



**Piper Jaffray Bank Symposium
December 14, 2015**

NASDAQ: SAL

enriching.

Forward Looking Statements

Investor Information

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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.

Who We Are

Corporate Overview

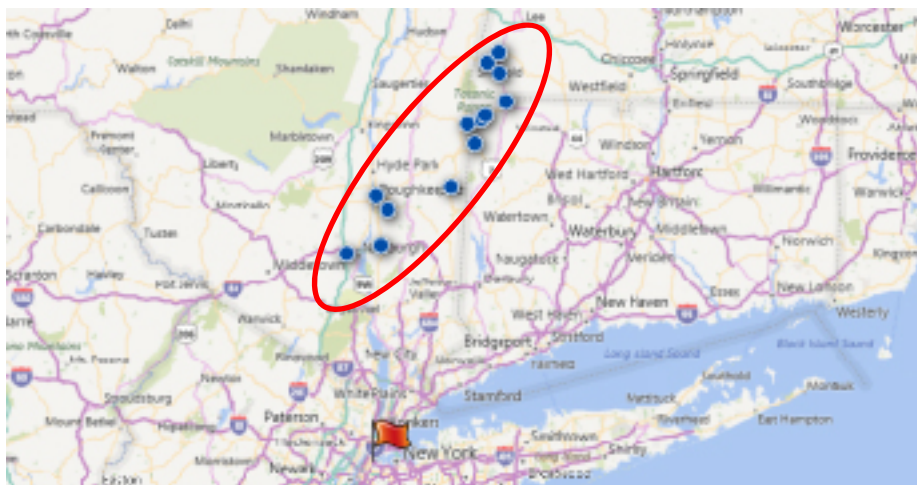
- Full service community banking institution offering consumer and business banking products and services as well as trust and wealth advisory services with roots dating back to 1848
- Operating footprint includes 13 banking locations across four counties in CT, MA and NY (“Operating Counties”)¹
- #2 Community bank deposit market share in combined four counties served
- Franchise extends to within 50 miles of New York metropolitan market
- 20 plus year history of dividend payments
- Seasoned and experienced Management Team

Key Statistics

Financial Information (as of or for quarter ending September 30, 2015) (unaudited)

Total Assets (\$000s)	\$904,223
Net Loans (\$000s)	\$687,719
Total Deposits (\$000s)	\$761,479
Total Shareholder’s Equity (\$000s)	\$105,450
Tangible Book Value per Common Share (\$)	\$27.21
Wealth Assets Under Management (\$000s)	\$350,102
Net Income (\$000s)	\$1,985
FTEs	171
Common Stock Price (\$)	\$28.92
Market Capitalization (\$MMs)	\$79.0
Price / Tangible Book Value (%)	106.3

Branch Footprint

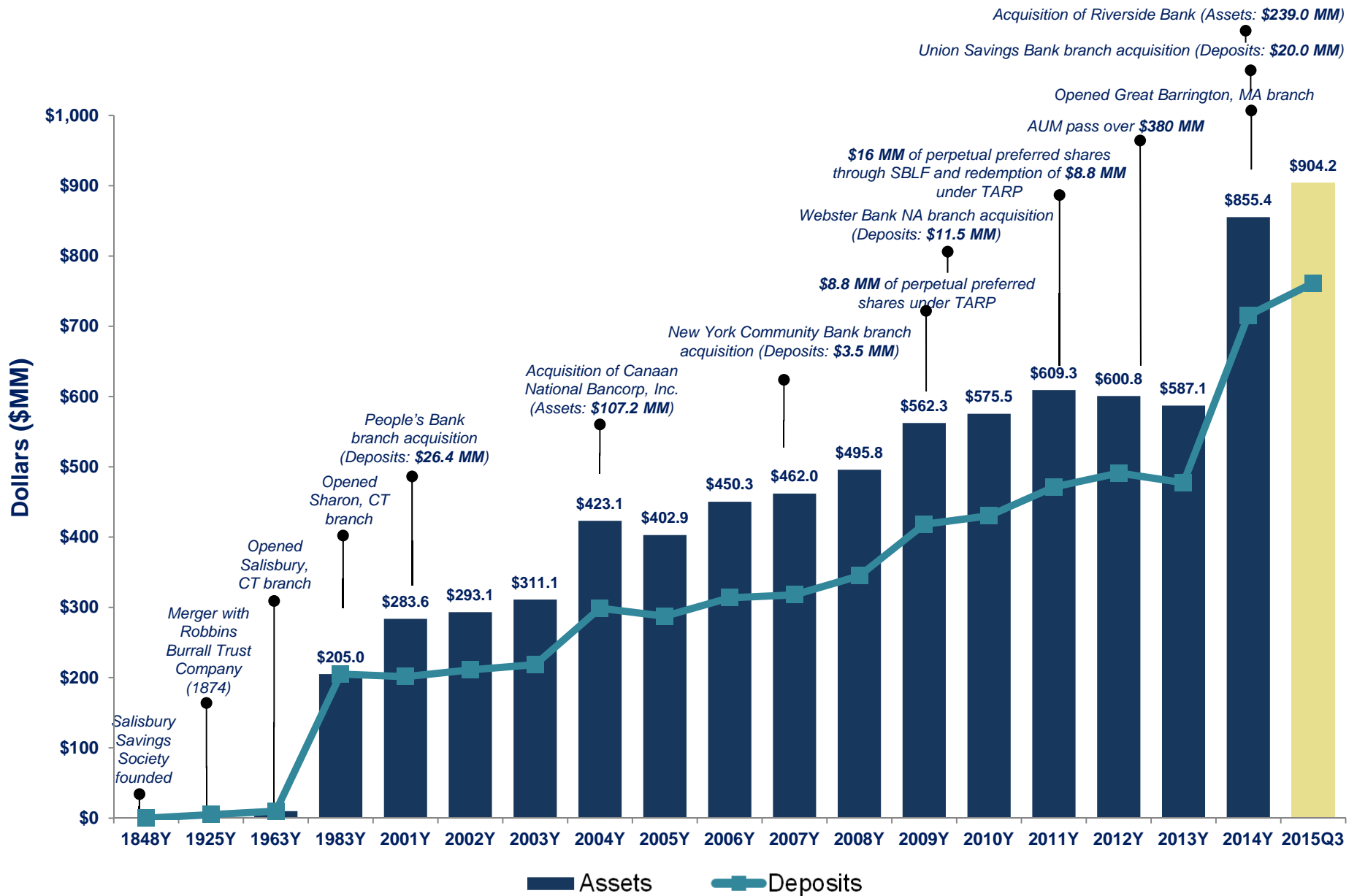


Operating Counties – Deposit Market Share

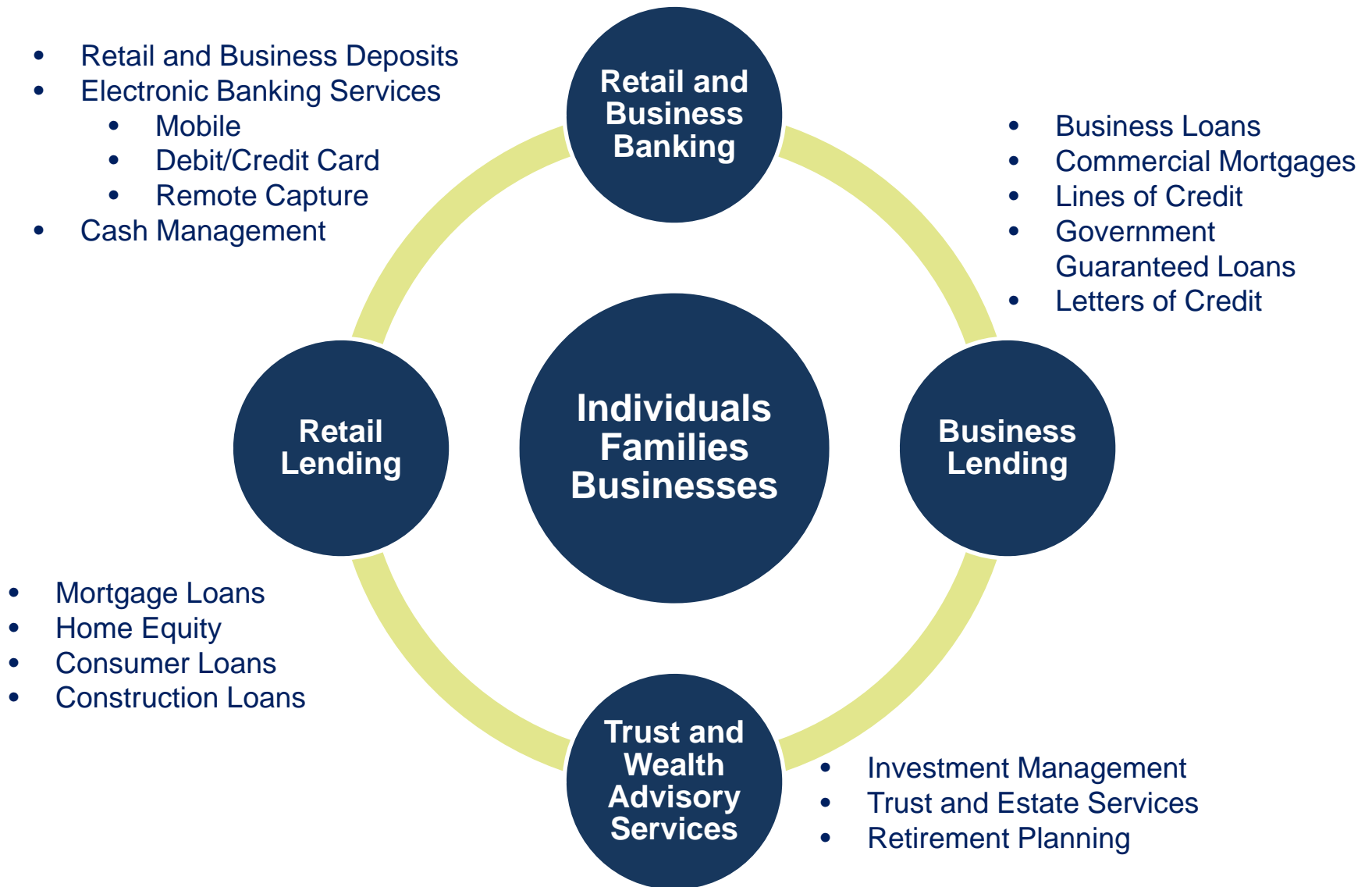
Rank	Company Name	June 30, 2015 (%)	TCE/TA (%)
1	Toronto-Dominion Bank	9.50	3.94
2	Berkshire Hills Bancorp Inc. (MA)	9.34	7.30
3	KeyCorp (OH)	8.50	9.89
4	JPMorgan Chase & Co. (NY)	8.43	NA
5	Citizens Financial Group Inc. (RI)	5.90	9.70
6	Bank of America Corp. (NC)	5.19	7.72
7	M&T Bank Corp. (NY)	5.13	8.66
8	Salisbury Bancorp Inc. (CT)	3.78	8.37
9	Webster Financial Corp. (CT)	3.68	7.24
10	Wells Fargo & Co. (CA)	3.35	NA
11	Orange County Bancorp Inc. (NY)	2.97	11.36
12	Rhinebeck Bancorp MHC (NY)	2.95	NA

(1) Operating Counties consist of Litchfield County, CT; Dutchess and Orange Counties in NY; and Berkshire County in MA
Source: SNL Financial - Note: Deposit Market Share as of June 30, 2015 (Grey italics indicate super regional and money center institutions)

History of Our Business



Core Businesses



Key Highlights

- Top 10 bank in combined four counties of operation (“Operating Counties”)¹; and #2 by market share excluding money center and super regional institutions by market share.
- Significant opportunities exist to gain market share from larger banking institutions.
- Operating area supported by attractive, affluent demographics; extensive relationships with our customers.
- Continually improving efficiency ratio each quarter following the completion of the merger last December.
- Earnings per common share for the quarter and year-to-date periods ended September 30, 2015 increased to \$0.71 and \$2.26, respectively, per common share as compared with \$0.43 and \$1.26 per common share for the same periods in 2014.
- During the nine month period ended September 30, 2015, total shareholders’ equity increased to \$105.5 million from \$101.8 million at December 31, 2014.
- Over the first three quarters following the acquisition of Riverside, tangible book value has increased \$1.37 per share or over 50% of the initial tangible book value dilution related to the transaction.

(1) Operating Counties consist of Litchfield County, CT; Dutchess and Orange Counties in NY; and Berkshire County in MA
Source: SNL Financial

Key Highlights

- **Experienced Senior Management Team**
 - ✓ Average of 33 years in banking and over 11 years with the Company
 - ✓ Significant inside ownership, with directors and management owning 19%

- **Excellent Regional Demographics**
 - ✓ Affluent market demographics, high level of projected household income growth compared to national aggregate and low unemployment rate relative to the national aggregate

- **Strong Market Share and Brand Recognition**
 - ✓ Well-known name coupled with relationship-focused banking has established customer loyalty and a constantly growing customer base

- **Quality Growth**
 - ✓ Successful history of organic growth
 - ✓ Completed two bank acquisitions and four separate branch acquisitions since 2001

Executive Management Team

Over 200 Years of Financial Services Experience

	<i>Years with SAL</i>	<i>Years in Banking/ Financial Services</i>
Richard J. Cantele, Jr. – President and Chief Executive Officer <ul style="list-style-type: none"> ▪ Joined the Company in 1981, served as President and Director since 2005, became CEO in 2009 ▪ Formerly Salisbury Bank President and COO 	34	34
Todd M. Clinton – Executive Vice President, Chief Risk Officer <ul style="list-style-type: none"> ▪ Joined the Company in 1987 ▪ Prior experience includes First National Bank of Amenia (NY) 	28	34
John M. Davies – Regional President for New York and Chief Lending Officer <ul style="list-style-type: none"> ▪ Former President and CEO of Riverside Bank ▪ Prior experience includes M&T Bank and Bank of New York 	1	31
Steven Essex – Senior Vice President, Head of Trust Wealth Advisory Services <ul style="list-style-type: none"> ▪ Joined the Company in 2009 ▪ Prior experience includes Connecticut National Bank 	6	26
Richard P. Kelly – Executive Vice President and Chief Credit Officer <ul style="list-style-type: none"> ▪ Joined the Company in 2013 ▪ Prior experience includes Berkshire Bank and Community Bank N.A. 	2	34
Elizabeth A. Summerville – Executive Vice President and Chief Retail Officer <ul style="list-style-type: none"> ▪ Joined the Company in 2004 ▪ Prior experience includes North American Bank (CT), New England Bank and Trust Company (CT), and National Commercial Bank and Trust Company (NY) 	11	38
Donald E. White – Executive Vice President and Chief Financial Officer <ul style="list-style-type: none"> ▪ Joined the Company as Executive Vice President and CFO in April 2013 ▪ Previously served as Managing Director with Sandler O’Neill + Partners 	2	34

Key Recent Accomplishments

Union Savings Bank Branch Acquisition, Sharon, CT (6/6/2014)

- ✓ Acquired approximately \$20 million in deposits
- ✓ Consolidated existing branch with improved location and facility
- ✓ Acquisition offered significant market share growth
- ✓ Acquisition was accretive to earnings in 2014
- ✓ Market share growth in Sharon, CT from 54% to approximately 76%
- ✓ Tangible Book Premium/Deposits: 2.32%

Riverside Bank Acquisition (12/5/2014)

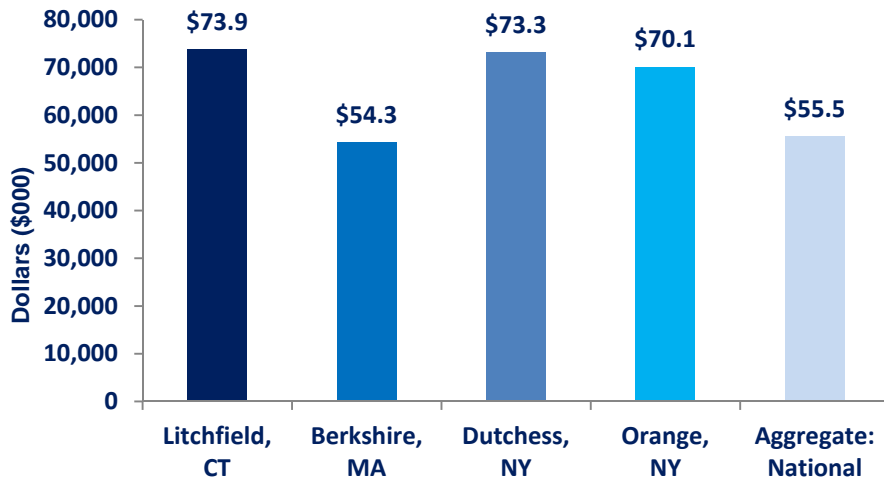
- ✓ Increased SAL assets by over 35%
- ✓ Furthered loan portfolio diversification into more commercial exposures, increased total yield on loans
- ✓ Significant cross-sale opportunities through SAL's established residential lending, trust and wealth management platform and Riverside's commercial concentration
- ✓ Significant EPS accretion
- ✓ TCE capital accretive
- ✓ Price/Tangible Book at closing: 109%

2015 Focus

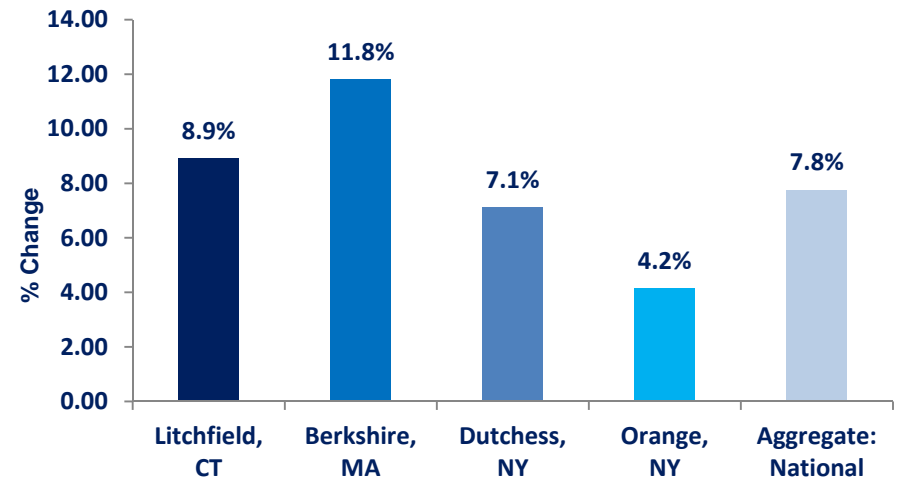
- ✓ Integration of:
 - ✓ Customers
 - ✓ Employees
 - ✓ Cultures
 - ✓ Systems
- ✓ Preparing infrastructure for future growth

Market Demographics by County

Median Household Income



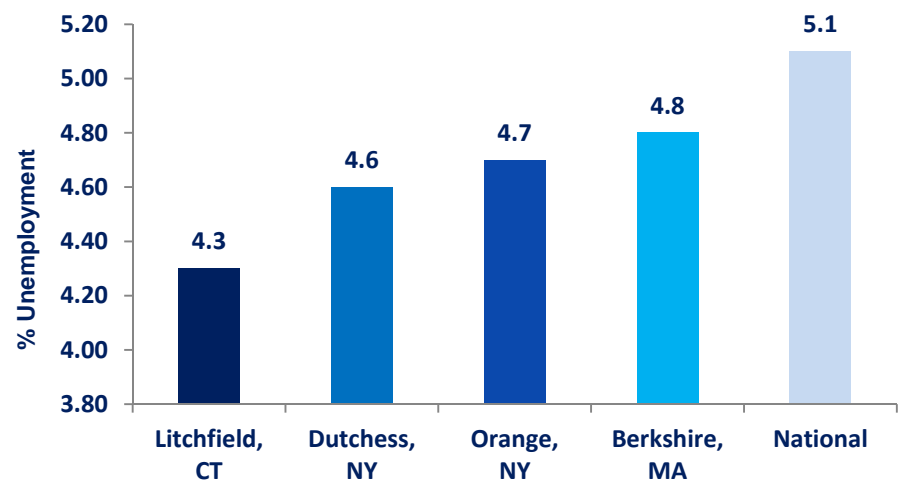
Projected Household Income Change



Commentary

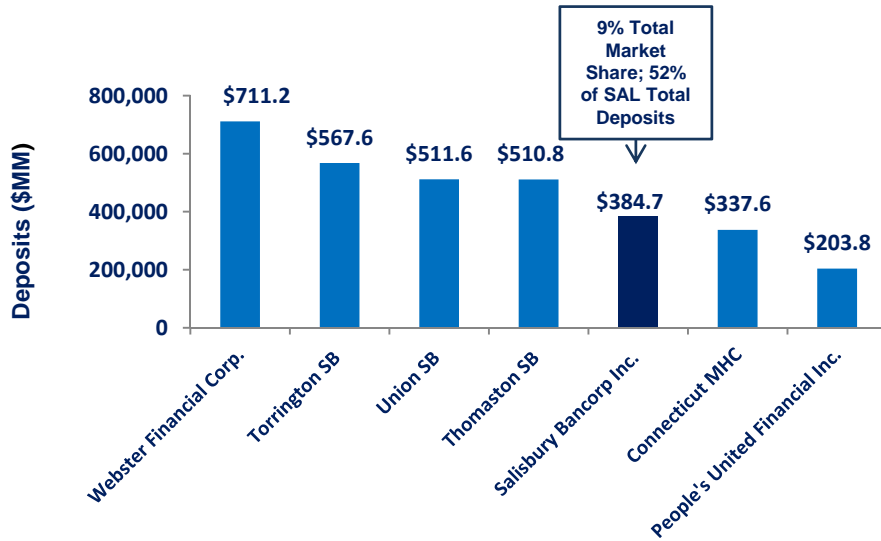
- Litchfield County's prestigious private and public school systems attract affluent individuals to the county
- Litchfield County's median household income is 3% higher than the CT average; projected household growth is nearly double the CT average
- Berkshire County has the highest projected change in household income in SAL's market
- Dutchess County's median household income is 21% higher than the NY average
- Orange County's median household income is nearly 19% higher than the NY average

Unemployment Rate

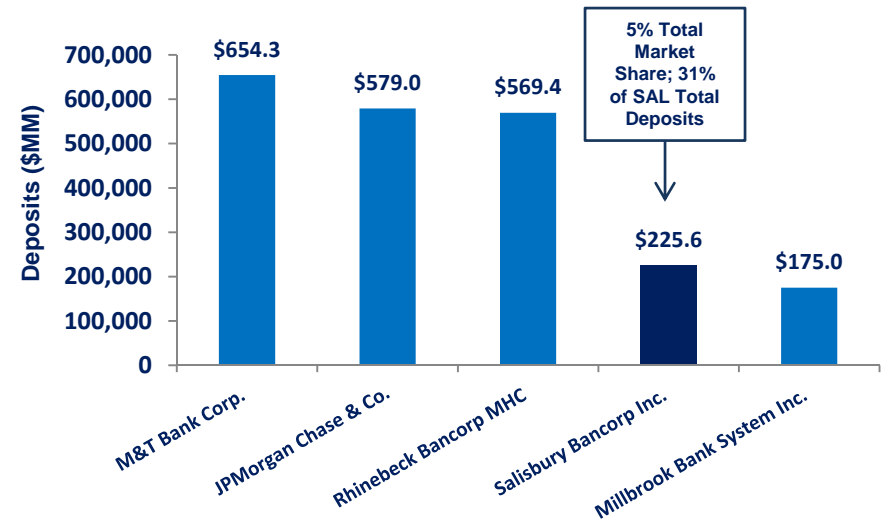


Growth Opportunities Within Franchise Footprint

Litchfield County, CT



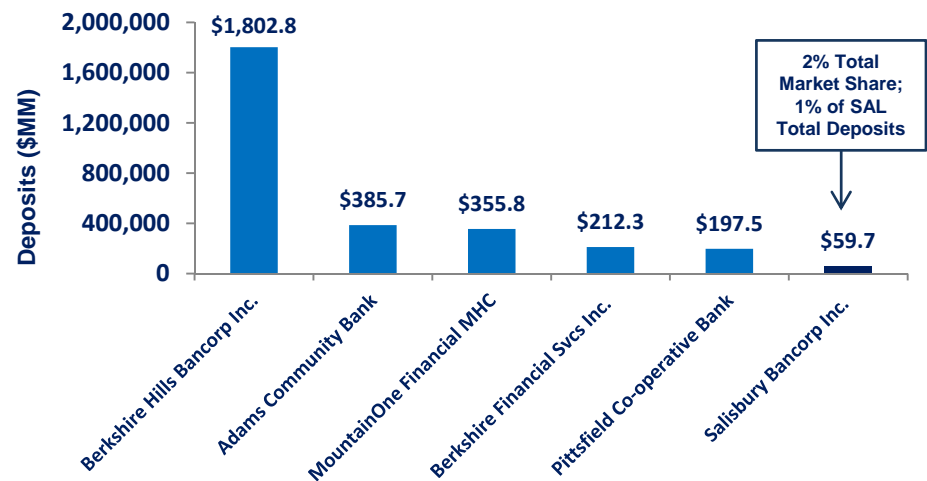
Dutchess County, NY



Orange County, NY



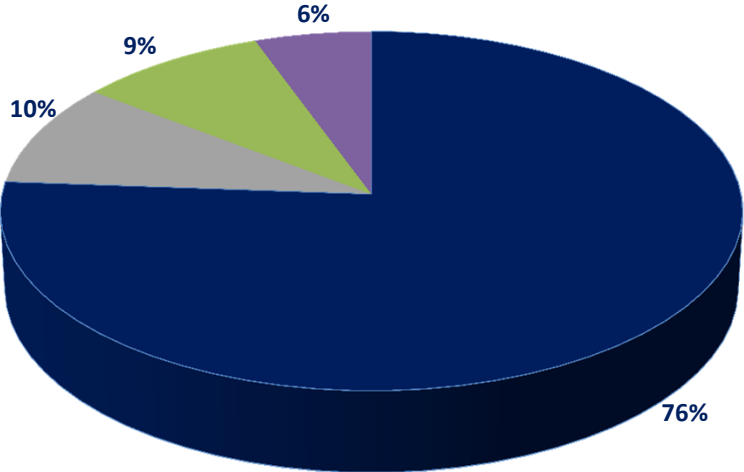
Berkshire County, MA



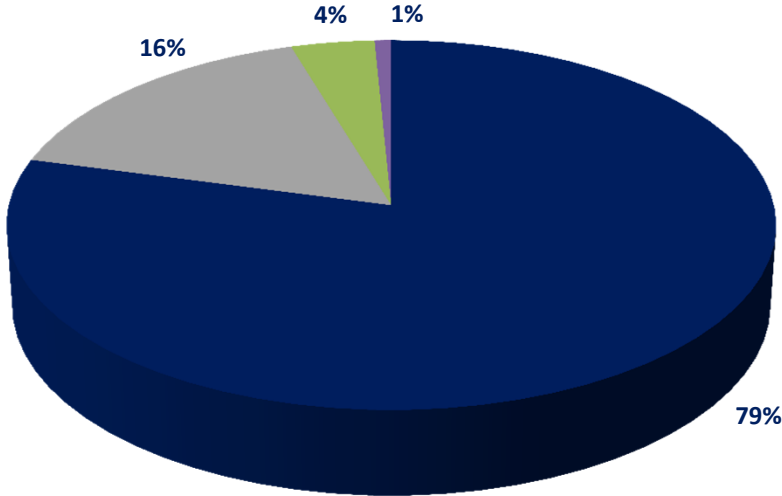
Balance Sheet Composition

as of 9/30/15 (unaudited)

Assets: \$904,233
(\$000)



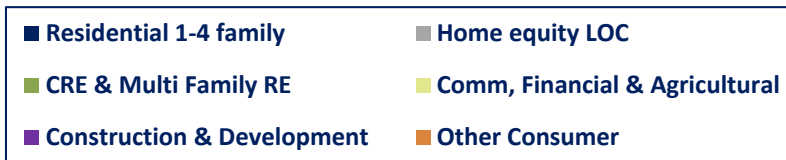
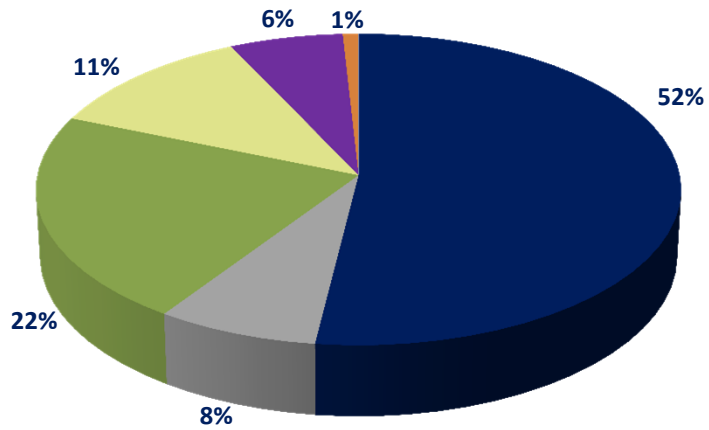
Liabilities: \$798,783
(\$000)



Loan Portfolio Composition

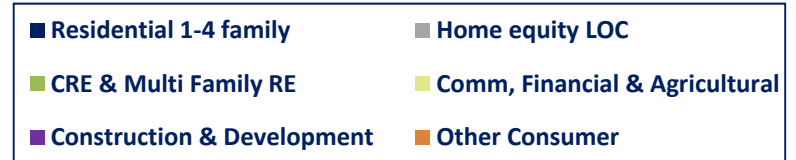
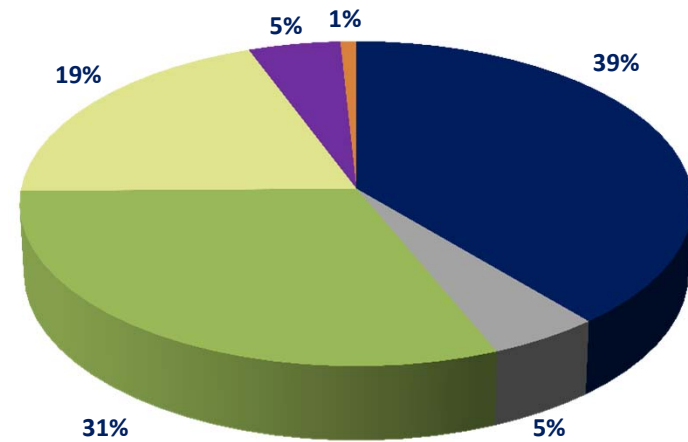
9/30/14 (pre Riverside Bank merger)

Gross Loans: \$461.9 Million
Yield on Loans: 4.08%



9/30/15 (post Riverside Bank merger)

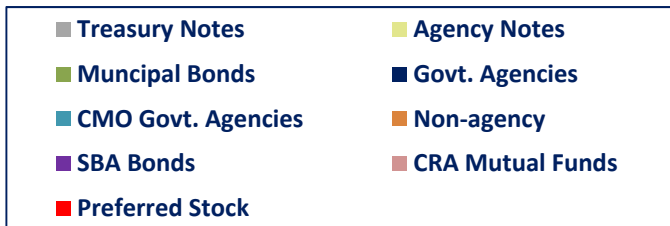
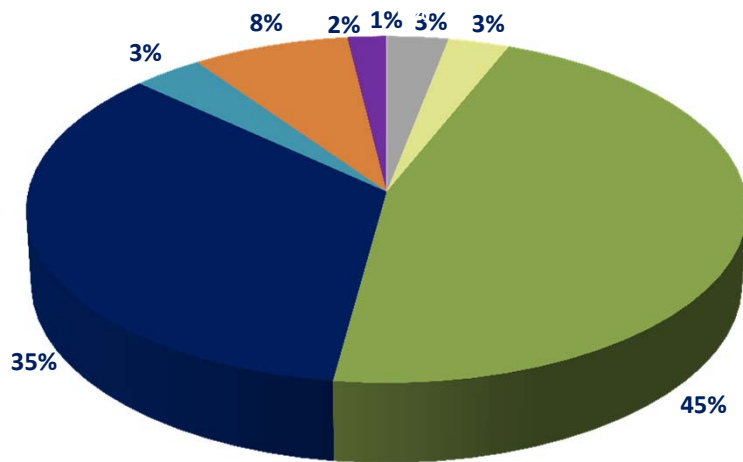
Gross Loans: \$692.2 Million
Yield on Loans: 4.64%



Securities Portfolio Composition

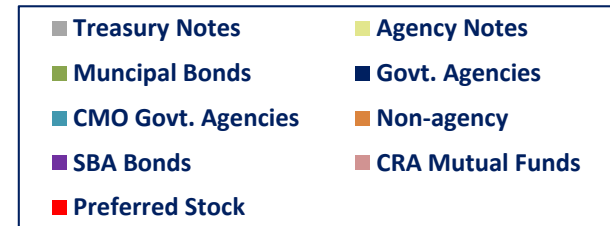
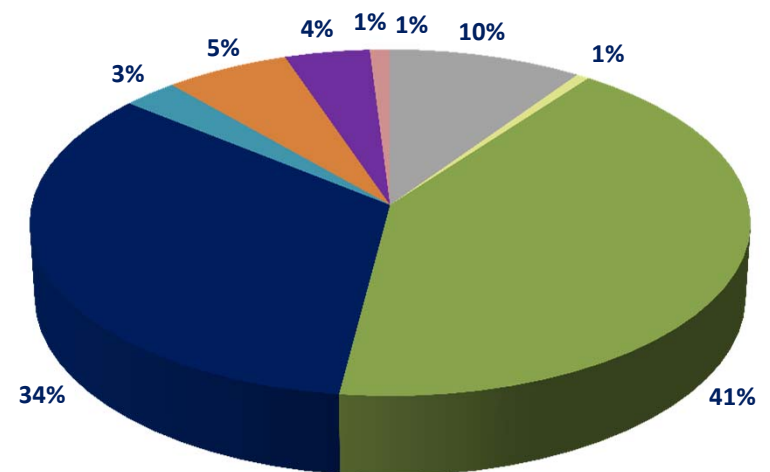
9/30/14 (pre Riverside Bank merger)

Total Securities AFS: \$85.5 Million
Yield on Securities: 4.56%



9/30/15 (post Riverside Bank merger)

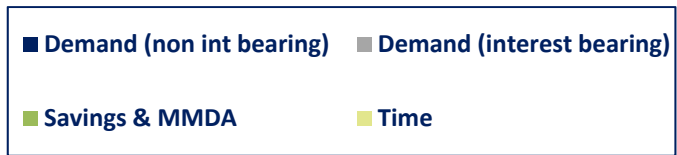
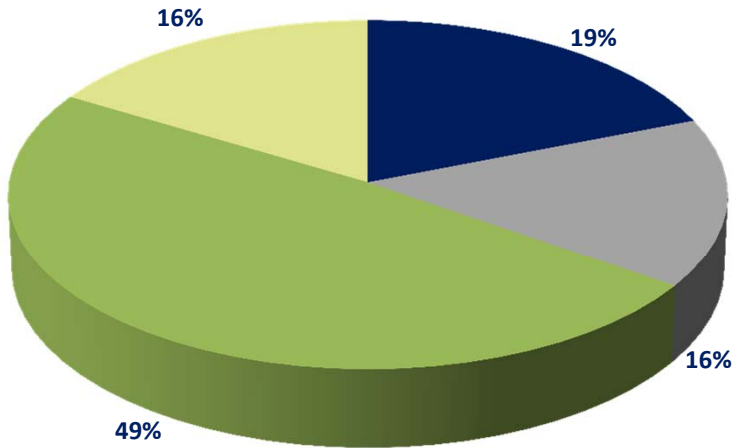
Total Securities AFS: \$80.4 Million
Yield on Securities: 4.19%



Deposits

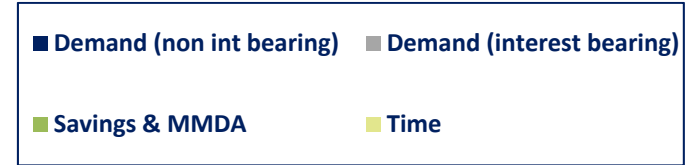
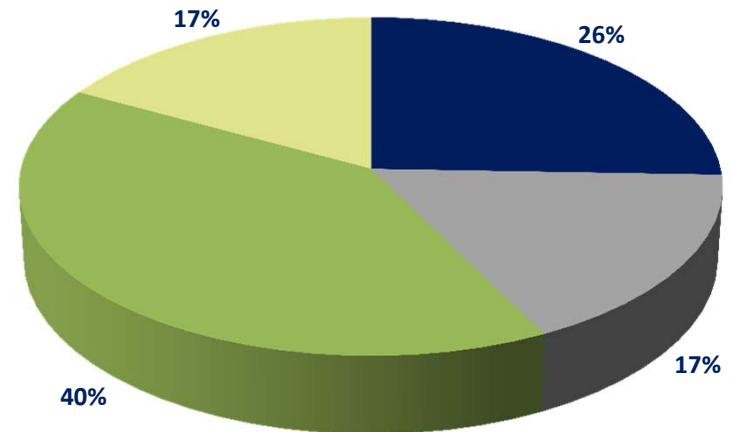
9/30/14 (pre Riverside Bank merger)

Total Deposits: \$522.3 Million
Cost of Deposits: 0.35%



9/30/15 (post Riverside Bank merger)

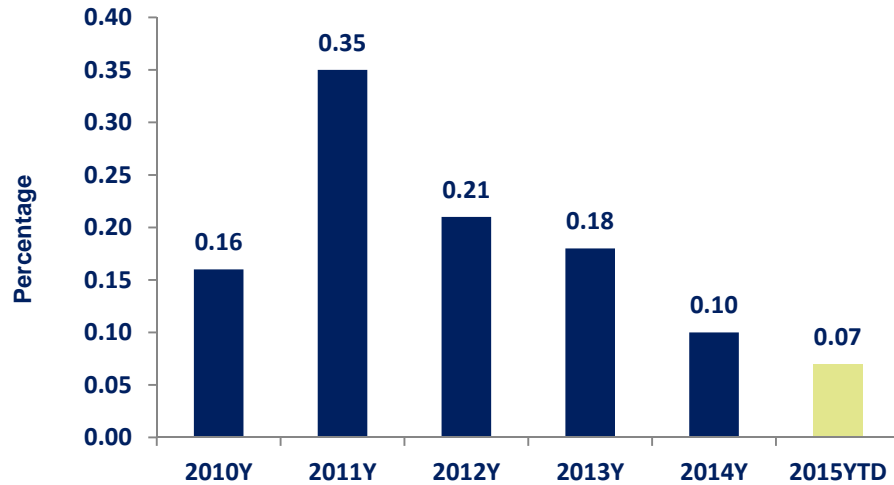
Total Deposits: \$761.5 Million
Cost of Deposits: 0.33%



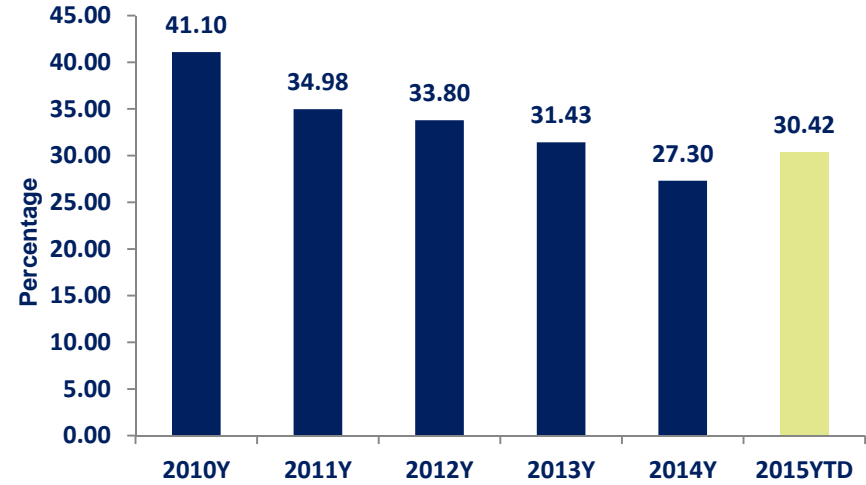
- Cashflow driven lending practices with an emphasis on secondary and tertiary repayment sources – generally real property secured
- Annual external loan review function
 - 70% commercial loan portfolio reviewed
 - 93% correlation with internal classifications
 - 90% of Loans reviewed rated within “pass” categories
- Conservative internal credit exposure limits
 - Legal limit of \$10,900,000
 - Internal credit relationship guideline of \$7,000,000
- Over 170 combined years of Credit Underwriting and Lending experience

Credit Metrics

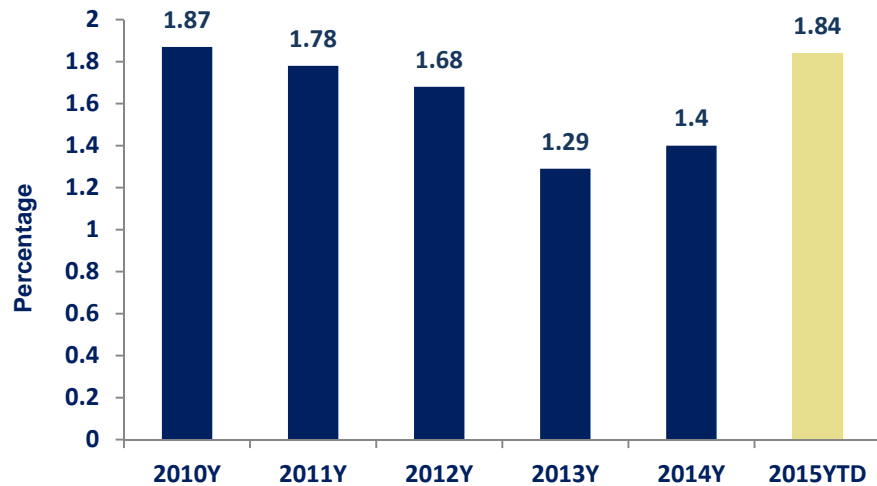
NCOs / Average Loans



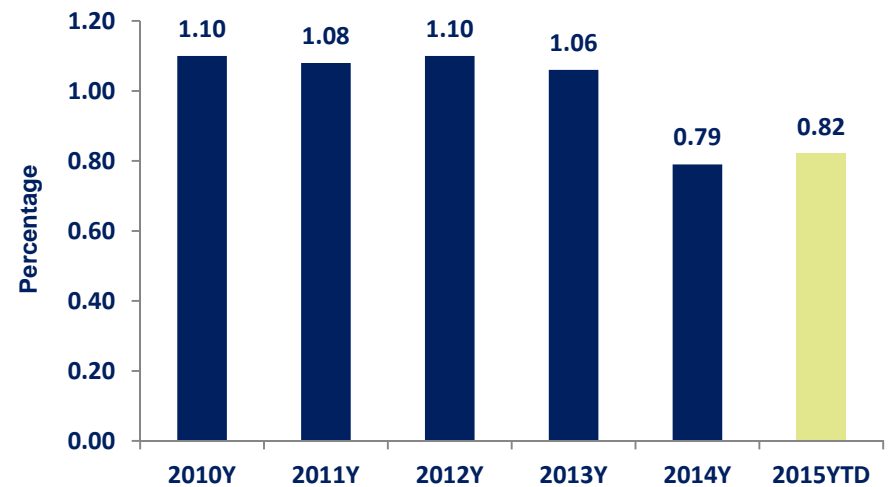
Texas Ratio



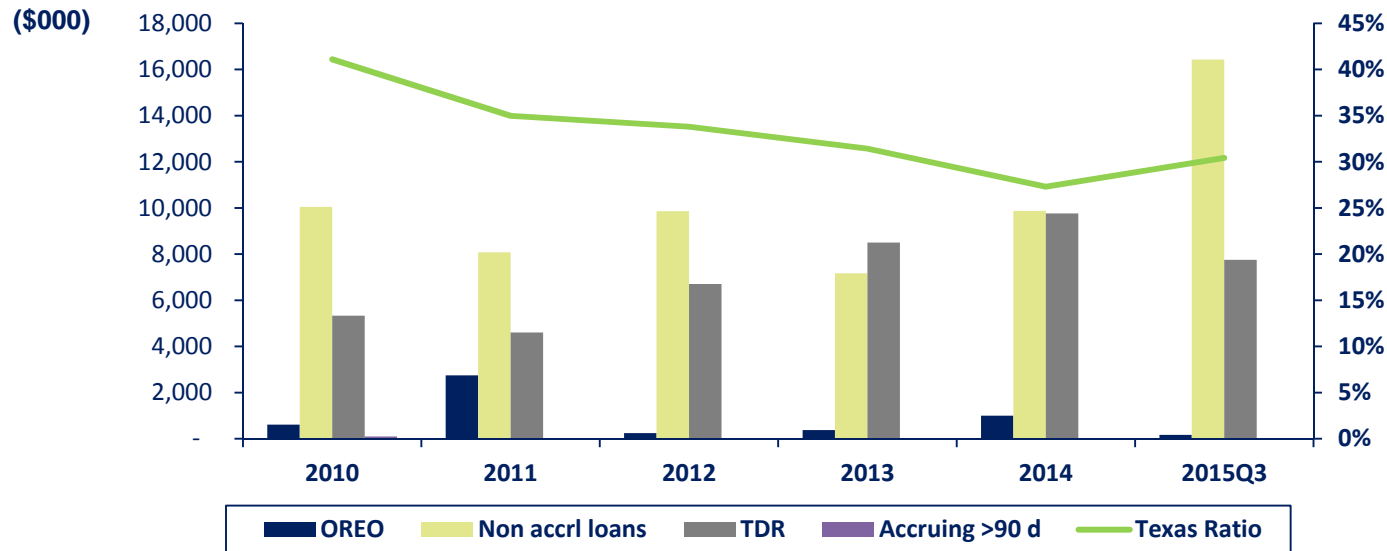
NPAs / Assets



Loan Loss Reserves / Gross Loans

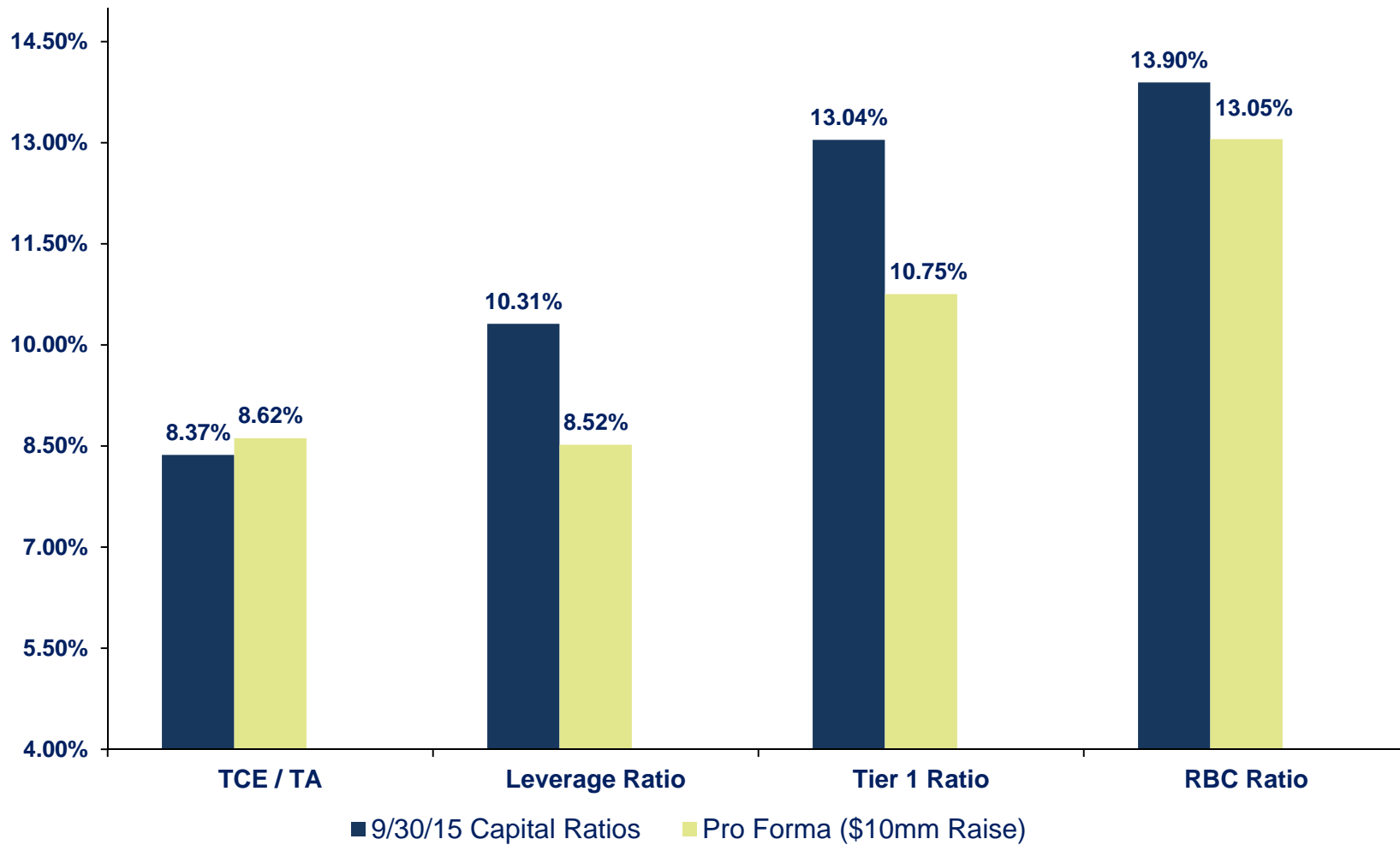


Texas Ratio



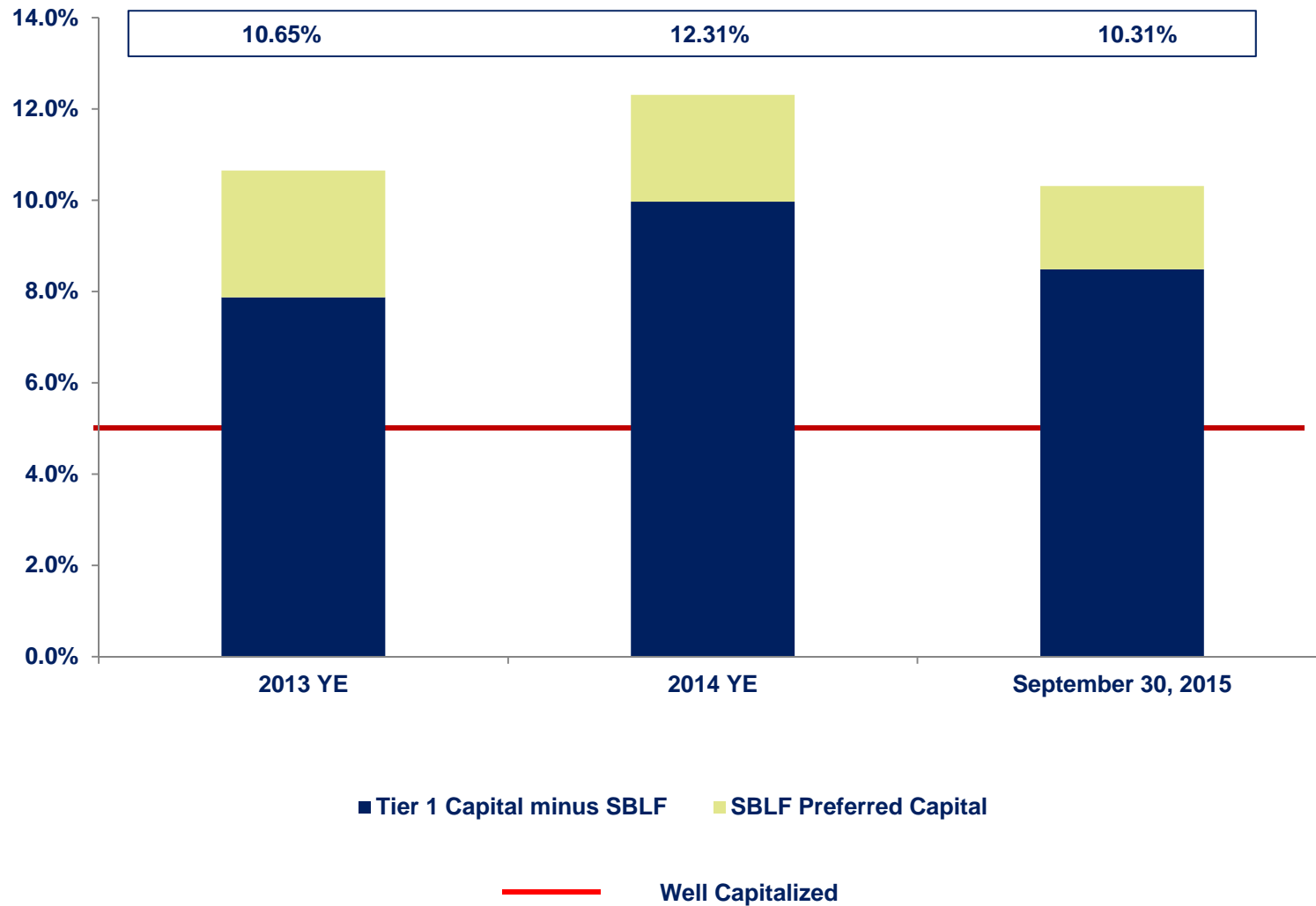
- Largest non-accrual loan represents 18% of total Non-Accruals (documented in 2015 Q3 10Q)
- In aggregate the largest 5 non-accrual loans represent 55% or \$8.6MM of total non accrual loans
- In aggregate the largest 10 non-accrual loans represent ~ 73% or \$11.4MM of total non-accrual loans
- 97% of non-accruing loans are secured by real estate
- 72% of TDRs are performing as modified

Capital Overview of Salisbury Bancorp, Inc.



(1) Assumes issuance of \$10mm in subordinated debt and the retirement of \$16mm in SBLF

Tier 1 Capital of Salisbury Bancorp, Inc.

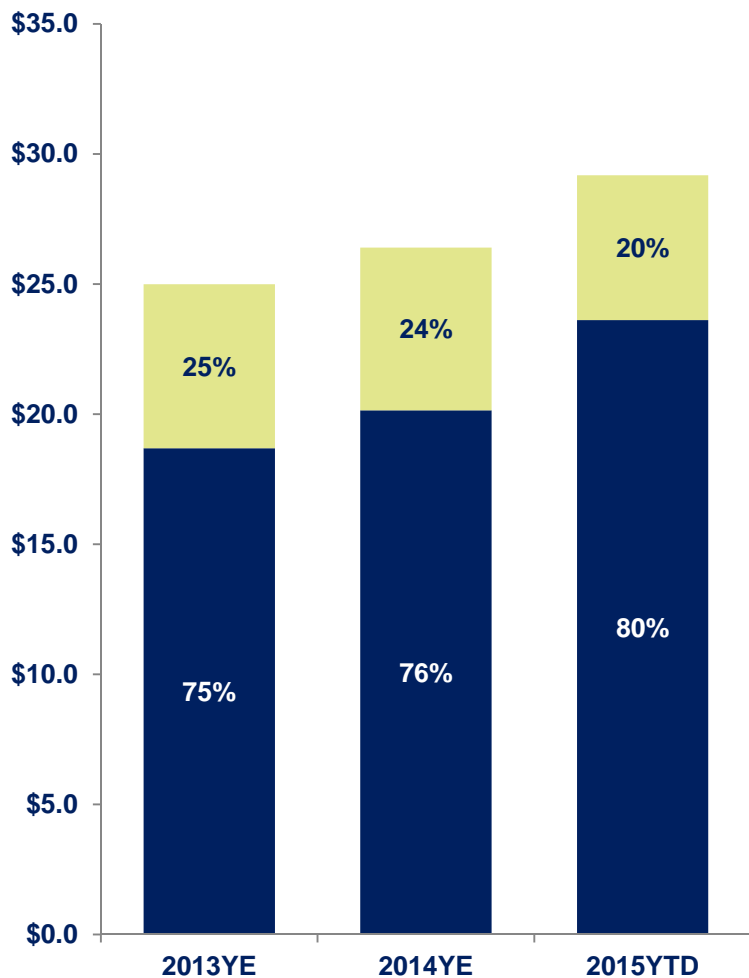


* 2014 Year End includes the partial period impact on the Average Asset calculation due to the Riverside Bank merger, which closed on 12/5/14. September 2015 reflects a full period impact on average assets.

Revenue

Source of Earnings

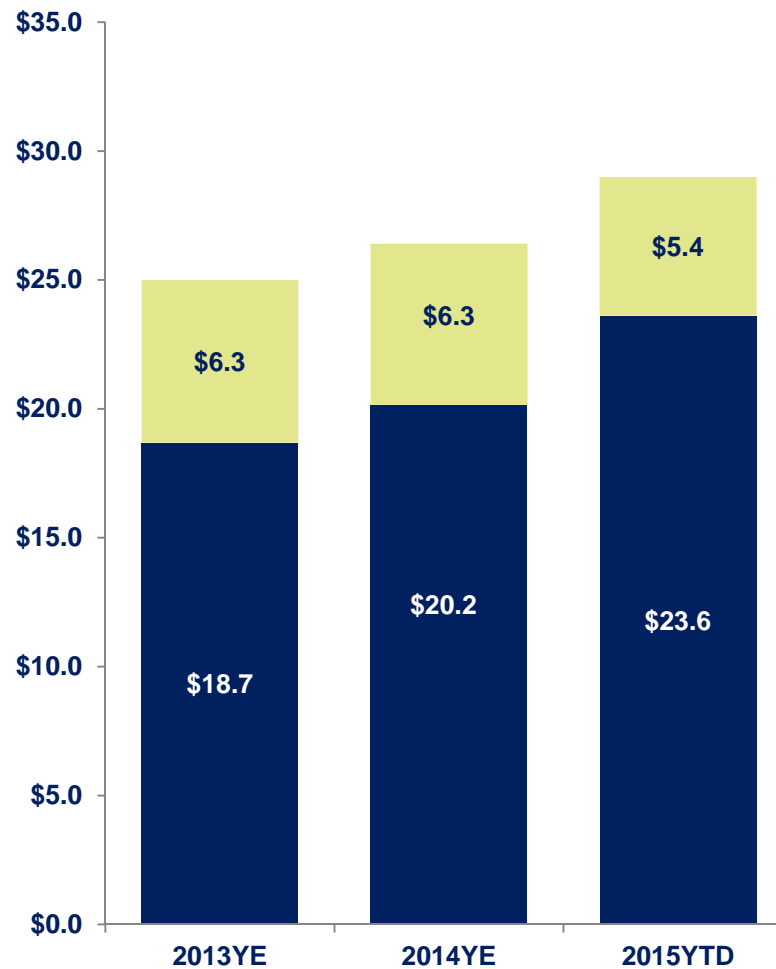
Dollars (\$MM)



■ Net Interest Income ■ Noninterest Income

Revenue Growth

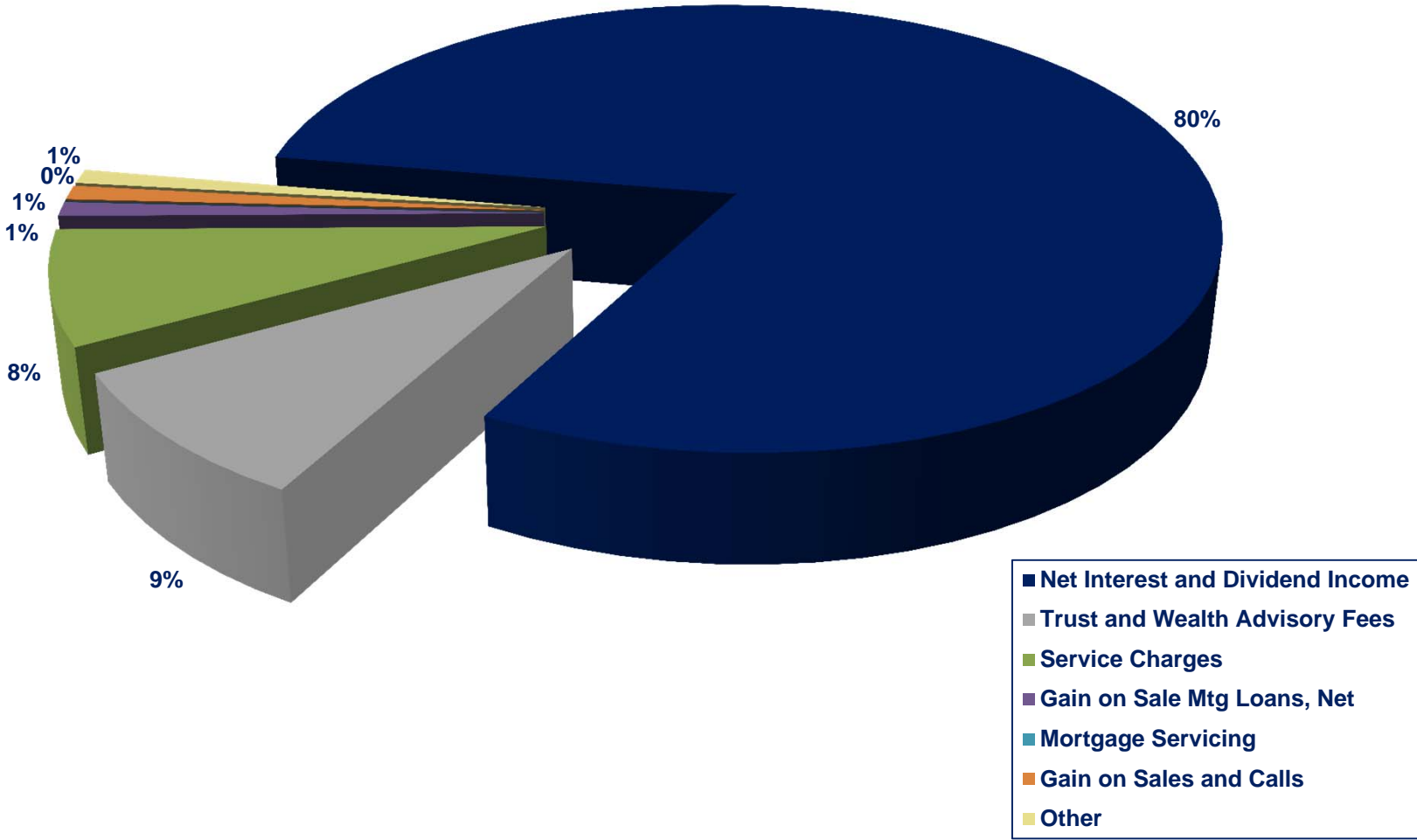
Dollars (\$MM)



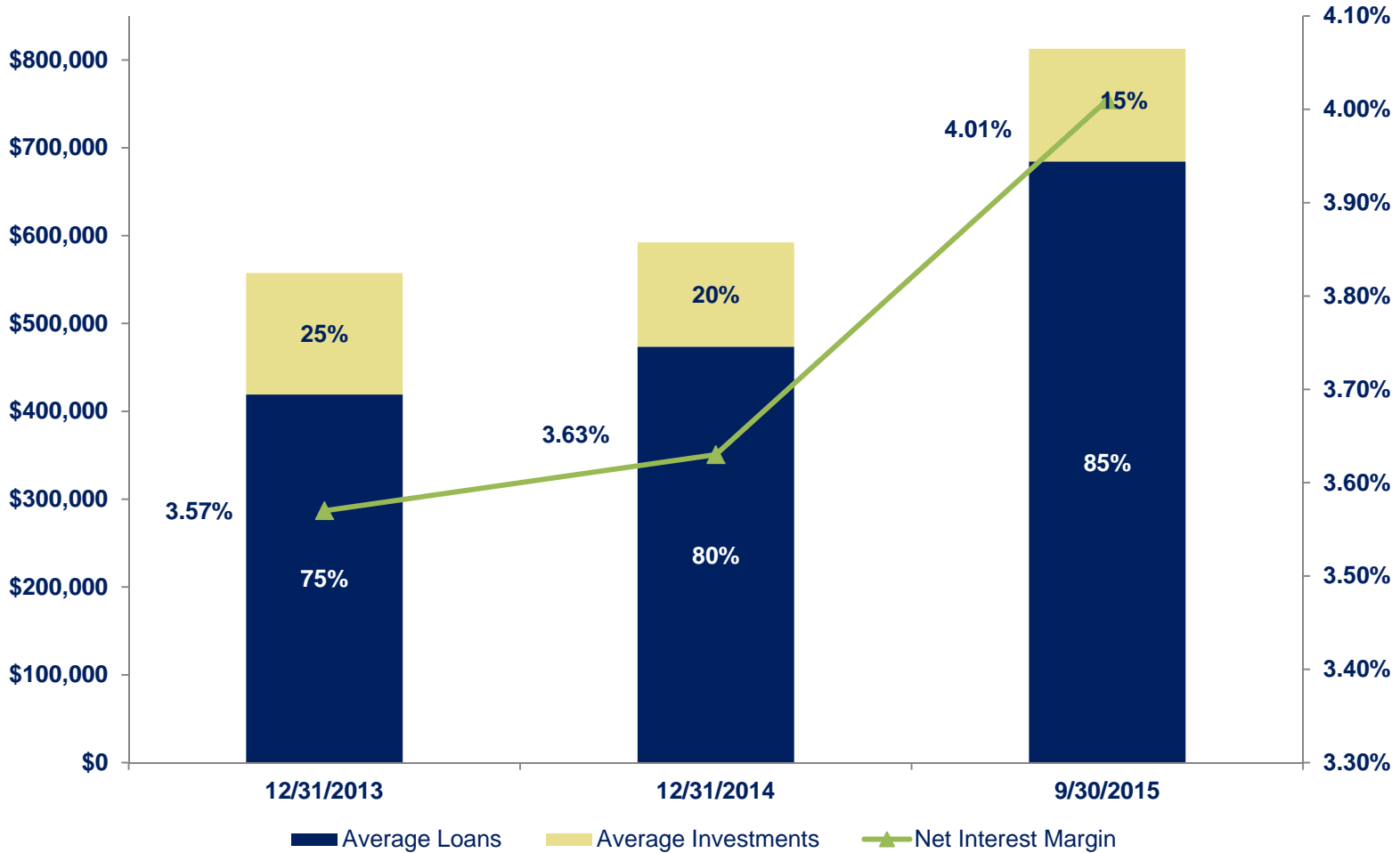
■ Net Interest Income ■ Total Non Interest Income

Source: SNL Financial.
 *Excludes \$186K of securities gains on sale in 2015; no securities gains or losses were realized in either 2013 or 2014

Revenue Composition

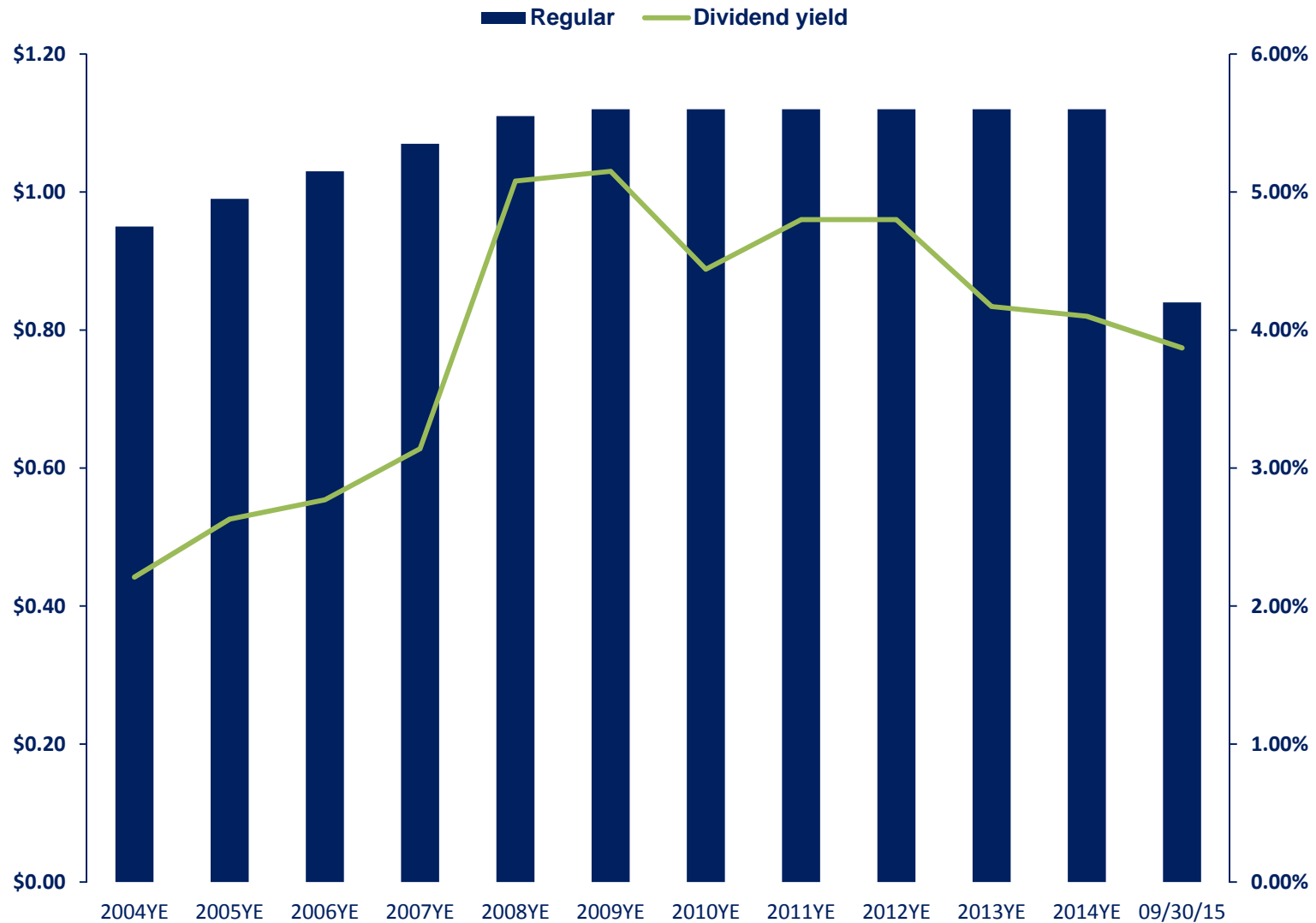


Balance Sheet Management



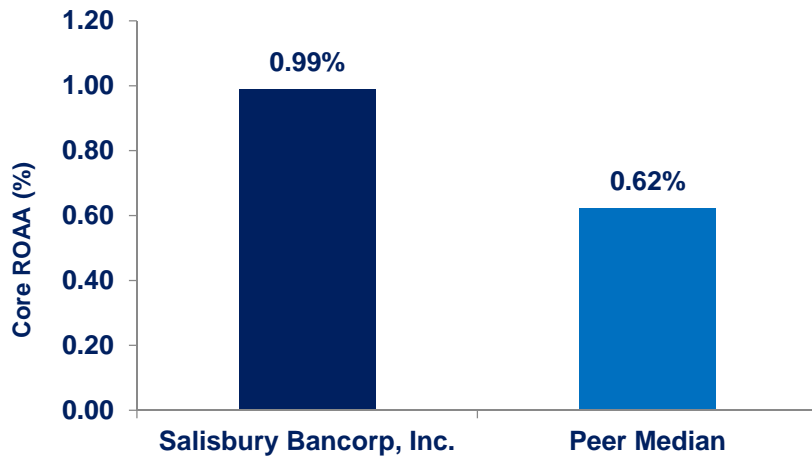
Why Invest?

Common Dividends per Share (%)

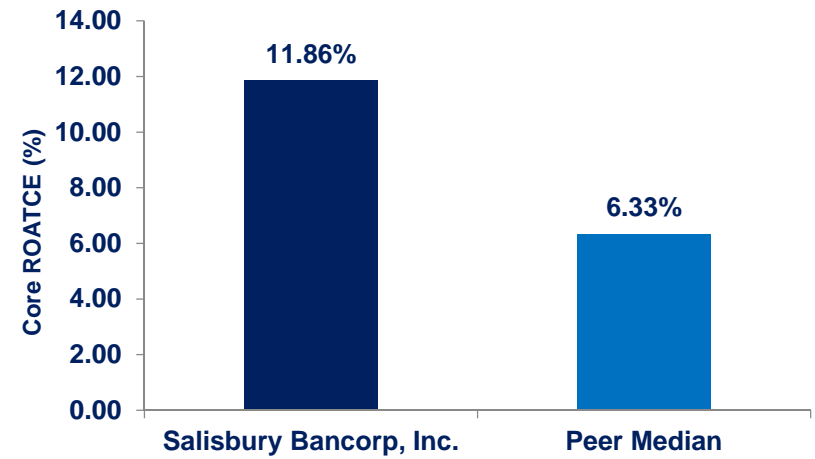


Why Invest?

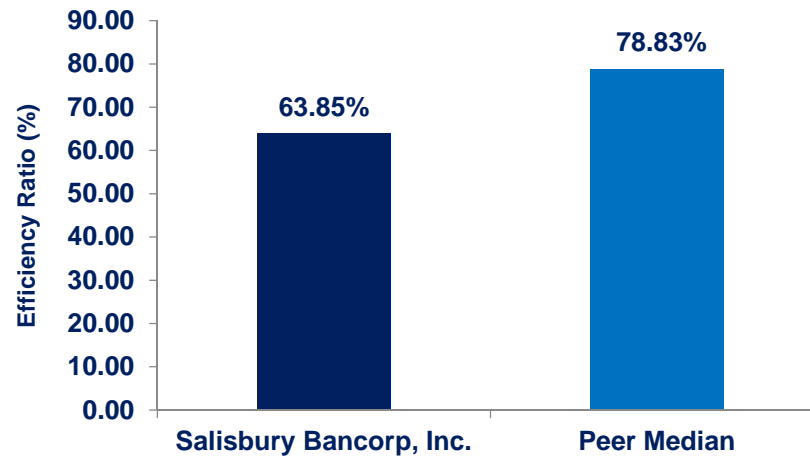
Core ROAA¹



ROATCE²



Efficiency Ratio³



Source: SNL Financial, YTD data as of Q3 2015. Peers defined as New England and NY public banks with approximately \$625 million to \$1.5 billion in Assets and a TCE/TA ratio below 11.0%.

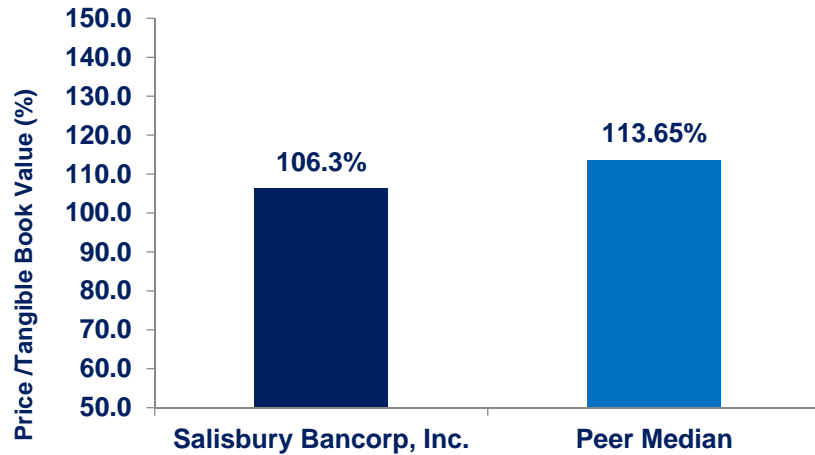
¹Core ROAA – Core income return on average assets

²ROATCE – Net income adjusted for tax-affected amortization of intangibles, as a percent of average tangible common equity

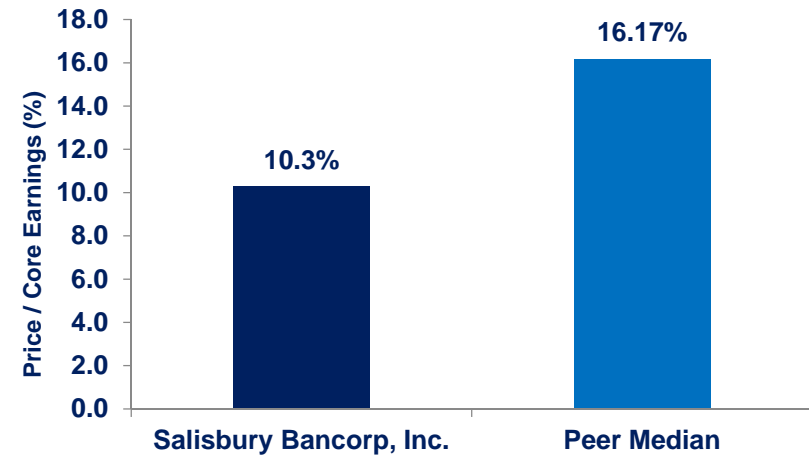
³Efficiency Ratio – Noninterest expense before foreclosed property expense, amortization of intangibles, and goodwill impairments as a percentage of net interest income and noninterest revenues, excluding only gains from securities transactions & nonrecurring items.

Why Invest ?

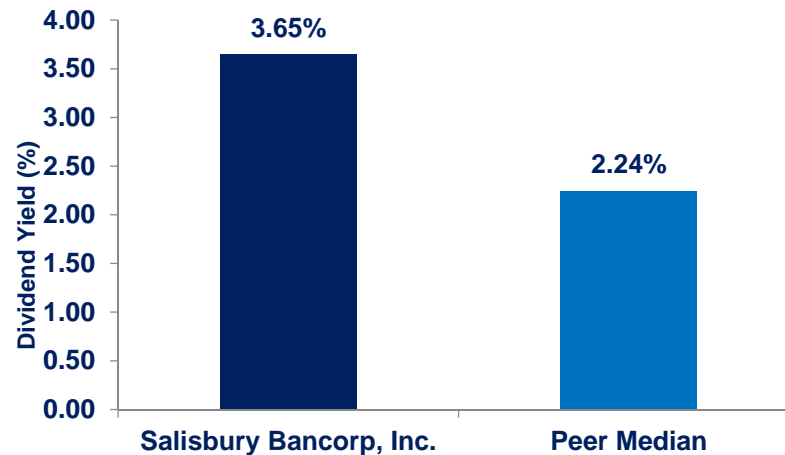
Price / Tangible Book Value¹



Price / Core EPS²



Dividend Yield³



Source: SNL Financial, YTD data as of Q3 2015. Peers defined as New England and NY public banks with approximately \$625 million to \$1.5 billion in Assets and a TCE/TA ratio below 11.0%.

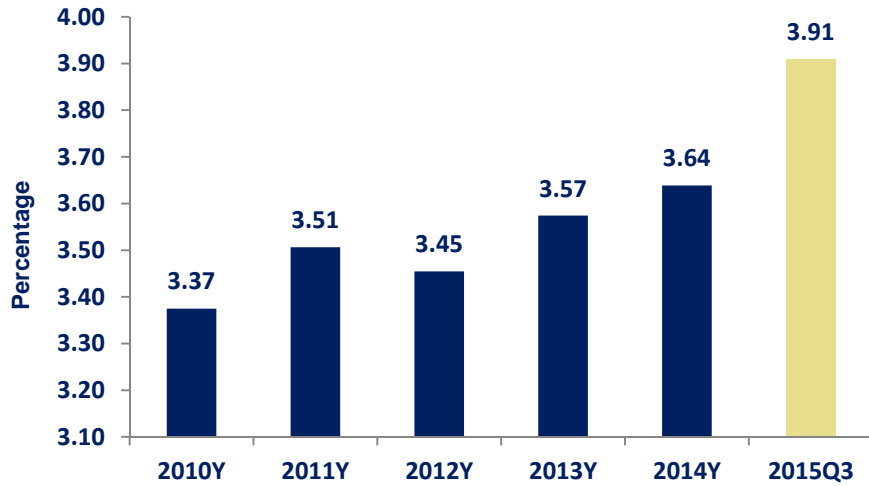
¹ Price/TBV – Price as a percentage of tangible book value per share. Tangible book value is calculated using financial period end tangible common equity & common shares outstanding values.

² Price/Core EPS – Price as a multiple of core earnings per share.

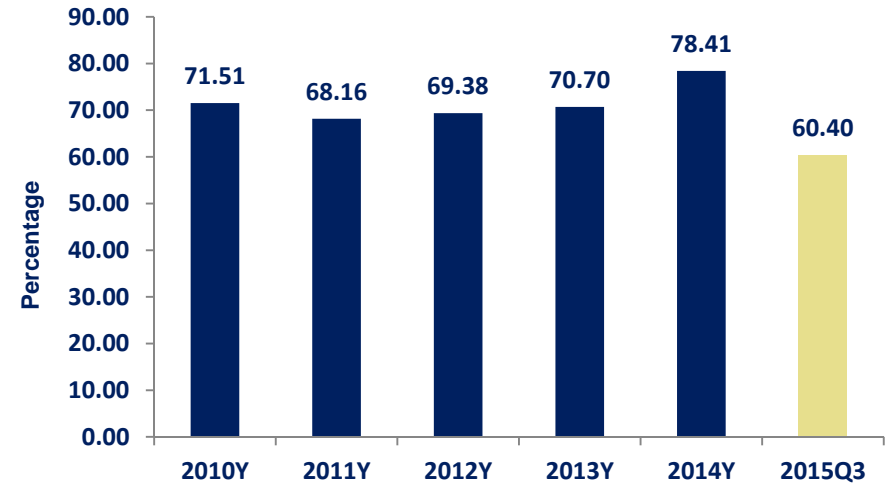
³ Dividend Yield – The most recent dividend, annualized and expressed as a percent of a security's price.

Why Invest?

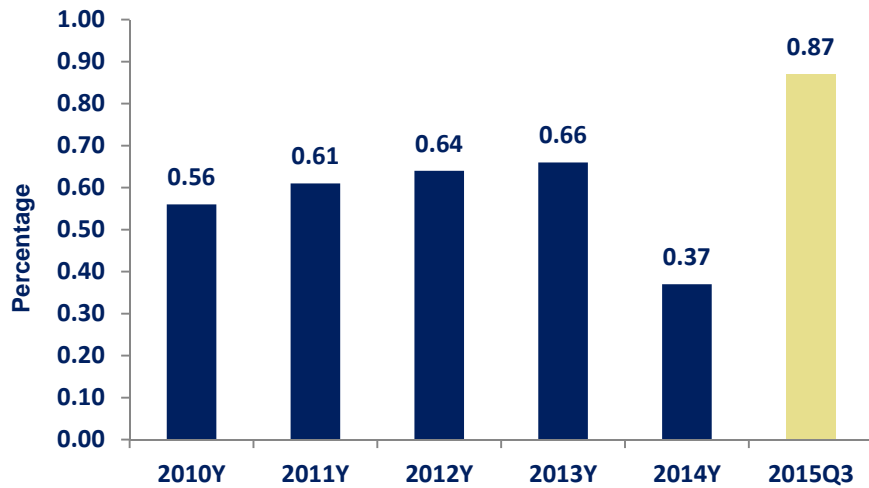
Net Interest Margin



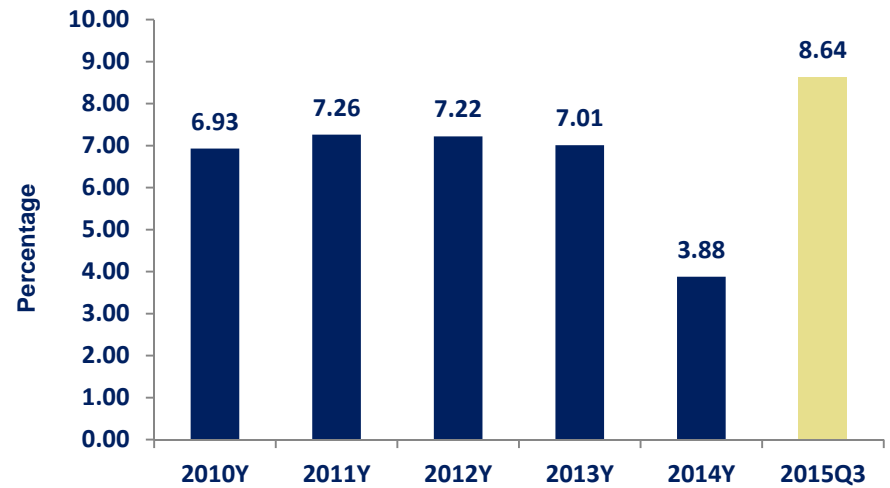
Efficiency Ratio



ROAA



ROAE



Why Invest?

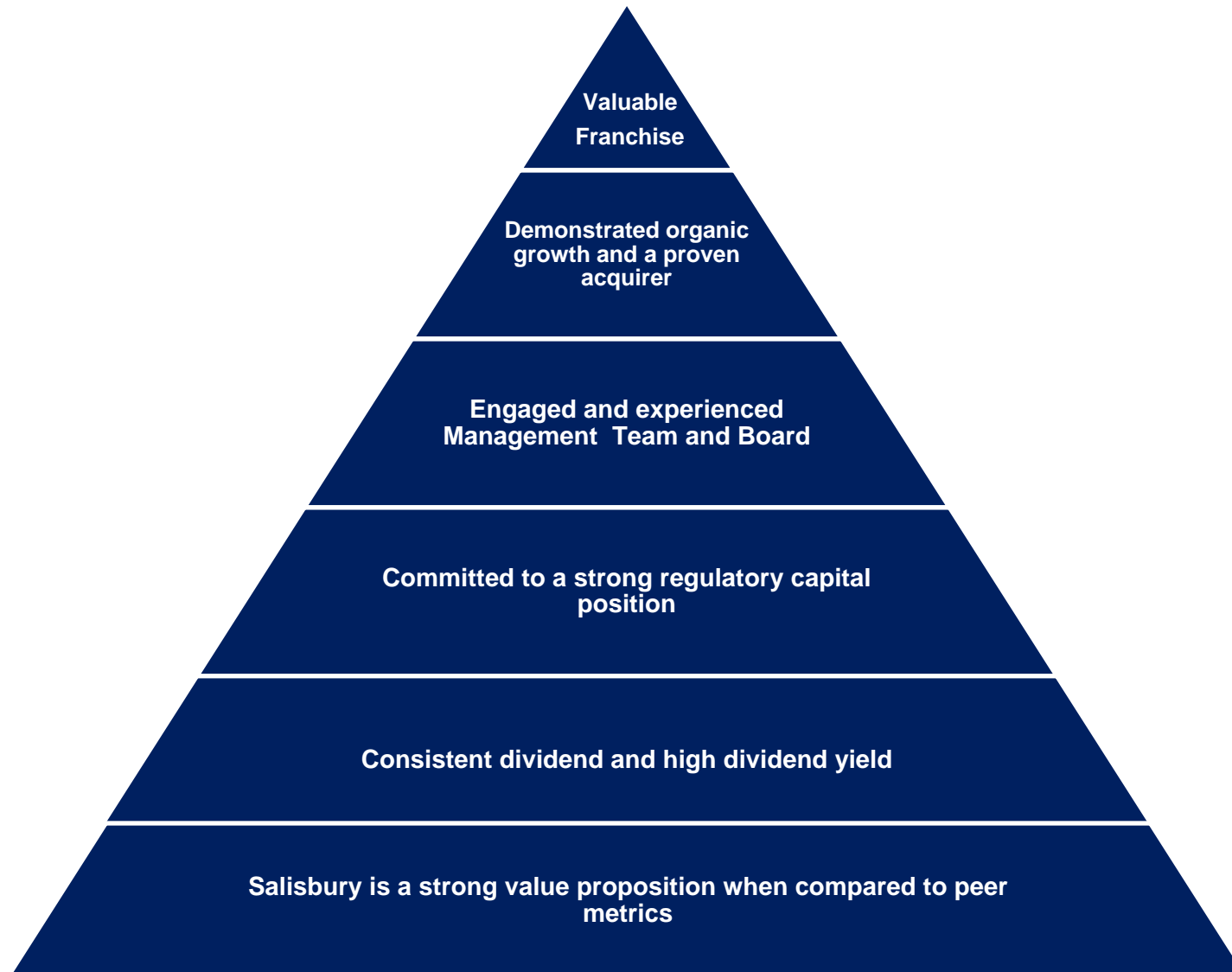
Headquarters: Lakeville, Connecticut
 Offices: 13
 States: 3
 Traded: NASDAQ Capital Market
 Symbol: SAL

As of (\$ in millions, except Capital)	12/31/13	12/31/14	9/30/15
Assets	587.1	855.4	904.2
Loans receivable, net	438.1	673.3	687.7
Deposits	477.4	715.4	761.5
Tier 1 Capital (%)	10.65	12.31	10.31
Shareholder Information	12/31/13	12/31/14	9/30/15
Price (\$)	26.89	27.34	28.92
Tangible book value per common share (\$)	27.12	25.83	27.21
Price/Book (%)	80.8	86.6	88.4
Market capitalization (millions)	45.98	74.39	79.0
Common shares outstanding	1,710	2,721	2,733
Insider Ownership (%)	6.9	18.4	18.7
Institutional Ownership (%)	10.95	6.65	8.25

Strategic Priorities

- Strategic acquisitions
 - ✓ Wealth advisory
 - ✓ Branches
 - ✓ Whole bank
- Profitably expand current branch footprint
- Expand existing client relationships
- Goal to be a consistently high performing community bank

Why Invest ?





**Piper Jaffray Bank Symposium
December 14, 2015**

NASDAQ: SAL

enriching.