CAMBRIDGE BANCORP

QUARTERLY UNAUDITED RESULTS

March 31, 2013

Dollar amounts in thousands (except share data)

	Three Months Ended March 31,	
	2013	2012
Interest Income	**$ 11,585**	$ 12,404
Interest Expense	**623**	867
Net Interest Income	**10,962**	11,537
Provision for Loan Losses	**200**	300
Non-Interest Income	**5,889**	4,805
Non-Interest Expense	**11,669**	11,263
Income Before Taxes	**4,982**	4,779
Income Taxes	**1,651**	1,494
Net Income	**$ 3,331**	$ 3,285
Data Per Common Share:		
Basic Earnings Per Share	**$ 0.86**	$ 0.86
Diluted Earnings Per Share	**$ 0.85**	$ 0.85
Dividends Declared Per Share	**$ 0.39**	$ 0.37
Avg. Common Shares Outstanding:		
Basic	**3,855,467**	3,817,422
Diluted	**3,918,832**	3,853,323
Selected Operating Ratios:		
Net Interest Margin	**3.31%**	3.72%
Return on Average Assets, after taxes	**0.96%**	1.02%
Return on Average Equity, after taxes	**12.83%**	13.57%

	March 31, 2013	December 31, 2012	March 31, 2012
Total Assets	**$ 1,365,658**	$ 1,417,986	$ 1,345,473
Total Loans	**773,723**	742,249	691,398
Non-Performing Loans	**1,460**	1,570	1,165
Allowance for Loan Losses	**11,146**	10,948	10,474
Allowance to Non-Performing Loans	**763.27%**	697.25%	898.96%
Allowance to Total Loans	**1.44%**	1.47%	1.51%
Total Deposits	**1,230,304**	1,281,333	1,156,822
Total Stockholders' Equity	**104,796**	104,891	97,915
Book Value Per Share	**$ 27.18**	$ 27.21	$ 25.62
Tangible Book Value Per Share	**$ 26.98**	$ 27.05	$ 25.51

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED BALANCE SHEETS

	March 31, 2013	December 31, 2012
	(In thousands)	
ASSETS		
Cash and due from banks	$ 16,531	$ 59,923
Overnight investments	—	—
Total cash and cash equivalents	16,531	59,923
Investment securities:		
Available for sale, at fair value	466,194	502,318
Held to maturity, at amortized cost	66,116	71,133
Total investment securities	532,310	573,451
Loans held for sale, at lower of cost or fair value	1,199	1,684
Loans:		
Residential mortgage	370,071	347,908
Commercial mortgage	291,608	276,428
Home equity	46,503	50,574
Commercial	46,369	47,570
Consumer	19,172	19,769
Total loans	773,723	742,249
Allowance for loan losses	(11,146)	(10,948)
Net loans	762,577	731,301
Stock in FHLB of Boston, at cost	4,827	5,010
Bank owned life insurance	23,079	22,903
Banking premises and equipment, net	6,484	6,214
Accrued interest receivable	3,714	3,877
Other assets	14,937	13,623
Total assets	$ 1,365,658	$ 1,417,986
LIABILITIES AND STOCKHOLDERS' EQUITY		
Deposits:		
Demand	$ 316,811	$ 329,211
Interest bearing checking	329,907	363,575
Money market	56,181	60,850
Savings	392,557	393,541
Certificates of deposit	134,848	134,156
Total deposits	1,230,304	1,281,333
Short-term borrowings	18,000	—
Long-term borrowings	—	20,000
Other liabilities	12,558	11,762
Total liabilities	1,260,862	1,313,095
Stockholders' equity:		
Common stock, par value $1.00; Authorized 5,000,000 shares; Outstanding: 3,855,804 and 3,854,951 shares, respectively	3,856	3,855
Additional paid-in capital	24,561	24,421
Retained earnings	77,614	75,787
Accumulated other comprehensive income	(1,235)	828
Total stockholders’ equity	104,796	104,891
Total liabilities and stockholders’ equity	$ 1,365,658	$ 1,417,986

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF INCOME

	Three Months Ended March 31,	
	2013	2012
	(In thousands, except per share data)	
Interest income:		
Interest on loans	$ 8,365	$ 8,328
Interest on taxable investment securities	2,694	3,561
Interest on tax exempt investment securities	507	508
Dividends on FHLB of Boston stock	5	6
Interest on overnight investments	14	1
Total interest income	11,585	12,404
Interest expense:		
Interest on deposits	494	552
Interest on borrowed funds	129	315
Total interest expense	623	867
Net interest income	10,962	11,537
Provision for loan losses	200	300
Net interest income after provision for loan losses	10,762	11,237
Noninterest income:		
Wealth management income	3,745	3,343
Deposit account fees	648	592
ATM/Debit card income	256	239
Bank owned life insurance income	176	181
Gain on disposition of investment securities	600	257
Gain on loans held for sale	298	—
Other income	166	193
Total noninterest income	5,889	4,805
Noninterest expense:		
Salaries and employee benefits	6,769	6,704
Occupancy and equipment	2,064	1,944
Data processing	983	887
Professional services	512	460
Marketing	465	438
FDIC Insurance	181	172
Other expenses	695	658
Total noninterest expense	11,669	11,263
Income before income taxes	4,982	4,779
Income tax expense	1,651	1,494
Net income	$ 3,331	$ 3,285
Per share data:		
Basic earnings per common share	$ 0.86	$ 0.86
Diluted earnings per common share	$ 0.85	$ 0.85
Average shares outstanding - basic	3,855,467	3,817,405
Average shares outstanding - diluted	3,918,832	3,853,306

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Three Months Ended March 31,	
	2013	2012
	(In thousands)	
Net income	$ 3,331	$ 3,285
Other comprehensive income/(loss), net of tax:		
Defined benefit retirement plans:		
Change in unfunded retirement liability	(85)	(95)
Unrealized gains/(losses) on Available for Sale securities:		
Unrealized holding gains/(losses) arising during the period	(1,593)	(539)
Less: reclassification adjustment for gains recognized in net income	(385)	(166)
Other comprehensive income/(loss)	(2,063)	(800)
Comprehensive income/(loss)	$ 1,268	$ 2,485

CAMBRIDGE BANCORP

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

	Three Months Ended March 31,	
	2013	**2012**
	(In thousands)	
Cash flows provided by operating activities:		
Net income	$ 3,331	$ 3,285
Adjustments to arrive at net cash provided by operating activities:		
Provision for loan losses	200	300
Amortization of deferred charges/(income), net	343	197
Depreciation and amortization	386	353
Bank owned life insurance income	(176)	(181)
Gain on disposition of investment securities	(600)	(257)
Compensation expense from stock option and restricted stock grants	114	109
Change in loans held for sale	485	—
Change in accrued interest receivable, deferred taxes, other assets and other liabilities	709	(194)
Other, net	20	24
Net cash provided by operating activities	4,812	3,636
Cash flows used by investing activities:		
Origination of loans	(65,027)	(47,256)
Purchase of:		
Investment securities - AFS	(21,456)	(75,656)
Investment securities - HTM	(497)	(573)
Maturities, calls and principal payments of:		
Loans	33,467	29,011
Investment securities - AFS	30,659	33,054
Investment securities - HTM	5,510	1,481
Proceeds from sale of investment securities - AFS	24,119	11,601
Purchase of bank owned life insurance	—	(5,000)
Decrease/(increase) in FHLB of Boston stock	183	(150)
Purchase of banking premises and equipment	(656)	(112)
Net cash provided/(used) by investing activities	6,302	(53,600)
Cash flows provided by financing activities:		
Net increase/(decrease) in deposits	(51,029)	31,168
Net increase in short-term borrowings	18,000	37,500
Repayment of long-term borrowings	(20,000)	—
Proceeds from issuance of common stock	27	105
Repurchase of common stock	—	(3)
Cash dividends paid on common stock	(1,504)	(1,414)
Net cash provided/(used) by financing activities	(54,506)	67,356
Net increase/(decrease) in cash and cash equivalents	(43,392)	17,392
Cash and cash equivalents at beginning of period	59,923	22,512
Cash and cash equivalents at end of period	$ 16,531	$ 39,904
Supplemental disclosure of cash flow information:		
Cash paid for interest	$ 623	$ 868
Cash paid for income taxes	20	50
Non-cash transactions:		
Change in accumulated other comprehensive income, net of taxes	(2,063)	(800)