

CAMBRIDGE BANCORP

Cambridge Bancorp Announces Merger with
Wellesley Bancorp, Inc. and Common Equity
Offering

December 5, 2019

CAMBRIDGE BANCORP

WELLESLEY BANCORP, INC.

NASDAQ: CATC
Parent of Cambridge Trust Company

Forward Looking Statements

This report contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. Such forward-looking statements about Cambridge Bancorp (together with its bank subsidiary unless the context otherwise requires, "Cambridge") and Wellesley Bancorp, Inc. (together with its bank subsidiary unless the context otherwise requires, "Wellesley") and their industry involve substantial risks and uncertainties. Statements other than statements of current or historical fact, including statements regarding Cambridge's or Wellesley's future financial condition, results of operations, business plans, liquidity, cash flows, projected costs, and the impact of any laws or regulations applicable to Cambridge or Wellesley, are forward-looking statements. Words such as "anticipates," "believes," "estimates," "expects," "forecasts," "intends," "plans," "projects," "may," "will," "should," and other similar expressions are intended to identify these forward-looking statements. Such statements are subject to factors that could cause actual results to differ materially from anticipated results. Such factors are described within Cambridge's and Wellesley's filings with the Securities & Exchange Commission.

Among the risks and uncertainties that could cause actual results to differ from those described in the forward-looking statements include, but are not limited to the following: (1) the businesses of Cambridge and Wellesley may not be combined successfully, or such combination may take longer to accomplish than expected; (2) the cost savings from the merger may not be fully realized or may take longer to realize than expected; (3) operating costs, customer loss and business disruption following the merger, including adverse effects on relationships with employees, may be greater than expected; (4) governmental approvals of the merger may not be obtained, or adverse regulatory conditions may be imposed in connection with governmental approvals of the merger; (5) the stockholders of Cambridge or Wellesley may fail to approve the merger; (6) changes to interest rates, (7) the ability to control costs and expenses, (8) general economic conditions, (9) the success of Cambridge's efforts to diversify its revenue base by developing additional sources of non-interest income while continuing to manage its existing fee-based business, and (10) risks associated with the quality of Cambridge's assets and the ability of its borrowers to comply with repayment terms. Further information about these and other relevant risks and uncertainties may be found in Cambridge's and Wellesley's respective Annual Reports on Form 10-K for the fiscal year ended December 31, 2018 and in subsequent filings with the Securities and Exchange Commission.

Cambridge and Wellesley do not undertake, and specifically disclaims any obligation, to publicly release the result of any revisions which may be made to any forward-looking statements to reflect the occurrence of anticipated or unanticipated events or circumstances after the date of such statements. You are cautioned not to place undue reliance on these forward-looking statements.

Additional Disclosures

Important Additional Information on the Merger and Where to Find It

In connection with the proposed transaction, Cambridge expects to file with the SEC a registration statement on Form S-4 that will include a joint proxy statement of Cambridge and Wellesley that also constitutes a prospectus of Cambridge. Cambridge and Wellesley also plan to file other relevant documents with the SEC regarding the proposed transaction. INVESTORS ARE URGED TO READ THE JOINT PROXY STATEMENT/PROSPECTUS AND OTHER RELEVANT DOCUMENTS FILED WITH THE SEC IF AND WHEN THEY BECOME AVAILABLE, BECAUSE THEY WILL CONTAIN IMPORTANT INFORMATION. You may obtain a free copy of the joint proxy statement/prospectus (if and when it becomes available) and other relevant documents filed by Cambridge and Wellesley with the SEC at the SEC's website at www.sec.gov. Copies of the documents filed by Cambridge with the SEC will be available free of charge on Cambridge's website at ir.cambridge.com or by directing a request to Cambridge Bancorp, 1336 Massachusetts Avenue, Cambridge, MA 02138, attention: Corporate Secretary (617) 876-5500. Copies of the documents filed by Wellesley with the SEC will be available free of charge on Wellesley's website at www.wellesleybank.com or by directing a request to Wellesley Bancorp, Inc., 100 Worcester Street, Suite 300, Wellesley, MA 02481, attention: Corporate Secretary (781) 235-2550.

Participants in Solicitation

Cambridge and Wellesley and their respective directors and executive officers and other members of management and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. You can find information about Cambridge's executive officers and directors in Cambridge's definitive proxy statement filed with the SEC on March 19, 2019. You can find information about Wellesley's executive officers and directors in Wellesley's definitive proxy statement filed with the SEC on April 10, 2019. Additional information regarding the interests of such potential participants will be included in the joint proxy statement/prospectus and other relevant documents filed with the SEC if and when they become available. You may obtain free copies of these documents from Cambridge or Wellesley using the sources indicated above.

Important Additional Information on the Common Equity Offering and Where to Find It

Cambridge has filed a registration statement (including a prospectus) with the SEC for the offering to which this communication relates. Before you invest, you should read the prospectus in that registration statement and the prospectus supplement, when available, and other documents Cambridge has filed with the SEC for more complete information about Cambridge and this offering. You may obtain a free copy of these documents at the SEC's website at www.sec.gov. Copies of the documents filed by Cambridge with the SEC will be available free of charge on Cambridge's website at ir.cambridge.com or by directing a request to Cambridge Bancorp, 1336 Massachusetts Avenue, Cambridge, MA 02138, attention: Corporate Secretary (617) 876-5500. Alternatively, Keefe, Bruyette & Woods, Inc., the underwriter of this offering, will arrange to send you the prospectus if you request it by calling toll-free 1-800-966-1559 or by sending an email to kbwsyndicatedesk@kbw.com.

Market Data

Market data and industry forecasts are used in this Investor Presentation, including data obtained from publicly available sources. These sources generally state that the information they provide has been obtained from sources believed to be the reliable, but the accuracy and completeness of the information is not assured. The Company has not independently verified any such information.

Strategic Transaction Rationale

- Strategic merger with a familiar \$1 billion institution operating in greater Boston
 - Compatible business models, commercial lending focus, wealth management operations and cultures
 - The combined company would have 10th largest deposit market share in Boston MSA as of 6/30/2019, among Massachusetts-based institutions
- Enhances scale and supports future growth opportunities
 - Pro forma assets of \$4 billion provides opportunities to achieve additional scale-based efficiencies
 - Higher legal lending limit and capital resources to support post-transaction growth
- Financially compelling transaction ⁽¹⁾
 - Approximately 4.4% accretive to Cambridge earnings per share in first year of fully phased-in cost savings
 - Approximately 1.6% dilutive to tangible book value with an earnback period of approximately 2.2 years
 - Improved pro forma profitability metrics and capital ratios
- Low integration and execution risk
 - Institutional familiarity and geographic overlap with identifiable opportunities for cost savings
 - Shared lending discipline and conservative approach to banking
 - Established track record of strong asset quality metrics

Overview of Wellesley Bancorp, Inc.

Financial Snapshot – As of 9/30/2019

Headquarters:	Wellesley, MA
Founded:	1911
Branches:	6
Assets:	\$986 mm
Wealth Management Assets ⁽¹⁾ :	\$363 mm
Gross Loans:	\$833 mm
Deposits:	\$759 mm
Tangible Common Equity:	\$72 mm
Market Cap ⁽²⁾ :	\$83 mm
Net Income (LTM, \$mm)	\$6.4 mm
LTM ROAA (%)	0.70%
NPAs / Assets (%)	0.16%

Boston MSA - Mass. HQ Banks Only ⁽³⁾

Rank	Institution (ST)	Number of Branches	Deposits in Market (\$mm)	Market Share Among MA Banks (%)
1	Eastern Bank Corp. (MA)	79	\$8,876	10.1
2	Independent Bank Corp. (MA)	66	\$6,863	7.8
3	Meridian Bancorp Inc. (MA)	39	\$5,029	5.7
4	Boston Private Financial (MA)	11	\$4,376	5.0
5	Century Bancorp Inc. (MA)	27	\$4,098	4.7
6	Middlesex Bancorp MHC (MA)	30	\$3,975	4.5
7	Brookline Bancorp Inc. (MA)	33	\$3,887	4.4
8	Salem Five Bancorp (MA)	35	\$3,872	4.4
9	Cambridge Financial Group Inc. (MA)	17	\$3,047	3.5
	Pro Forma with Wellesley	21	\$3,039	3.5
10	Inst for Svgs in Newburyport (MA)	20	\$2,764	3.2
11	Enterprise Bancorp Inc. (MA)	18	\$2,361	2.7
12	Cambridge Bancorp (MA)	15	\$2,308	2.6
13	HarborOne Bancorp Inc (MA)	13	\$2,055	2.3
14	Northern Bancorp Inc. (MA)	14	\$1,828	2.1
15	Needham Bank (MA)	10	\$1,633	1.9
30	Wellesley Bancorp (MA)	6	\$731	0.8
	Top 15 Massachusetts Banks	427	56,971	22.8
	All Massachusetts Banks	755	87,648	35.1
	All Banks in Market	1,508	250,009	100.0

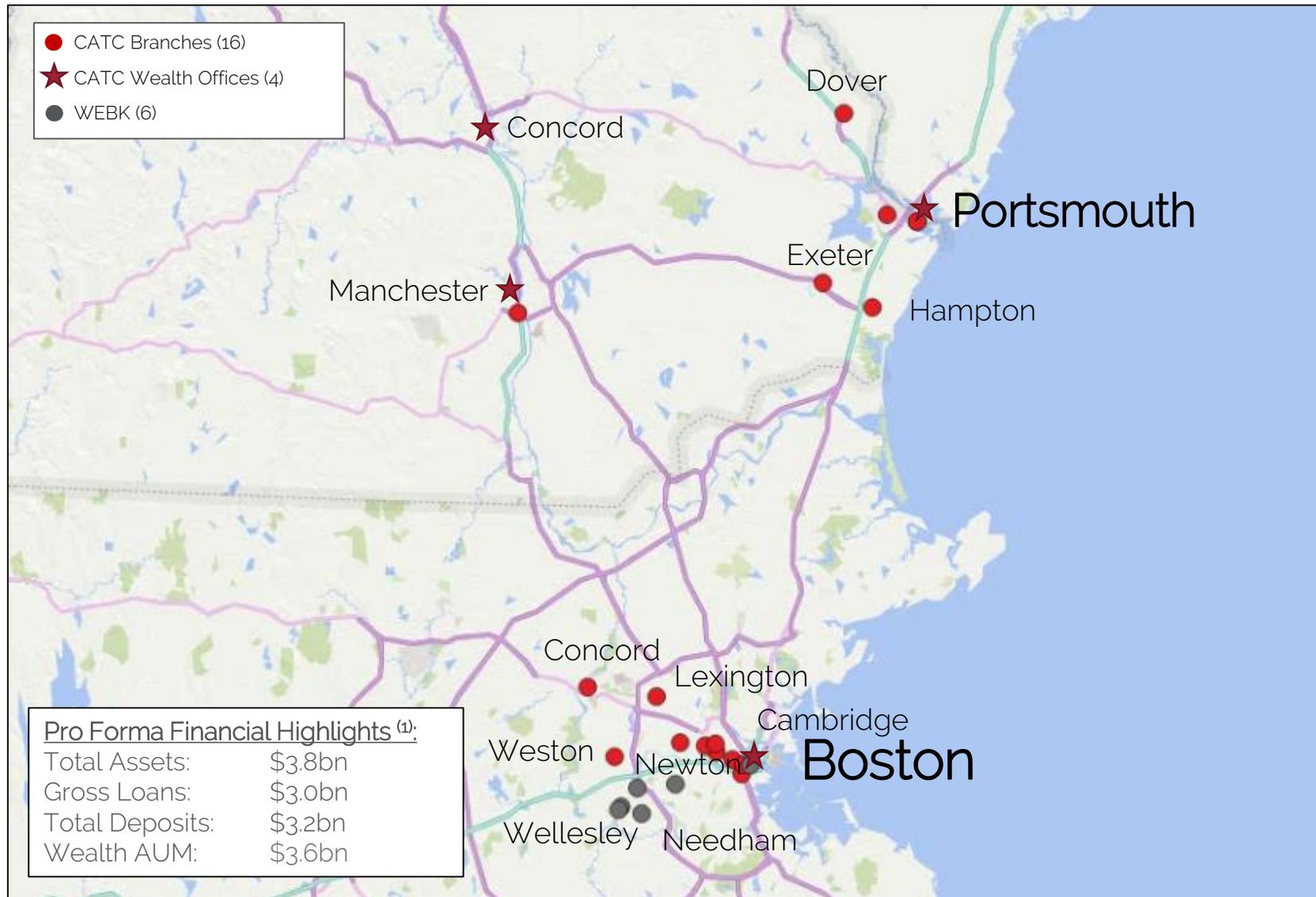
Source: S&P Global Market Intelligence; Financial data of Wellesley from CATC Form 8-K filed December 5, 2019

(1) Exclusive of bank securities portfolio

(2) Market data as of December 4, 2019

(3) Deposit market share data as of 6/30/2019 and includes only banks with headquarters in Massachusetts

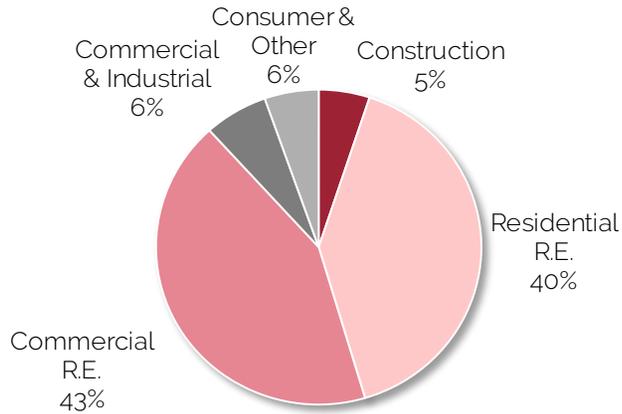
Pro Forma Franchise Overview



Pro Forma Loan & Deposit Composition

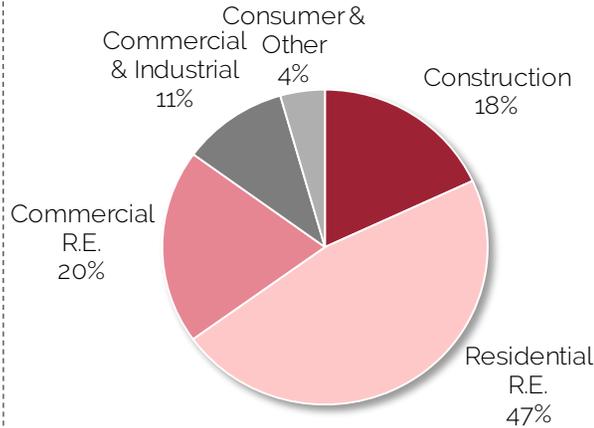
Loan Mix

Cambridge



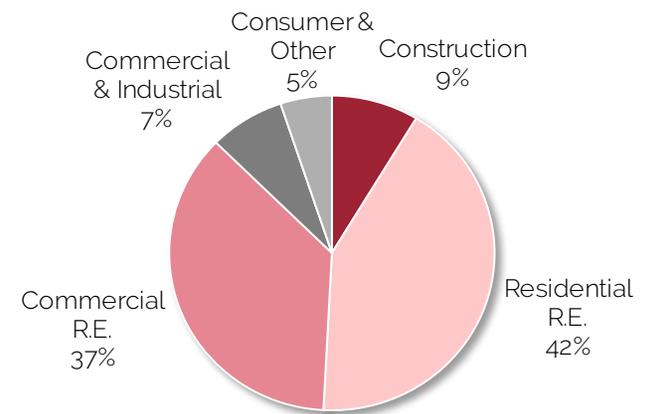
Total Loans: \$2,180mm

Wellesley



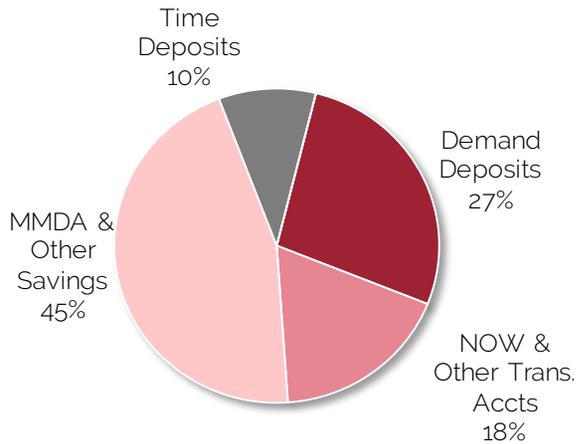
Total Loans: \$833mm

Pro Forma

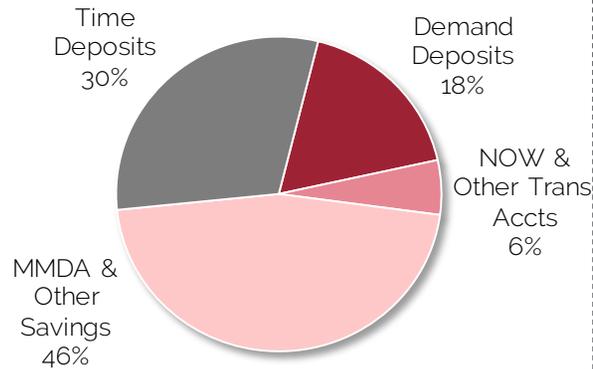


Total Loans: \$3,013mm

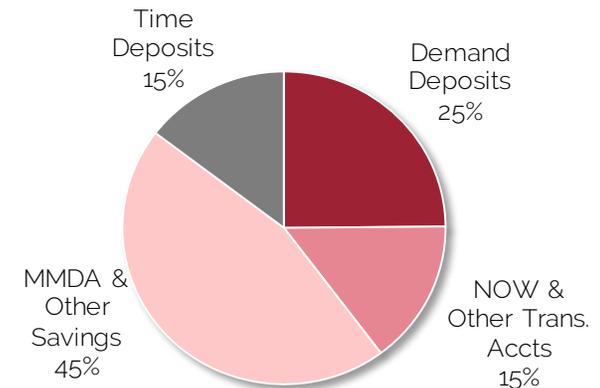
Deposit Mix



Total Deposits: \$2,408mm



Total Deposits: \$759mm



Total Deposits: \$3,167mm

Key Transaction Terms

Acquirer / Target:	Cambridge Bancorp (Nasdaq: CATC) / Wellesley Bancorp, Inc. (Nasdaq: WEBK)
Transaction Value ⁽¹⁾ :	\$122mm, or \$45.54 per WEBK share
Structure:	100% stock consideration at 0.580 fixed exchange ratio
Pro Forma Ownership:	~77% Cambridge / ~23% Wellesley
Price / Tangible Book Value ⁽¹⁾ :	163%
Price / LTM Core EPS ⁽¹⁾ :	18.3x
Core Deposit Premium ⁽¹⁾ :	8.2%
Management:	Mr. Fontaine has waived certain change-in-control benefits and will join Cambridge in the role of Chief Banking Officer and Director
Board Representation:	Three (3) directors of Wellesley will join the Cambridge Board of Directors, including Mr. Fontaine
Approvals:	Customary regulatory approvals and approvals of both sets of shareholders
Due Diligence:	Comprehensive financial, business, legal and loan diligence completed, including third party loan review

Transaction Assumptions

Est. Transaction Expenses:	<ul style="list-style-type: none">▪ \$13mm pre-tax
Est. Expense Savings:	<ul style="list-style-type: none">▪ 35% of Wellesley G&A expenses▪ 75% 2020 phase-in, 100% thereafter
Gross Credit Mark / CECL:	<ul style="list-style-type: none">▪ Total gross credit mark of \$7.2mm (0.87% of total loans)<ul style="list-style-type: none">▪ \$0.8mm on purchased credit deteriorated ("PCD") loans▪ \$6.4mm on non-PCD loans, requiring establishment of additional loan loss allowance
Core Deposit Intangible:	<ul style="list-style-type: none">▪ 1.50%
Capital Raise:	<ul style="list-style-type: none">▪ Common equity raise of approximately \$35 million, launched concurrently with announcement of the Wellesley acquisition
Expected Close:	<ul style="list-style-type: none">▪ Second quarter 2020

Estimated Pro Forma Financial Metrics

Transaction Impacts:	Inclusive of CECL and \$35mm Common	Inclusive of CECL and \$40mm Common	Inclusive of CECL and No Common	Current Accounting and No Common
2021 EPS Impact:	4.4% Accr.	3.6% Accr.	10.3% Accr.	7.5% Accr.
Tangible Book Value per Share Impact:	1.6% Dil	1.0% Dil	5.6% Dil	4.0% Dil
Tangible Book Value Earnback (Crossover):	2.2 years	1.7 years	3.3 years	3.1 years
TCE / TA:	8.1%	8.3%	7.3%	7.4%

Capital Impacts:	9/30/2019 Standalone Cambridge	Pro Forma Hold Co. at Close	
		Base Deal \$35mm Common	Base + Shoe \$40mm Common
TCE / TA	7.4%	8.1%	8.3%
Leverage Ratio	7.7%	8.4%	8.5%
Tier 1 Ratio	10.6%	11.2%	11.4%
Total Risk-Based Capital Ratio	11.6%	12.5%	12.7%

Strategic Focus of Cambridge Bancorp

Merger with
Wellesley

Helps achieve long-term goal to be recognized as the premier private bank in Greater Boston & Southern New Hampshire



Increase long-term shareholder returns / profitability metrics



Grow and diversify commercial banking opportunities and relationships



Expand client base and deepen existing relationships to grow deposit base



Expand wealth management assets under management



Transaction Summary

- Strategic combination with a familiar institution sharing a similar business model will provide additional scale in the dynamic and affluent greater Boston market
- Compelling in-market merger limits integration risk
- Immediately accretive to Cambridge earnings per share and profitability metrics, with an attractive tangible book value dilution earnback period
- Common equity offering improves capital ratios and strengthens pro forma balance sheet
- Expanded client base, enhanced scale, and simultaneous capital raise will position the combined company for strong post-transaction growth
- Cultural compatibility highlighted by a conservative banking approach and strategy limits execution risk



Cambridge Bancorp

Parent of Cambridge Trust Company

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