CAMBRIDGE BANCORP
QUARTERLY UNAUDITED RESULTS
September 30, 2013

Dollar amounts in thousands (except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2013	2012	**2013**	2012
Interest Income	**$ 12,028**	$ 11,926	**$ 35,208**	$ 36,739
Interest Expense	**525**	737	**1,661**	2,480
Net Interest Income	**11,503**	11,189	**33,547**	34,259
Provision for Loan Losses	**600**	150	**1,000**	700
Non-Interest Income	**5,926**	5,634	**17,345**	15,273
Non-Interest Expense	**11,346**	11,294	**34,274**	33,630
Income Before Taxes	**5,483**	5,379	**15,618**	15,202
Income Taxes	**1,788**	1,715	**5,117**	4,802
Net Income	**$ 3,695**	$ 3,664	**$ 10,501**	$ 10,400
Data Per Common Share:				
Basic Earnings Per Share	**$ 0.95**	$ 0.95	**$ 2.71**	$ 2.71
Diluted Earnings Per Share	**$ 0.94**	$ 0.94	**$ 2.69**	$ 2.69
Dividends Declared Per Share	**$ 0.39**	$ 0.37	**$ 1.17**	$ 1.11
Avg. Common Shares Outstanding:				
Basic	**3,848,720**	3,846,680	**3,833,758**	3,835,733
Diluted	**3,911,886**	3,883,673	**3,902,447**	3,872,186
Selected Operating Ratios:				
Net Interest Margin	**3.36%**	3.47%	**3.33%**	3.59%
Return on Average Assets, after taxes	**1.03%**	1.08%	**1.00%**	1.04%
Return on Average Equity, after taxes	**14.56%**	14.49%	**13.54%**	14.01%

	September 30, 2013	December 31, 2012	September 30, 2012
Total Assets	**$ 1,449,827**	$ 1,417,986	$ 1,365,679
Total Loans	**896,398**	742,249	724,216
Non-Performing Loans	**1,316**	1,570	1,591
Allowance for Loan Losses	**11,947**	10,948	10,951
Allowance to Non-Performing Loans	**907.59%**	697.25%	688.26%
Allowance to Total Loans	**1.33%**	1.47%	1.51%
Total Deposits	**1,257,425**	1,281,333	1,219,215
Total Stockholders' Equity	**103,730**	104,891	103,888
Book Value Per Share	**$ 26.72**	$ 27.21	$ 26.99
Tangible Book Value Per Share	**$ 26.52**	$ 27.05	$ 26.88

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED BALANCE SHEETS

	September 30, 2013	December 31, 2012
	(In thousands)	
ASSETS		
Cash and due from banks	$ 25,969	$ 59,923
Overnight investments	—	—
Total cash and cash equivalents	25,969	59,923
Investment securities:		
Available for sale, at fair value	421,502	502,318
Held to maturity, at amortized cost	57,645	71,133
Total investment securities	479,147	573,451
Loans:		
Residential mortgage	443,228	347,908
Commercial mortgage	336,770	276,428
Home equity	45,808	50,574
Commercial	47,720	47,570
Consumer	22,872	19,769
Total loans	896,398	742,249
Allowance for loan losses	(11,947)	(10,948)
Net loans	884,451	731,301
Stock in FHLB of Boston, at cost	6,161	5,010
Bank owned life insurance	23,401	22,903
Banking premises and equipment, net	9,045	6,214
Accrued interest receivable	3,562	3,877
Other assets	18,091	13,623
Total assets	$ 1,449,827	$ 1,417,986
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 359,248	$ 329,211
Interest bearing checking	310,458	363,575
Money market	59,756	60,850
Savings	401,758	393,541
Certificates of deposit	126,205	134,156
Total deposits	1,257,425	1,281,333
Short-term borrowings	72,000	—
Long-term borrowings	—	20,000
Other liabilities	16,672	11,762
Total liabilities	1,346,097	1,313,095
Stockholders' equity:		
Common stock, par value $1.00; Authorized 10,000,000 shares; Outstanding: 3,882,094 and 3,854,951 shares, respectively	3,882	3,855
Additional paid-in capital	25,668	24,421
Retained earnings	81,722	75,787
Accumulated other comprehensive income	(7,542)	828
Total stockholders’ equity	103,730	104,891
Total liabilities and stockholders’ equity	$ 1,449,827	$ 1,417,986

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended September 30,	
	2013	2012
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 9,027	$ 8,378
Interest on taxable investment securities	2,484	3,028
Interest on tax exempt investment securities	507	507
Dividends on FHLB of Boston stock	5	6
Interest on overnight investments	5	7
Total interest income	12,028	11,926
Interest expense:		
Interest on deposits	486	564
Interest on borrowed funds	39	173
Total interest expense	525	737
Net interest income	11,503	11,189
Provision for loan losses	600	150
Net interest income after provision for loan losses	10,903	11,039
Noninterest income:		
Wealth management income	4,344	3,848
Deposit account fees	645	580
ATM/Debit card income	308	264
Bank owned life insurance income	156	202
Gain on disposition of investment securities	185	324
Gain on loans held for sale	33	200
Other income	255	216
Total noninterest income	5,926	5,634
Noninterest expense:		
Salaries and employee benefits	6,581	6,809
Occupancy and equipment	2,022	1,902
Data processing	1,049	881
Professional services	385	396
Marketing	465	480
FDIC Insurance	186	178
Other expenses	658	648
Total noninterest expense	11,346	11,294
Income before income taxes	5,483	5,379
Income tax expense	1,788	1,715
Net income	$ 3,695	$ 3,664
Per share data:		
Basic earnings per common share	$ 0.95	$ 0.95
Diluted earnings per common share	$ 0.94	$ 0.94
Average shares outstanding - basic	3,848,720	3,846,680
Average shares outstanding - diluted	3,911,886	3,883,673

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended September 30,	
	2013	2012
	(In thousands)	
Net income	$ 3,695	$ 3,664
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	(85)	(96)
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	51	1,397
Less: reclassification adjustment for gains recognized in net income	(119)	(202)
Other comprehensive income/(loss)	(153)	1,099
Comprehensive income/(loss)	$ 3,542	$ 4,763

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Nine Months Ended September 30,	
	2013	2012
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 26,006	$ 25,065
Interest on taxable investment securities	7,644	10,117
Interest on tax exempt investment securities	1,518	1,523
Dividends on FHLB of Boston stock	15	18
Interest on overnight investments	25	16
Total interest income	35,208	36,739
Interest expense:		
Interest on deposits	1,461	1,677
Interest on borrowed funds	200	803
Total interest expense	1,661	2,480
Net interest income	33,547	34,259
Provision for loan losses	1,000	700
Net interest income after provision for loan losses	32,547	33,559
Noninterest income:		
Wealth management income	11,964	10,557
Deposit account fees	1,926	1,778
ATM/Debit card income	865	768
Bank owned life insurance income	498	544
Gain on disposition of investment securities	990	753
Gain on loans held for sale	468	276
Other income	634	597
Total noninterest income	17,345	15,273
Noninterest expense:		
Salaries and employee benefits	19,871	20,148
Occupancy and equipment	6,085	5,693
Data processing	2,949	2,672
Professional services	1,313	1,263
Marketing	1,395	1,355
FDIC Insurance	548	525
Other expenses	2,113	1,974
Total noninterest expense	34,274	33,630
Income before income taxes	15,618	15,202
Income tax expense	5,117	4,802
Net income	$ 10,501	$ 10,400
Per share data:		
Basic earnings per common share	$ 2.71	$ 2.71
Diluted earnings per common share	$ 2.69	$ 2.69
Average shares outstanding - basic	3,833,758	3,835,733
Average shares outstanding - diluted	3,902,447	3,872,186

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Nine Months Ended September 30,	
	2013	2012
	(In thousands)	
Net income	$ 10,501	$ 10,400
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	(255)	(287)
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(7,480)	807
Less: reclassification adjustment for gains recognized in net income	(635)	(479)
Other comprehensive income/(loss)	(8,370)	41
Comprehensive income/(loss)	$ 2,131	$ 10,441

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Nine Months Ended September 30,	
	2013	2012
	(In thousands)	
Cash flows provided by operating activities:		
Net income	$ 10,501	$ 10,400
Adjustments to arrive at net cash provided by operating activities:		
Provision for loan losses	1,000	700
Amortization of deferred charges/(income), net	678	951
Depreciation and amortization	1,163	1,061
Bank owned life insurance income	(498)	(544)
Gain on disposition of investment securities	(990)	(753)
Compensation expense from stock option and restricted stock grants	299	344
Change in loans held for sale	1,684	(1,437)
Change in accrued interest receivable, deferred taxes, other assets and other liabilities	5,154	1,408
Other, net	54	109
Net cash provided by operating activities	19,045	12,239
Cash flows used by investing activities:		
Origination of loans	(249,747)	(172,479)
Purchase of:		
Investment securities - AFS	(50,544)	(166,202)
Investment securities - HTM	(1,527)	(823)
Maturities, calls and principal payments of:		
Loans	95,316	121,231
Investment securities - AFS	88,040	98,169
Investment securities - HTM	15,000	3,181
Proceeds from sale of investment securities - AFS	31,107	30,745
Purchase of bank owned life insurance	—	(5,000)
Decrease/(increase) in FHLB of Boston stock	(1,151)	(204)
Purchase of banking premises and equipment	(3,994)	(786)
Net cash provided/(used) by investing activities	(77,500)	(92,168)
Cash flows provided by financing activities:		
Net increase/(decrease) in deposits	(23,908)	93,561
Net increase/(decrease) in short-term borrowings	72,000	(2,500)
Repayment of long-term borrowings	(20,000)	(10,000)
Proceeds from issuance of common stock	982	734
Repurchase of common stock	(42)	(3)
Cash dividends paid on common stock	(4,531)	(4,261)
Net cash provided/(used) by financing activities	24,501	77,531
Net increase/(decrease) in cash and cash equivalents	(33,954)	(2,398)
Cash and cash equivalents at beginning of period	59,923	22,512
Cash and cash equivalents at end of period	$ 25,969	$ 20,114
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 1,668	$ 2,495
Cash paid for income taxes	1,440	4,070
Non-cash transactions:		
Change in accumulated other comprehensive income, net of taxes	(8,370)	41