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SALISBURY BANCORP, INC.

Salisbury Bancorp, Inc. is the holding company for Salisbury Bank and Trust Company

2017

Shareholder Report

December 31, 2017

Board of Directors:

Michael A. Varet (Chairman),
Louis E. Allyn II, Charles M. Andola,
George E. Banta, Arthur J. Bassin,
Richard J. Cantele, Jr., David B. Farrell,
Michael D. Gordon, Polly Diane Hoe,
Nancy F. Humphreys, Holly J. Nelson,
John F. Perotti

Stock Symbol: SAL

Transfer Agent

Broadridge Corporate
Issuer Solutions, Inc.
P.O. Box 1342
Brentwood, NY 11717
888.520.5817
investor.broadridge.com

Common Share Data (unaudited)

At 12/29/17

Closing Price	\$44.65
Market Capitalization	\$124 M
Dividend Yield	2.51%
Common Shares Outstanding	2,785,216

2017 Dividend Calendar*

Quarter	Declaration Date	Record Date	Payable Date
First	4/28/17	5/12/17	5/26/17
Second	7/28/17	8/11/17	8/25/17
Third	10/27/17	11/10/17	11/24/17
Fourth	1/26/18	2/9/18	2/23/18

*Salisbury Bancorp, Inc. is not obligated to pay common stock dividends on these dates or at any other time.

Dear Fellow Shareholders,

In 2017 we made measurable progress on our strategy to improve asset quality and to achieve growth through prudent acquisitions. Although we incurred losses this year on the sale of OREO properties, our non-performing assets declined significantly during the fourth quarter. In June 2017 we completed the acquisition of the New Paltz, New York branch from Empire State Bank and in December 2017, we executed and announced a definitive agreement to acquire the Fishkill, New York branch of Orange Bank & Trust Company. The acquisition, which is subject to regulatory approval, is expected to be completed in the second quarter of 2018. The purchase of this branch is a strategic opportunity, which will enable our Riverside Division to consolidate our existing Fishkill office with this new office and will allow us to reach prospective customers and better serve our existing customers in Dutchess County, New York, with greater convenience in an improved location. This Fishkill branch will expand our capabilities to deliver financial products and services, including trust and wealth advisory services, to the people and businesses of Dutchess County and nearby communities.

We enter 2018 well-positioned for continued growth and we remain focused on managing asset quality and enhancing profitability while maintaining our commitment to provide outstanding customer service.

Sincerely,

Richard J. Cantele, Jr.
President and Chief Executive Officer



Shareholder Relations For more information visit salisburybank.com and click on Shareholder Relations or contact: Shelly L. Humeston, Secretary at shumeston@salisburybank.com or 860.453.3432

Forward-Looking Statements Statements contained in this report contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements are based on the beliefs and expectations of management as well as the assumptions and estimates made by management using information currently available to management. Since these statements reflect the views of management concerning future events, these statements involve risks, uncertainties and assumptions, including among others: changes in market interest rates and general and regional economic conditions; changes in government regulations; changes in accounting principles; and the quality or composition of the loan and investment portfolios and other factors that may be described in Salisbury's quarterly reports on Form 10-Q and its annual report on Form 10-K, each filed with the Securities and Exchange Commission, which are available at the Securities and Exchange Commission's internet website (www.sec.gov) and to which reference is hereby made. Therefore, actual future results may differ materially from results discussed in the forward-looking statements.

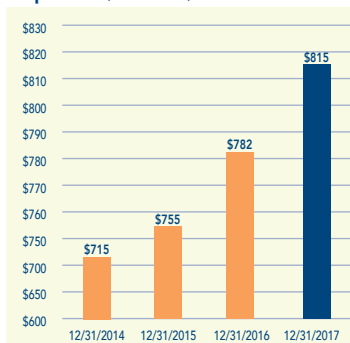


Shareholder Report

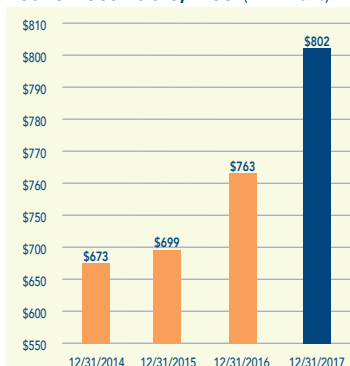
December 31, 2017

Selected Quarterly Highlights

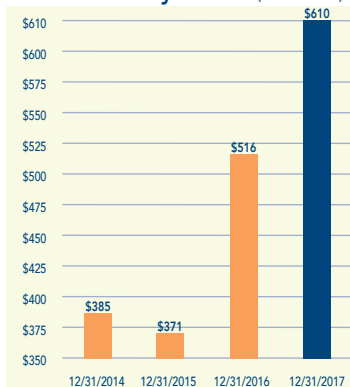
Deposits (in millions)



Loans Receivable, Net (in millions)



Wealth Advisory Assets (in millions)



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Salisbury Bancorp, Inc. and Subsidiary Selected Consolidated Financial Data (in thousands except ratios and per share amounts) (unaudited)

At or for the three month periods ended	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016
Total assets	\$986,984	\$979,469	\$974,806	\$939,549	\$935,366
Loans receivable, net	801,703	784,136	771,850	764,665	763,184
Total securities	82,860	88,546	84,468	80,359	82,834
Deposits	815,495	831,989	811,341	772,416	781,770
FHLBB advances	54,422	27,364	47,302	52,745	37,188
Shareholders' equity	97,514	97,526	96,545	95,221	94,007
Wealth assets under administration	610,218	594,510	585,759	524,459	516,350
Discretionary wealth assets under administration	394,673	374,357	374,271	365,086	366,167
Non-Discretionary wealth assets under administration	215,545	220,153	211,488	159,373	150,183
Non-performing loans	6,635	8,313	7,835	7,057	8,792
Non-performing assets	7,354	12,257	11,690	10,890	12,565
Accruing loans past due 30-89 days	3,536	3,449	2,961	11,689	4,537
Net interest and dividend income	8,025	7,766	7,661	7,832	7,688
Net interest and dividend income, tax equivalent	8,231	7,983	7,894	8,093	7,966
Provision (benefit) for loan losses	67	237	364	352	503
Non-interest income	2,182	2,080	1,951	2,023	2,326
Non-interest expense	8,052	7,220	6,751	7,306	7,411
Income before income taxes	2,088	2,389	2,497	2,197	2,100
Income tax provision	1,011	695	615	593	580
Net income	1,077	1,694	1,882	1,604	1,520
Net income applicable to common shareholders	1,065	1,678	1,867	1,594	1,509
Per share data					
Basic earnings per common share	\$0.39	\$0.61	\$0.68	\$0.58	\$0.55
Diluted earnings per common share	0.38	0.60	0.67	0.58	0.55
Dividends per common share	0.28	0.28	0.28	0.28	0.28
Book value per common share	35.01	35.01	34.66	34.38	34.08
Tangible book value per common share - Non-GAAP	29.39	29.34	28.94	29.26	28.90
Common shares outstanding at end of period	2,785	2,786	2,785	2,770	2,758
Weighted average common shares outstanding, to calculate basic earnings per share	2,757	2,757	2,757	2,749	2,737
Weighted average common shares outstanding, to calculate diluted earnings per share	2,778	2,777	2,775	2,768	2,755
Profitability ratios					
Net interest margin (tax equivalent)	3.58%	3.50%	3.58%	3.69%	3.45%
Efficiency ratio ¹	64.90	67.18	66.56	68.68	67.08
Effective income tax rate ²	48.42	29.09	24.62	27.00	27.62
Return on average assets	0.43	0.69	0.77	0.70	0.65
Return on average common shareholders' equity	4.38	6.89	7.82	6.83	6.43
Credit quality ratios					
Net charge-offs to average loans receivable, gross	0.02%	0.03%	0.02%	0.03%	0.04%
Non-performing loans to loans receivable, gross	0.82	1.05	1.01	0.92	1.16
Accruing loans past due 30-89 days to loans receivable, gross	0.44	0.44	0.38	1.53	0.60
Allowance for loan losses to loans receivable, gross	0.84	0.82	0.83	0.82	0.79
Allowance for loan losses to non-performing loans	102.12	79.30	82.87	89.05	69.43
Non-performing assets to total assets	0.74	1.25	1.20	1.16	1.34
Capital ratios					
Common shareholders' equity to assets	9.88%	9.96%	9.90%	10.13%	10.05%
Tangible common shareholders' equity to tangible assets - Non-GAAP ¹	8.43	8.48	8.41	8.76	8.64
Tier 1 leverage capital	8.53	8.49	8.77	8.83	8.69
Total risk-based capital	12.94	13.20	13.12	13.34	13.26
Common equity tier 1 capital	10.73	10.96	10.88	11.10	11.02

¹ Calculated using SNL's (publicly recognized resource of bank data) methodology, as follows: Noninterest expense before OREO expense, amortization of intangibles, and goodwill impairments as a percent of net interest income (fully taxable equivalent) and noninterest revenues, excluding gains from securities transactions and litigation expenses.

² The effective tax rate for 4Q 2017 includes the discrete charge related to the remeasurement of net deferred tax assets. Excluding this charge, the effective tax rate for the quarter was 27.12%.