total Loans	**947,247**	942,451	773,723
Non-Performing Loans	**1,702**	1,703	1,460
Allowance for Loan Losses	**13,086**	12,708	11,146
Allowance to Non-Performing Loans	**768.80%**	746.11%	763.27%
Allowance to Total Loans	**1.38%**	1.35%	1.44%
Total Deposits	**1,304,971**	1,409,047	1,230,304
Total Stockholders' Equity	**112,564**	109,283	104,796
Book Value Per Share	**$ 28.79**	$ 28.13	$ 27.18
Tangible Book Value Per Share	**$ 28.59**	$ 27.93	$ 26.98

The accompanying unaudited interim financial information should be read in conjunction with the supplemental financial and operating information for the first quarter of 2014 and the audited consolidated financial statements and notes thereto included in the Cambridge Bancorp 2013 Annual Report, which are posted in the investor relations section of our website at www.cambridgetrust.com. Interim results are not necessarily reflective of the results for the entire year.

Cambridge Trust Company

Corporate Headquarters

1336 Massachusetts Avenue • Cambridge, MA 02138
617-876-5500

Branch Offices

Harvard Square • 1336 Massachusetts Avenue • Cambridge, MA 02138

Huron Village • 353 Huron Avenue • Cambridge, MA 02138

Kendall Square • 326 Main Street • Cambridge, MA 02142

Porter Square • 1720 Massachusetts Avenue • Cambridge, MA 02138

University Park at MIT • 350 Massachusetts Avenue • Cambridge, MA 02139

Beacon Hill • 65 Beacon Street • Boston, MA 02108

South End • 565 Tremont Street • Boston, MA 02118

361 Trapelo Road • Belmont, MA 02478

75 Main Street • Concord, MA 01742

1690 Massachusetts Avenue • Lexington, MA 02420

152 Lincoln Road • Lincoln, MA 01773

494 Boston Post Road • Weston, MA 02493

Wealth Management Offices

75 State Street • Boston, MA 02109

116 North Main Street • Concord, NH 03301

One Harbour Place • Portsmouth, NH 03801

Innovation Banking Group Office

Cambridge Innovation Center • One Broadway • Cambridge, MA 02142

Website

www.cambridgetrust.com