Cambridge Bancorp
1336 Massachusetts Avenue, Cambridge, Massachusetts 02138-3829
(617) 876-5500

Cambridge Bancorp
Albert R. Rietheimer
Senior Vice President, Chief Financial Officer & Treasurer
617-441-1516

FOR IMMEDIATE RELEASE

Cambridge Bancorp Reports Second Quarter Results

CAMBRIDGE, Mass. (July 21, 2009) - Cambridge Bancorp (OTCBB: CATC) today reported unaudited net income of $2,479,000 for the second quarter of 2009 compared to $2,531,000 for the same quarter in 2008. Diluted earnings per share remained unchanged at $0.67 for the second quarter of 2009 versus the same quarter in 2008. For the first six months of 2009, unaudited net income was down slightly at $4,485,000 compared to $4,842,000 for the first half of 2008.

"Although there have been some modest signs of improvement in the economy, considerable uncertainty and challenges remain. While we adjust and adapt to the changing environment, we continue to see opportunities for growth and remain focused on executing the Bank's business plans," notes Joseph V. Roller II, president and CEO.

The Bank continued to experience strong growth in net interest income. The solid increase of $958,000 (11.2%) in net interest income for the second quarter of 2009 versus the same quarter in 2008 was a function of broad based growth in loans to consumers and businesses, and growth in investment securities. Moreover, this balance sheet growth was funded entirely by growth in deposits. Since year-end 2008, total deposits have grown $79.9 million (10.4%) as consumers and businesses sought stable, service oriented banks for their checking and savings accounts and certificates of deposit. Together these factors produced a net interest margin for the second quarter of 2009 of 4.26%; a healthy improvement compared to the 4.05% margin for the quarter ended June 30, 2008.

For the second quarter of 2009, non-interest expense increased $1,057,000 compared to the same quarter in 2008. A significant increase in FDIC premiums of $780,000 (including a special assessment of $450,000) accounted for the majority of the increase.

Since year-end 2008, total loans outstanding have increased $18.4 million. The Bank's loan growth came primarily from residential mortgage loans and a resurgence in commercial lending originating from new business relationships. There was a more modest increase in loans (net of loan repayments) to commercial real estate customers in the first half of 2009.

Non-performing loans as a percentage of total loans stood at 0.29% at June 30, 2009, a decline from 0.34% at December 31, 2008. Loan quality remains sound and the Allowance for Loan Losses stood at $8.2 million or 1.68% of total loans outstanding at June 30, 2009. At December 31, 2008, the Allowance for Loan Losses was $7.7 million or 1.63% of total loans outstanding. In response to continued loan growth, the provision for loan losses was $300,000 for the current quarter, an increase of $50,000 over the comparable 2008 quarter.

Total assets at period end were $979 million versus $894 million one year ago and $917 million at the end of 2008.

Cambridge Bancorp and its subsidiary, Cambridge Trust Company, are based in Cambridge, Massachusetts, in the heart of Harvard Square. Cambridge Trust Company is a 118-year-old Massachusetts chartered commercial bank with $979 million in total assets and ten Massachusetts locations in Cambridge, Beacon Hill, Belmont, Concord, Lincoln, and Weston. Cambridge Trust Company is one of New England's leaders in wealth management with $1.3 billion in client assets under management. In addition, Cambridge Trust Company of New Hampshire offers wealth management services at two New Hampshire locations, Concord and Exeter.

– more –

Financial Highlights:

CAMBRIDGE BANCORP
QUARTERLY UNAUDITED RESULTS
June 30, 2009

Dollar amounts in thousands (except share data)

	Quarter Ended June 30,		Six Months Ended June 30,	
	2009	2008	**2009**	2008
Interest Income	**$ 11,345**	$ 11,085	**$ 22,472**	$ 22,006
Interest Expense	**1,869**	2,567	**3,978**	5,572
Net Interest Income	**9,476**	8,518	**18,494**	16,434
Provision for Loan Losses	**300**	250	**600**	500
Non-Interest Income	**4,242**	4,289	**7,885**	8,561
Non-Interest Expense	**9,971**	8,914	**19,533**	17,562
Income Before Taxes	**3,447**	3,643	**6,246**	6,933
Income Taxes	**968**	1,112	**1,761**	2,091
Net Income	**$ 2,479**	$ 2,531	**$ 4,485**	$ 4,842
Data Per Common Share:				
Basic Earnings Per Share	**$ 0.67**	$ 0.67	**$ 1.21**	$ 1.29
Diluted Earnings Per Share	**$ 0.67**	$ 0.67	**$ 1.21**	$ 1.28
Dividends Declared Per Share	**$ 0.33**	$ 0.31	**$ 0.66**	$ 0.62
Avg. Common Shares Outstanding:				
Basic	**3,715,491**	3,766,038	**3,716,022**	3,765,584
Diluted	**3,718,452**	3,779,243	**3,718,066**	3,779,272
Selected Operating Ratios:				
Net Interest Margin	**4.26%**	4.05%	**4.23%**	4.11%
Return on Average Assets, after taxes	**1.03%**	1.14%	**0.95%**	1.12%
Return on Average Equity, after taxes	**12.79%**	14.07%	**11.74%**	13.53%

	June 30, 2009	December 31, 2008	June 30, 2008
Total Assets	**$ 979,354**	$ 917,212	$ 893,547
Total Loans	**490,225**	471,814	448,790
Non-Performing Loans	**1,432**	1,602	1,043
Allowance for Loan Losses	**8,248**	7,696	7,201
Allowance to Non-Performing Loans	**575.89%**	480.35%	690.63%
Allowance to Total Loans	**1.68%**	1.63%	1.60%
Total Deposits	**847,601**	767,654	738,239
Total Stockholders' Equity	**77,194**	76,044	70,325
Book Value Per Share	**$ 20.65**	$ 20.29	$ 18.63
Tangible Book Value Per Share	**$ 20.35**	$ 19.93	$ 18.23

CAMBRIDGE BANCORP

UNAUDITED BALANCE SHEETS

	June 30, 2009	December 31, 2008
	(In thousands)	
ASSETS		
Cash and due from banks	$ 39,945	$ 13,472
Federal funds sold	—	26,179
Total cash and cash equivalents	39,945	39,651
Investment securities:		
Available for sale, at fair value	327,327	271,905
Held-to-maturity, at amortized cost	93,674	105,785
Stock in FHLB of Boston, at cost	4,806	4,806
Total investment securities	425,807	382,496
Loans:		
Residential mortgage	208,609	195,510
Commercial mortgage	159,213	157,787
Home equity	65,587	68,419
Commercial	44,668	36,842
Consumer	12,148	13,256
Total loans	490,225	471,814
Allowance for loan losses	(8,248)	(7,696)
Net loans	481,977	464,118
Bank owned life insurance	11,507	11,310
Banking premises and equipment, net	5,831	5,979
Accrued interest receivable	4,378	4,391
Other assets	9,909	9,267
Total assets	$ 979,354	$ 917,212
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 198,446	$ 200,877
Interest bearing checking	217,391	212,053
Money market	53,081	51,537
Savings	188,281	140,285
Certificates of deposit	190,402	162,902
Total deposits	847,601	767,654
Short-term borrowings	653	3,019
Long-term borrowings	38,000	55,000
Other liabilities	15,906	15,495
Total liabilities	902,160	841,168
Stockholders' equity:		
Common stock, par value $1.00; Authorized 5,000,000 shares; Outstanding: 3,737,791 and 3,748,642 shares, respectively	3,738	3,749
Additional paid-in capital	20,310	19,749
Retained earnings	50,811	49,384
Accumulated other comprehensive income	2,335	3,162
Total stockholders’ equity	77,194	76,044
Total liabilities and stockholders’ equity	$ 979,354	$ 917,212

CAMBRIDGE BANCORP

UNAUDITED STATEMENTS OF INCOME

	Quarter Ended June 30,	
	2009	2008
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 6,701	$ 6,571
Interest on taxable investment securities	4,224	4,021
Interest on tax exempt investment securities	399	382
Interest on overnight investments	21	111
Total interest income	11,345	11,085
Interest expense:		
Interest on deposits	1,477	1,935
Interest on borrowed funds	392	632
Total interest expense	1,869	2,567
Net interest income	9,476	8,518
Provision for loan losses	300	250
Net interest income after provision for loan losses	9,176	8,268
Noninterest income:		
Wealth management income	2,693	2,920
Deposit account fees	627	576
ATM/Debit card income	215	220
Merchant card services	181	146
Bank owned life insurance income	90	131
Gain on disposition of investment securities	232	87
Other income	204	209
Total noninterest income	4,242	4,289
Noninterest expense:		
Salaries and employee benefits	5,323	5,059
Occupancy and equipment	1,673	1,636
Data processing	791	698
Professional services	354	432
Marketing	350	372
FDIC Insurance	809	29
Other expenses	671	688
Total noninterest expense	9,971	8,914
Income before income taxes	3,447	3,643
Income tax expense	968	1,112
Net income	$ 2,479	$ 2,531
Per share data:		
Basic earnings per common share	$ 0.67	$ 0.67
Diluted earnings per common share	$ 0.67	$ 0.67
Average shares outstanding - basic	3,715,491	3,766,038
Average shares outstanding - diluted	3,718,452	3,779,243

CAMBRIDGE BANCORP

UNAUDITED STATEMENTS OF INCOME

	Six Months Ended June 30,	
	2009	2008
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 13,263	$ 13,182
Interest on taxable investment securities	8,384	7,945
Interest on tax exempt investment securities	795	758
Interest on overnight investments	30	121
Total interest income	22,472	22,006
Interest expense:		
Interest on deposits	3,065	4,190
Interest on borrowed funds	913	1,382
Total interest expense	3,978	5,572
Net interest income	18,494	16,434
Provision for loan losses	600	500
Net interest income after provision for loan losses	17,894	15,934
Noninterest income:		
Wealth management income	5,161	5,872
Deposit account fees	1,224	1,166
ATM/Debit card income	405	415
Merchant card services	292	262
Bank owned life insurance income	197	249
Gain on disposition of investment securities	234	245
Other income	372	352
Total noninterest income	7,885	8,561
Noninterest expense:		
Salaries and employee benefits	10,763	10,061
Occupancy and equipment	3,342	3,190
Data processing	1,592	1,425
Professional services	659	794
Marketing	700	685
FDIC Insurance	1,121	49
Other expenses	1,356	1,358
Total noninterest expense	19,533	17,562
Income before income taxes	6,246	6,933
Income tax expense	1,761	2,091
Net income	$ 4,485	$ 4,842
Per share data:		
Basic earnings per common share	$ 1.21	$ 1.29
Diluted earnings per common share	$ 1.21	$ 1.28
Average shares outstanding - basic	3,716,022	3,765,584
Average shares outstanding - diluted	3,718,066	3,779,272

# # #