CAMBRIDGE BANCORP

INTERIM REPORT
September 30, 2013

CAMBRIDGE BANCORP

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

October 22, 2013

To the Stockholders of Cambridge Bancorp:

Net income for the quarter ending September 30, 2013 was $3,695,000 compared to $3,664,000 for the quarter ending September 30, 2012. For the nine months ending September 30, 2013 net income was $10,501,000 compared to $10,400,000 for the same period in 2012.

The third quarter of 2013 was characterized by continued strong loan growth in both the commercial and residential mortgage lending areas. Since the beginning of 2013, commercial real estate loans have increased $60.3 million or 21.8%. The Bank has attracted and built relationships with many new commercial real estate investors and developers. These relationships are also a source of core deposits.

Residential mortgage lending also experienced significant growth in the first nine months of 2013. Loans outstanding increased $95.3 million or 27.4%. Earlier in the year most residential mortgage loans were refinances, as homeowners took advantage of low interest rates. More recently with rising interest rates, refinances have declined. The purchase market, however, has become more active with home sales and prices on the upswing.

Asset quality has been similar to earlier quarters in 2013 with non-performing loans standing at $1.3 million on September 30, 2013. The Bank increased its Provision for Loan Losses in the most recent quarter by $450,000 compared to the same quarter in 2012. This was done to account for the substantial increase in loans outstanding. The Allowance for Loan Losses was $11.9 million or 1.33% of total loans as of September 30, 2013.

Non-interest income produced another strong quarter driven primarily by sustained growth in Wealth Management fees. Since the beginning of 2013, Wealth Management assets under management (AUM) have increased approximately $238 million to $2.0 billion. Wealth Management revenue for the third quarter of 2013 was $4,344,000 compared to $3,848,000 in the same quarter of 2012, an increase of 12.9%. New business and favorable equity markets account for the growth.

Finally, I am pleased to report that the renovation of the Bank's headquarters is beyond the halfway mark. We and our customers look forward to its completion in early 2014.

Very truly yours,

Joseph V Roller II

Joseph V. Roller II
President and CEO

CAMBRIDGE BANCORP

UNAUDITED QUARTERLY 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

The accompanying unaudited interim financial information should be read in conjunction with the supplemental financial and operating information for the third quarter of 2013 and the audited consolidated financial statements and notes thereto included in the Cambridge Bancorp 2012 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

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Branch Offices

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