



we're your growth  
*advantage*

2020



## Forward Looking Statements

This presentation contains certain statements that may be considered “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Actual results, performance or achievements of Salisbury may differ materially from those discussed in these forward-looking statements. We refer you to the documents Salisbury files from time to time with the Securities and Exchange Commission, especially the Company’s last filed Form 10-K and Form 10-Q. These documents contain and identify important factors that could cause actual results to differ materially from those contained in our projections or forward-looking statements. You should carefully review all of these factors, and you should be aware that there may be other factors that could cause these differences. These forward-looking statements were based on information, plans and estimates at the date of this presentation, and Salisbury assumes no obligation to update forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes.

## Unaudited data

All of the financial data presented herein is unaudited.

Annualized, pro forma, projected and estimated numbers are used for illustrative purpose only, are not forecasts and may not reflect actual results.

# Welcome

- Richard J. Cantele, Jr., President and CEO  
Salisbury Bancorp, Inc.

## In Appreciation

### Michael A. Varet

- SAL Director since 1998
- Presiding Director 2007-2010
- Board Chair 2010-2019





## Board Retirement

### Polly Diane Hoe

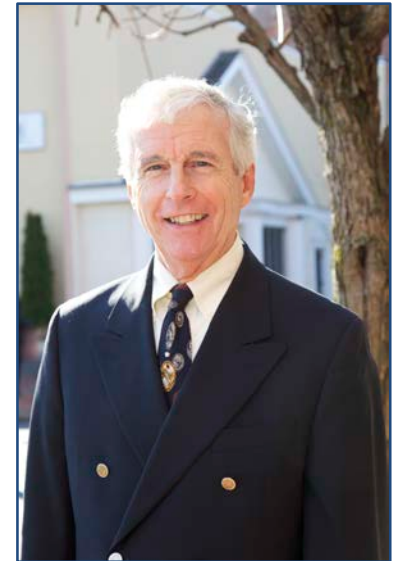
- SAL Director since 2014
- Former Director of Riverside Bank
- Recent Committees:
  - Audit
  - HR Compensation
  - Nominating and Governance
  - Trust



## Board Retirement

### Michael D. Gordon

- SAL Director since 2014
- Founding Member and Director of Riverside Bank
- Recent Committees:
  - ALCO Investment
  - Loan
  - Trust



## New Board Member

### Neila B. Radin

- Joined the Board November of 2019
- Former Managing Director and Associate General Counsel of JPMorgan Chase & Co. (retired)
- Recent Committees:
  - Audit
  - Executive
  - HR Compensation
  - Nominating and Governance



## New Board Member

### Grace E. Schalkwyk

- Joined the Board November of 2019
- Advisor to Fintech and other technology companies
- Recent Committees:
  - ALCO Investment
  - Audit
  - Executive





## Business of the Meeting

1. Election of three (3) Directors for a three (3) year term; election of two (2) Directors for a two (2) year term; and election of one (1) Director for a one (1) year term to join those continuing Directors whose terms do not expire at this meeting
2. Ratification of the Appointment of Independent Auditors
3. Non-binding advisory vote on the compensation of the Named Executive Officers
4. Other Business

# 1. Election of Directors

## For terms expiring in 2023

- George E. Banta
- Richard J. Cantele, Jr.
- Grace E. Schalkwyk

## For terms expiring in 2022

- Nancy F. Humphreys
- Neila B. Radin

## For terms expiring in 2021

- Charles M. Andola

## 2. Ratification of the Appointment of Independent Auditors

- Baker Newman & Noyes, P.A., LLC

### **3. Non-binding Advisory Vote on the Compensation of the Named Executive Officers**

- To approve, on a non-binding advisory basis, the compensation of the Named Executive Officers.



# Polls Closed

- Tabulation of Votes

# Questions

## Outline

- COVID -19 Update
- Company Profile
- 2019 and Q1 2020 Results
- 2020 Initiatives

## Company Response to COVID - 19

- Appointed an internal task force comprised of the Company's management to address both operational and financial risks posed by COVID-19
- Modified branch operations
- Branch lobbies available, but on an appointment only basis
- Primarily drive thru transactions
- Increased emphasis on digital banking platforms
- Implemented physical separation of critical operational workforce
- Expanded paid time off benefits for employees
- Implemented work from home strategy
- The majority of the Company's non-branch and non-critical operational employees are working remotely
- Instituted daily calls with key staff
- Adopted Illness/Exposure and self-quarantine procedures
- Implemented enhanced cleaning protocols
- Redeployed staff to critical customer service operations to expedite payment deferral requests and Paycheck Protection Program (PPP) lending efforts
- Initiated re-entry planning



## COVID - 19 Financial Impact

### Loan Payment Deferrals

- As of May 5, 2020, 144 residential and consumer borrowers (\$36 million of loan balances) and 263 commercial borrowers (\$157 million of loan balances) have requested payment deferrals up to three months.

### Fees and Allowance for Loan Losses

- Approximately \$30 thousand in overdraft, ATM and other deposit fees were waived in March 2020.<sup>1</sup>
- The allowance for loan losses increased by \$1.7 million in 1Q 2020 primarily due to COVID-19.

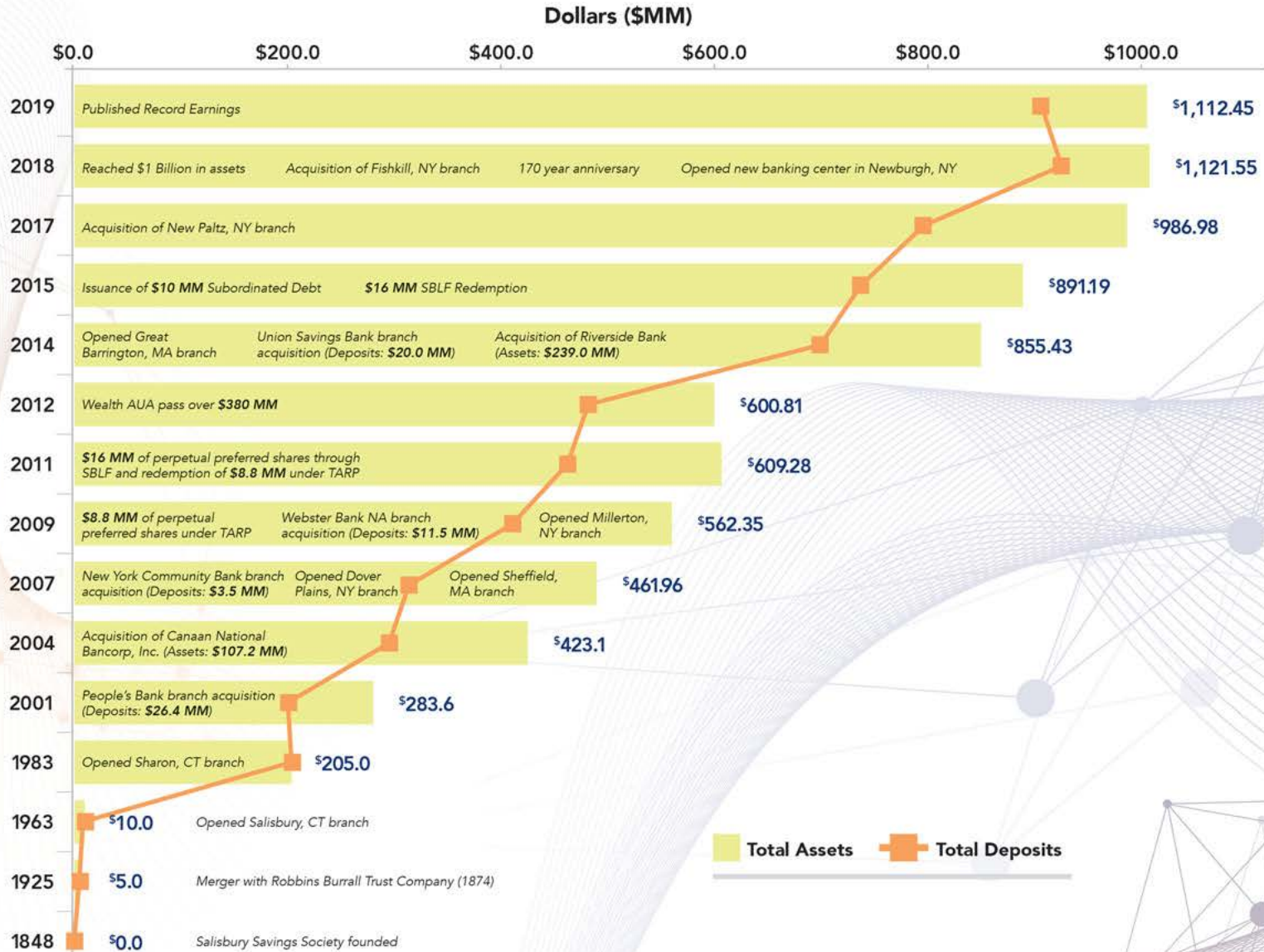
### Liquidity & Capital

- Salisbury has not experienced significant deposit outflows or draw downs on credit lines.
- The Bank remains well-capitalized with a Tier 1 Capital ratio of 11.79% as of March 31, 2020.

### Paycheck Protection Program

- As of May 5, 2020 Salisbury processed 779 customer loan applications for nearly \$98 million.

<sup>1</sup> Salisbury will continue to waive these fees, which approximate \$350 thousand per quarter, for 2Q 2020.





2019

# community advantage



**10+110**

Number of educational seminars we had through Salisbury Bank YOUiversity and the number of community members who attended.



**2,868**

Non-perishable food items donated to 11 community pantries in Connecticut, Massachusetts, and New York.



**\$161,053,976**

Dollar amount of business loans we made in our market area to 226 local businesses (for the year 2019).



**\$71,567,403**

Dollar amount of home mortgage loans lent to 285 community members.



**198**

Number of community organizations that we provided monetary support to.



**\$16,500**

Scholarship funding to 13 graduates from local area high schools.



**7,018**

Number of hours our employees volunteered in our community.



**\$242,207**

Total paid in municipal property taxes (for the year 2019).



**204**

Number of jobs we provided in our community.



**64,240**

Number of pounds of personal documents shredded at our 11 FREE Community "Shred" Days.



## Annual Employee Award Winners

Each year we seek to recognize some of our truly exceptional employees with awards. Each award recipient has contributed to our Company's success in ways that extend far beyond expectation.

**The 2019 President's Award went to the entire bank**



Leadership Development Team and Executive Sponsors pictured above



## Annual Employee Award Winners

### Employee of the Year



**Cindy Bradley**  
Senior Vice President  
Loan Administration  
Manager

### Rookie of the Year



**Kassidy Baker**  
Customer Support  
Associate

### Rookie of the Year



**Margaret Ham**  
Customer Associate

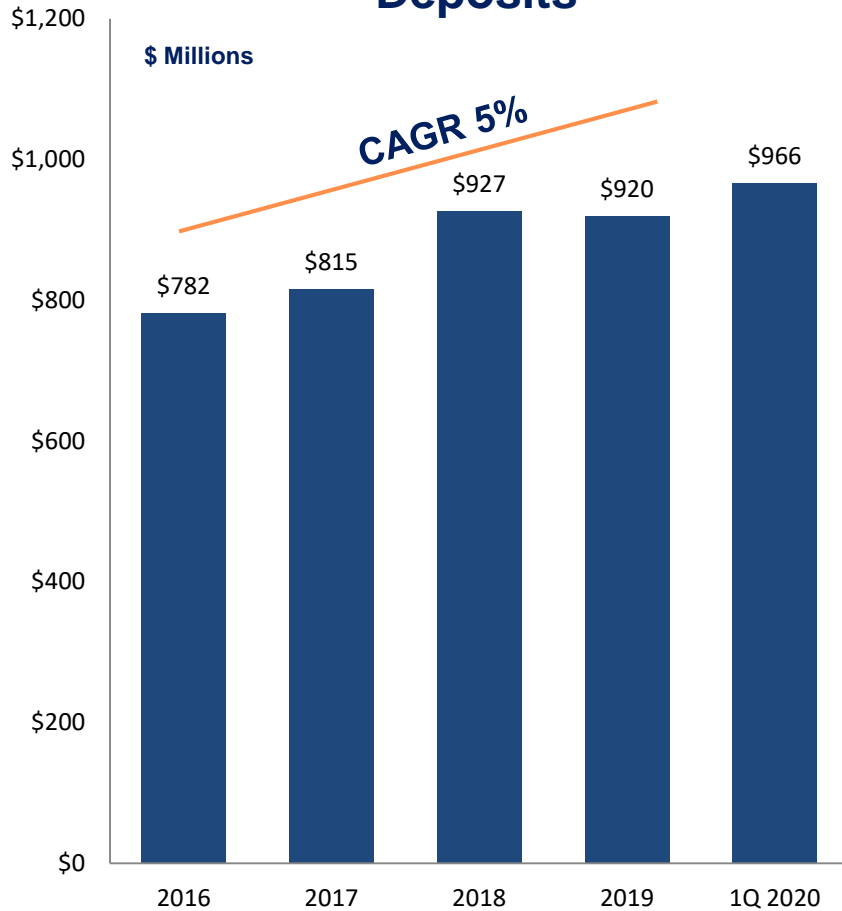
### Volunteer of the Year



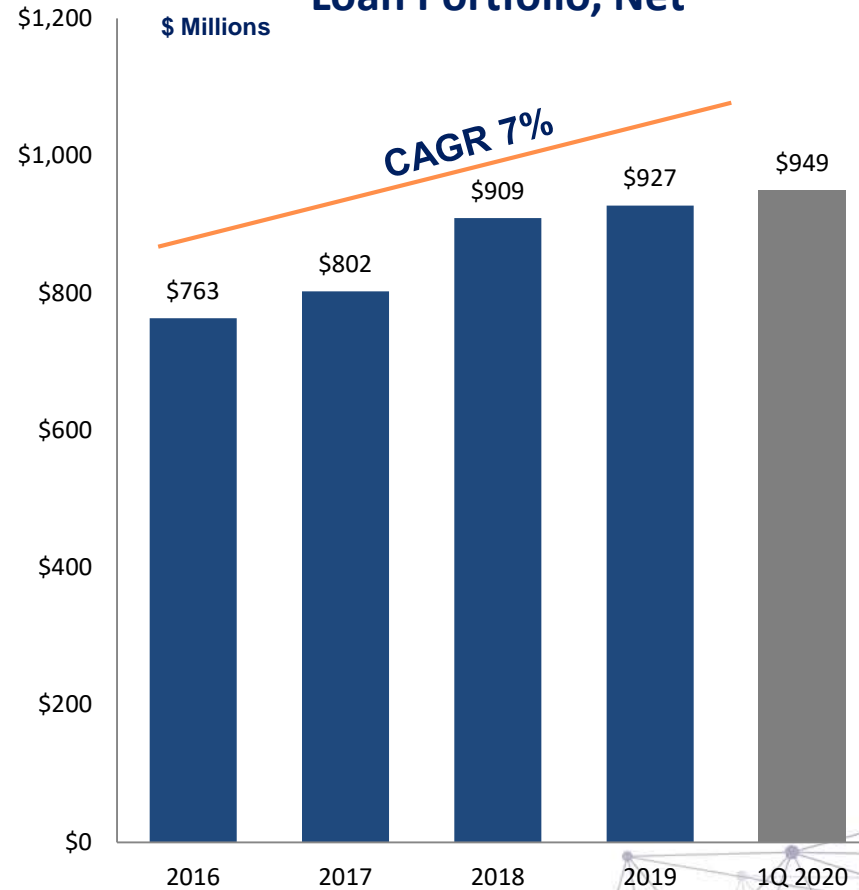
**Amanda Goewey**  
Vice President  
Berkshire Regional  
Branch Manager

# Deposits and Loans

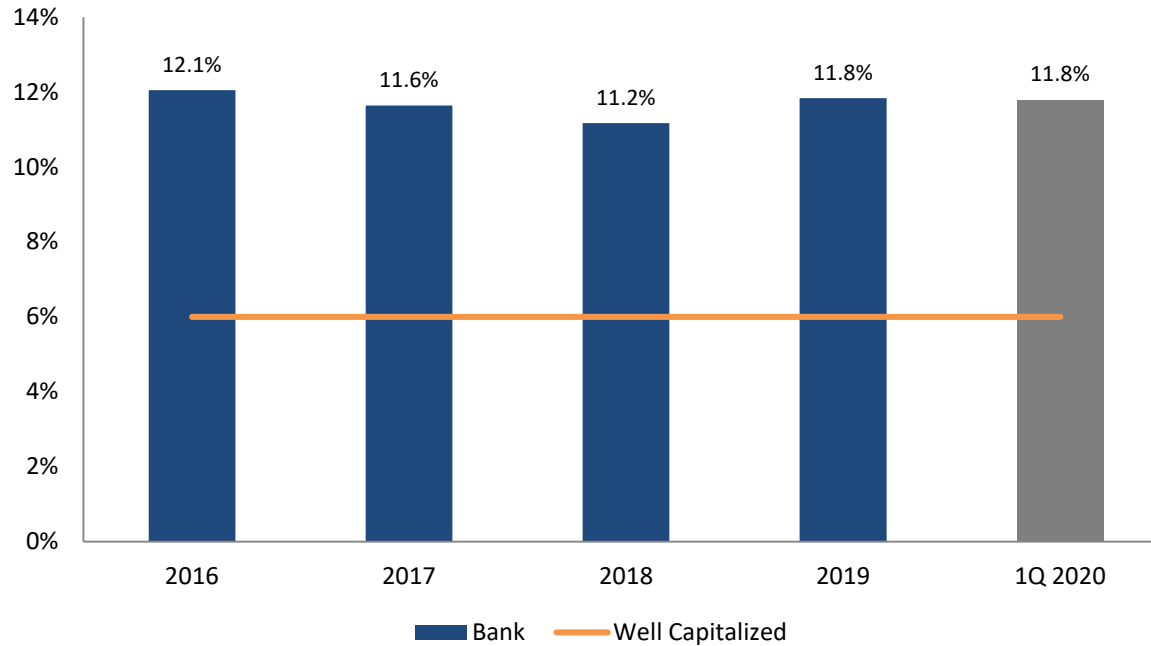
## Deposits



## Loan Portfolio, Net

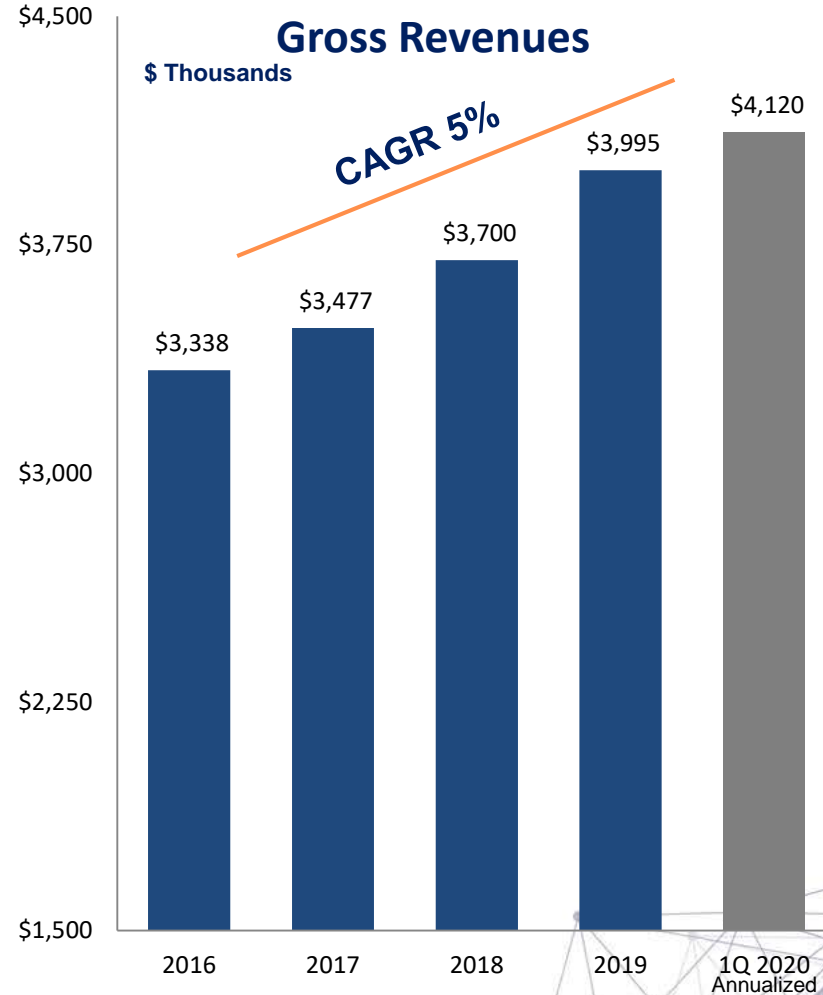
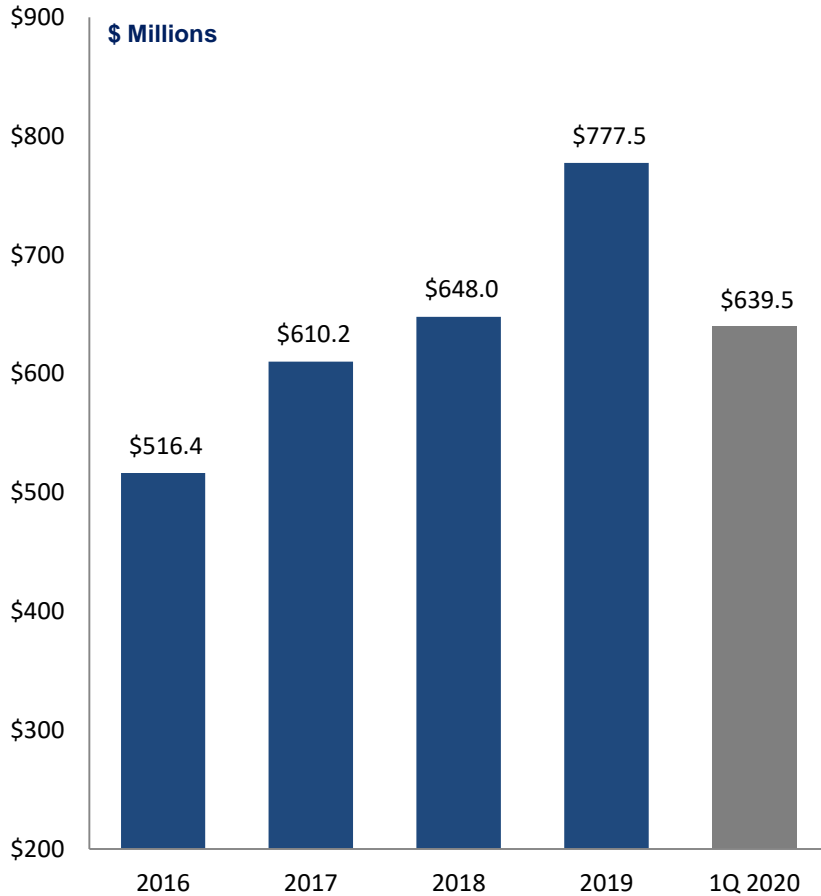


## Tier 1 Capital



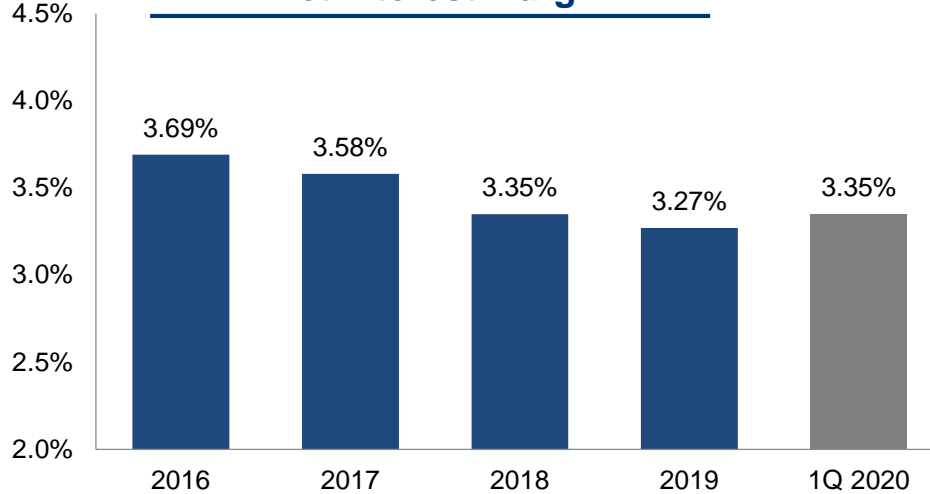
# Trust and Wealth Advisory

## Assets Under Administration

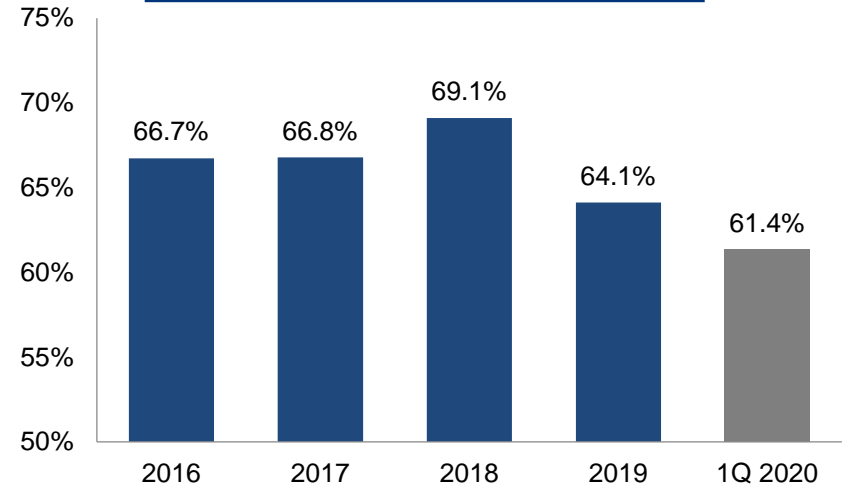




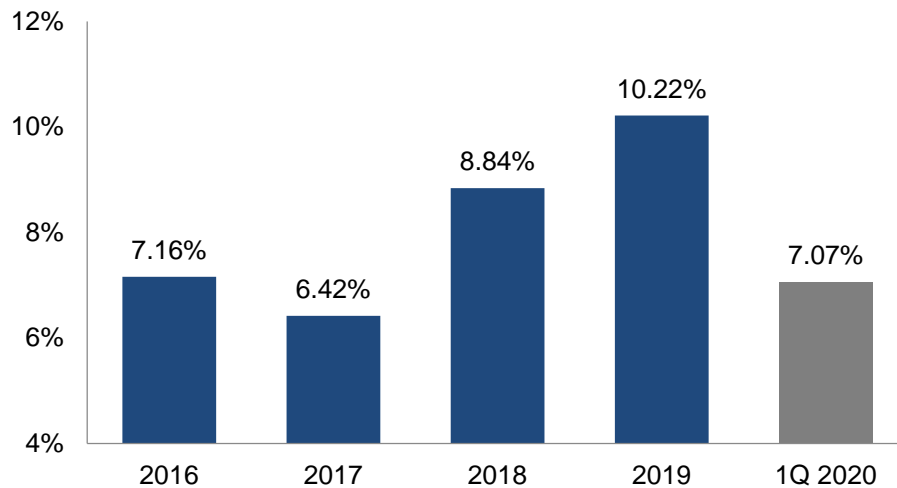
### Net Interest Margin



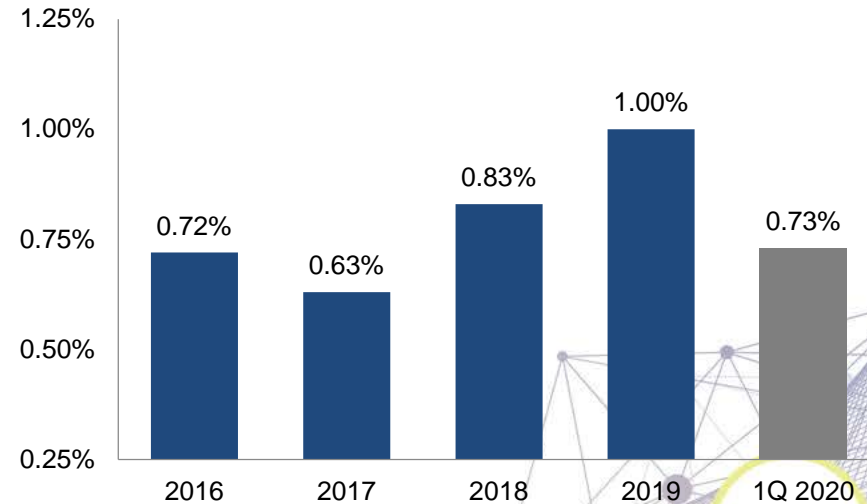
### Efficiency Ratio



### Return on Average Equity

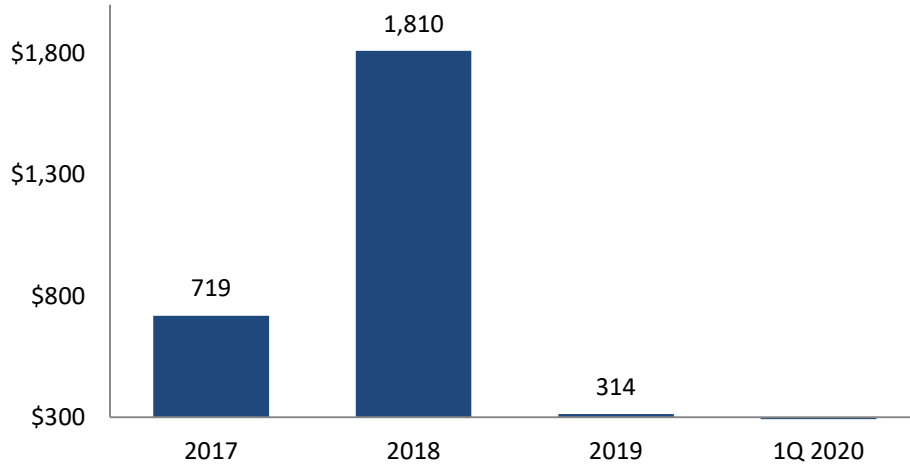


### Return on Average Assets

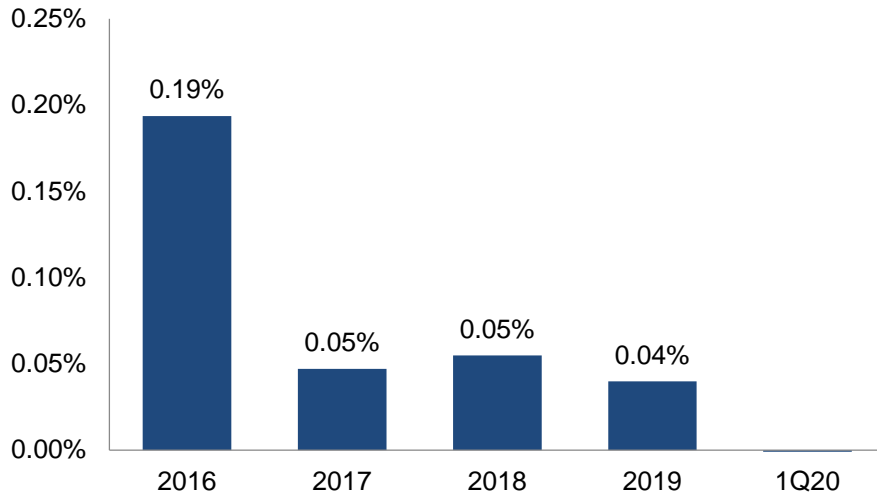




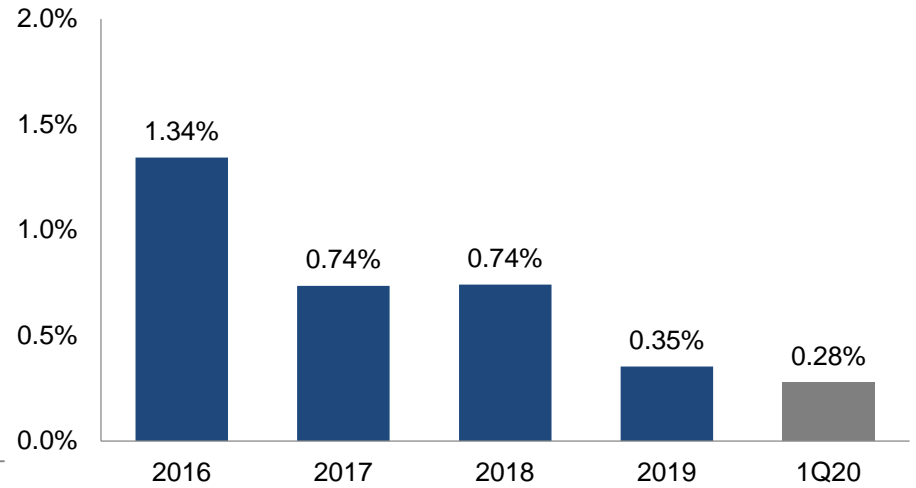
**Other Real Estate Owned**



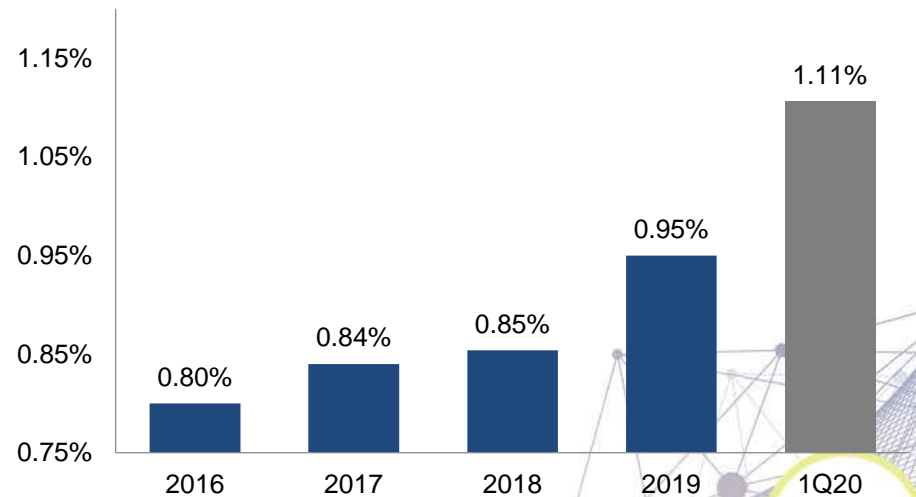
**NCOs / Average Loans**



**NPAs / Assets**



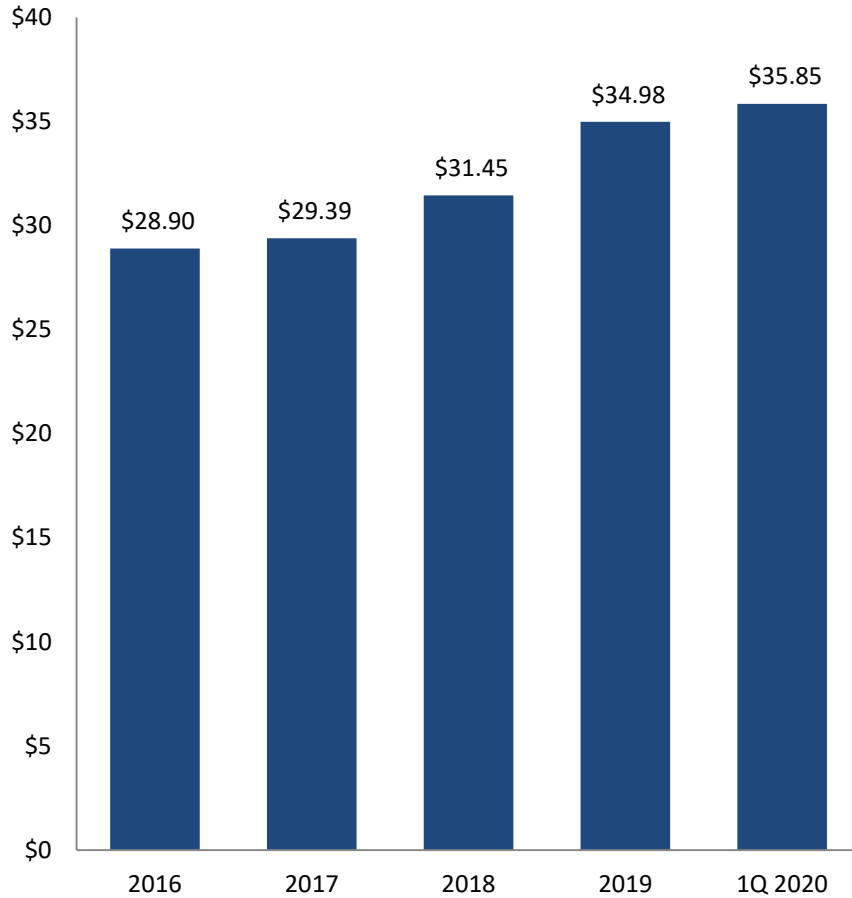
**Loan Loss Reserves / Gross Loans**



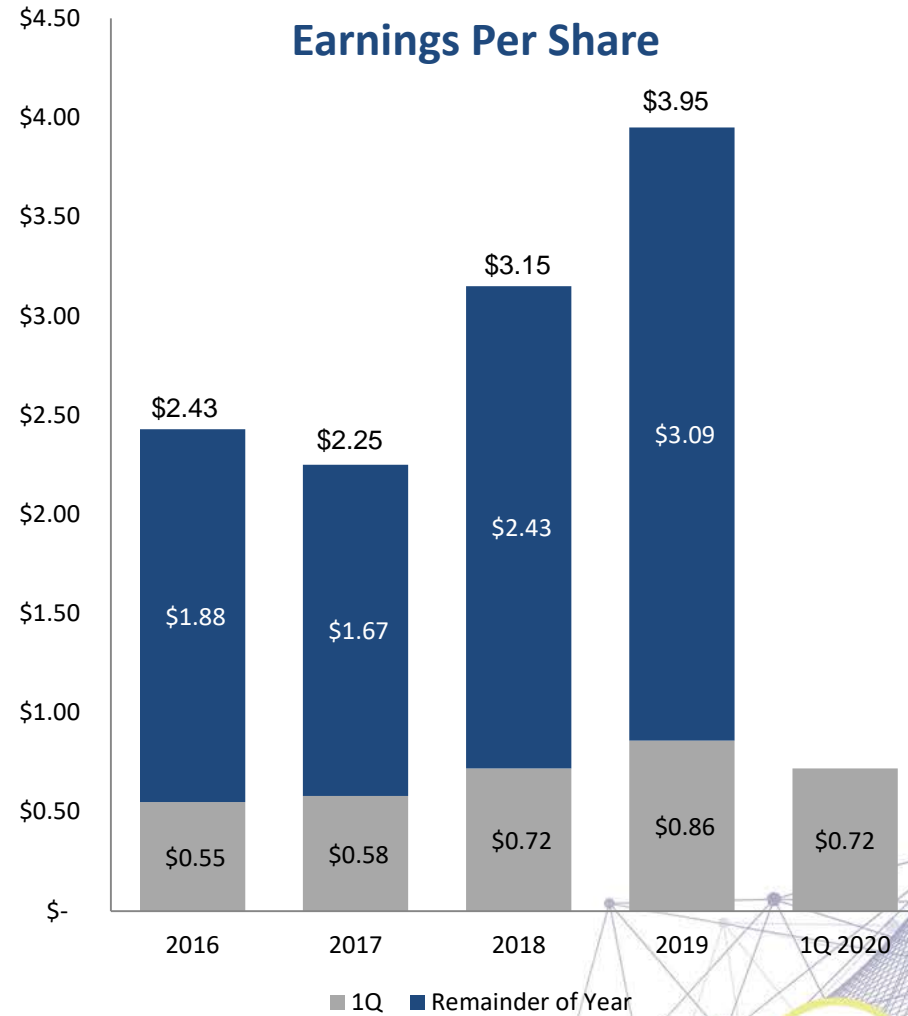


# Shareholder Value

## Tangible Book Value



## Earnings Per Share



## 2020 Strategic and Tactical Objectives

- Continue to protect employees and customers
- Develop a plan to re-open branches, when appropriate
- Prudently navigate through economic slowdown and COVID-19
- Enhance efficiency to reduce costs
- Deepen penetration of existing markets
- Establish new client relationships



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