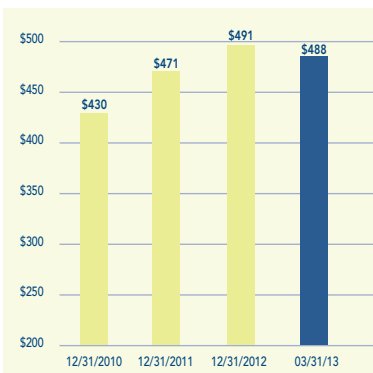


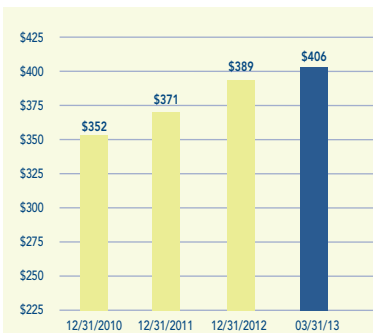
Shareholder Report

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

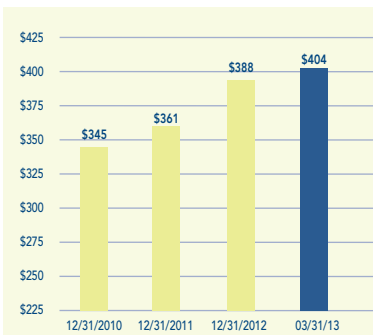
Deposits (in millions)



Loans Receivable, Net (in millions)



Wealth Advisory Assets (in millions)



Common Share Data (unaudited)

At 4/30/13

| | |
|---------------------------|-----------|
| Closing Price | \$26.74 |
| Market Capitalization | \$45.7 mm |
| Dividend Yield | 4.19% |
| Common Shares Outstanding | 1,709,291 |
| Institutional Ownership | 13.47% |



Salisbury Bank achieved solid growth in both our loan portfolio and assets under management in our Trust and Wealth Advisory area. We continue to remain focused on growing our core businesses, reducing non-performing assets, and enhancing the value of our Company. Despite the challenges of the economy and the continued low interest rate environment, the results from the first quarter reflect progress in multiple areas.

Efforts to continue to grow the loan portfolio increased net loans receivable by \$17.5 million during the first quarter, as we were able to successfully redeploy earning assets from investments into higher yielding loans. This contributed to the 22 basis point improvement in the net interest margin during the first calendar quarter of 2013 versus the preceding quarter.

During the first quarter of 2013, we continued to grow shareholder equity and continued to grow the assets under management by our Trust and Wealth Management division, which contribute to the institutions profitability and provide additional income beyond net interest income.

Financial Highlights

- **Net income available to common shareholders** was \$900,000, or \$0.53 per common share, for the first quarter ended March 31, 2013 (first quarter 2013), compared with \$531,000, or \$0.31 per common share, for the fourth quarter ended December 31, 2012 (fourth quarter 2012), and \$1,167,000, or \$0.69 per common share, for the first quarter ended March 31, 2012 (first quarter 2012).
- **Earnings per common share** of \$0.53 increased \$0.22 versus fourth quarter 2012, and decreased \$0.16, versus first quarter 2012.
- **Tax equivalent net interest income** increased \$194,000, or 4%, versus fourth quarter 2012, and decreased \$59,000, or 1%, versus first quarter 2012.
- **Provision for loan losses** was \$396,000, versus \$380,000 for fourth quarter 2012 and \$180,000 for first quarter 2012. Net loan charge-offs were \$70,000, versus \$199,000 for fourth quarter 2012 and \$90,000 for first quarter 2012.
- **Non-interest income** decreased \$252,000, or 13%, versus fourth quarter 2012 and decreased \$34,000, or 2%, versus first quarter 2012.
- **Non-interest expense** decreased \$629,000, or 12%, versus fourth quarter 2012 and increased \$205,000, or 5%, versus first quarter 2012.
- **Net loans receivable** increased \$17.5 million or 4.5% during the first calendar quarter of 2013 to \$406 million, which reflected an increase of \$34.5 million or 9% from the end of the first quarter 2012.
- **Non-performing assets** decreased \$807,000, or 8%, to \$9.3 million, or 1.6% of total assets, versus fourth quarter 2012 and increased \$1.7 million versus first quarter 2012. Accruing loans receivable 30-to-89 days past due decreased \$911,000 to \$4.7 million, or 1.15% of gross loans receivable, versus fourth quarter 2012 and increased \$538,000 versus first quarter 2012.
- The Board of Directors of Salisbury Bancorp, Inc. (NASDAQ Capital Market: SAL), the holding company for Salisbury Bank and Trust Company, declared a \$0.28 per common share quarterly cash dividend at their April 26, 2013 meeting. The dividend will be paid on May 31, 2013 to shareholders of record as of May 10, 2013.

Happenings

The Bank announced that Donald E. White was appointed to serve as Executive Vice President and Chief Financial Officer of the Company and the Bank effective April 1, 2013. Mr. White brings prior experience as Managing Director of a full-service investment banking firm and broker-dealer focused on the financial services sector, as well as holding executive and financial officer positions with two other depository institutions. In such prior positions, Mr. White was responsible for accounting and financial oversight, regulatory reporting, investment portfolio management, liquidity and interest rate risk management.

Richard (Dick) P. Kelly also joined the Bank in April as Vice President and Senior Commercial Loan Officer. Mr. Kelly has over 20 years of experience as a commercial banker in western Massachusetts and eastern New York. In this newly created position, Mr. Kelly will be a key member of the Bank's senior management team and will have oversight of the Commercial Lending Officers.

Salisbury Bank and Trust was voted "Best Bank" in Berkshire County in the 2013 Readers' Survey conducted by The Berkshire Record. Editors noted that the Bank not only offers a wide array of personal and business banking services (as well as trust and wealth, retirement planning, personalized investment and mortgage services), but is also committed to new and innovative products and approaches as well as being active in local civic life.

**1Q13 Shareholder Report
March 31, 2013**
About Salisbury Bank

Connecticut state-chartered bank and trust company.

Formed in 1925 by a merger of the Salisbury Savings Society, founded in 1848, and the Robbins Burrall Trust Company founded in 1874.

Provides personal banking, commercial banking and wealth management services.

Eight banking offices serving:

- Litchfield County, CT
- Berkshire County, MA
- Dutchess County, NY

Shareholder Information
Transfer Agent

Registrar and Transfer Company
10 Commerce Drive
Cranford, NJ 07016
1.800.368.5948
www.rtc.com

Stock Symbol: SAL

Salisbury Bancorp, Inc.'s common stock is traded under the symbol SAL on the NASDAQ.

**Dividend Reinvestment and
Stock Purchase Plan**

For more information and enrollment form, visit www.salisburybank.com and click on Shareholder Relations.

**For our Annual Report or
Other Information**

Visit www.salisburybank.com and click on Shareholder Relations.

Shelly L. Humeston, Secretary
Salisbury Bancorp, Inc.
PO Box 1868
Lakeville, CT 06039-1868
860.435.9801

**Financial Reports, News Releases,
Company Information and
Email Alerts**

Visit www.salisburybank.com and click on Shareholder Relations.

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

| <i>At or for the three month periods ended</i> | 3/31/13 | 12/31/12 | 9/30/12 | 6/30/12 | 3/31/12 |
|--|----------------|-----------------|----------------|----------------|----------------|
| Total assets | \$597,343 | \$600,813 | \$611,037 | \$600,857 | \$598,950 |
| Loans receivable, net | 406,258 | 388,758 | 377,377 | 377,212 | 371,709 |
| Total securities | 124,004 | 132,034 | 131,412 | 141,409 | 151,666 |
| Deposits | 487,773 | 491,215 | 490,206 | 477,910 | 472,686 |
| FHLBB advances | 31,574 | 31,980 | 42,392 | 42,801 | 43,207 |
| Shareholders' equity | 72,206 | 71,997 | 70,374 | 69,126 | 68,067 |
| Wealth assets under management | 404,211 | 388,113 | 388,807 | 372,506 | 377,259 |
| Non-performing loans | 8,585 | 9,860 | 9,229 | 8,409 | 7,606 |
| Non-performing assets | 9,297 | 10,104 | 9,870 | 8,409 | 7,606 |
| Accruing loans past due 30-89 days | 4,718 | 5,629 | 3,152 | 2,459 | 4,180 |
| Net interest and dividend income | 4,603 | 4,434 | 4,572 | 4,687 | 4,683 |
| Net interest and dividend income, tax equivalent | 4,903 | 4,709 | 4,847 | 4,983 | 4,962 |
| Provision for loan losses | 396 | 380 | 330 | 180 | 180 |
| Non-interest income | 1,625 | 1,877 | 1,887 | 1,890 | 1,659 |
| Non-interest expense | 4,705 | 5,334 | 4,693 | 5,026 | 4,500 |
| Income before income taxes | 1,127 | 597 | 1,436 | 1,370 | 1,662 |
| Income tax provision | 187 | 26 | 296 | 254 | 412 |
| Net income | 940 | 571 | 1,140 | 1,116 | 1,250 |
| Net income available to common shareholders | 900 | 531 | 1,094 | 1,069 | 1,167 |
| Per share data | | | | | |
| Basic and diluted earnings per common share | \$ 0.53 | \$ 0.31 | \$ 0.65 | \$ 0.63 | \$ 0.69 |
| Dividends per common share | 0.28 | 0.28 | 0.28 | 0.28 | 0.28 |
| Book value per common share | 32.88 | 33.14 | 32.18 | 31.44 | 30.83 |
| Tangible book value per common share - Non-GAAP ¹ | 26.70 | 26.85 | 25.86 | 25.09 | 24.44 |
| Weighted average equivalent common shares outstanding, diluted | 1,701 | 1,690 | 1,690 | 1,689 | 1,689 |
| Common shares outstanding at end of period | 1,709 | 1,690 | 1,690 | 1,690 | 1,689 |
| Profitability ratios | | | | | |
| Net interest margin (tax equivalent) | 3.54% | 3.32% | 3.39% | 3.58% | 3.54% |
| Efficiency ratio (tax equivalent) | 70.91 | 71.41 | 66.05 | 66.39 | 66.86 |
| Non-interest income to operating revenue | 26.08 | 29.74 | 29.21 | 25.73 | 26.02 |
| Effective income tax rate | 16.59 | 4.32 | 20.63 | 18.54 | 24.82 |
| Return on average assets | 0.61 | 0.35 | 0.71 | 0.72 | 0.78 |
| Return on average common shareholders' equity | 6.46 | 3.85 | 8.05 | 8.10 | 9.05 |
| Credit quality ratios | | | | | |
| Net charge-offs to average loans receivable, gross | 0.07% | 0.21% | 0.38% | 0.15% | 0.10% |
| Non-performing loans to loans receivable, gross | 2.09 | 2.51 | 2.43 | 2.21 | 2.03 |
| Accruing loans past due 30-89 days to loans receivable, gross | 1.15 | 1.44 | 0.83 | 0.65 | 1.12 |
| Allowance for loan losses to loans receivable, gross | 1.14 | 1.11 | 1.10 | 1.11 | 1.11 |
| Allowance for loan losses to non-performing loans | 54.59 | 44.22 | 45.28 | 50.04 | 54.77 |
| Non-performing assets to total assets | 1.56 | 1.68 | 1.62 | 1.40 | 1.27 |
| Capital ratios | | | | | |
| Common shareholders' equity to assets | 9.41% | 9.32% | 8.90% | 8.84% | 8.69% |
| Tangible common shareholders' equity to assets - Non-GAAP ¹ | 7.78 | 7.69 | 7.28 | 7.18 | 7.02 |
| Tier 1 leverage capital | 10.17 | 9.87 | 9.78 | 9.92 | 9.69 |
| Total risk-based capital | 16.47 | 16.63 | 17.00 | 16.65 | 16.34 |

¹ Calculated using SNL's methodology: 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 nonrecurring pension plan curtailment, litigation expenses, and FHLBB prepayment fee.