



SALISBURY BANCORP, INC.

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

Shareholder Report

June 30, 2018

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 6/29/18

Closing Price	\$44.20
Market Capitalization	\$124 M
Dividend Yield	2.53%
Common Shares Outstanding	2,803,126

2018 Dividend Calendar*

Quarter	Declaration Date	Record Date	Payable Date
First	4/27/18	5/11/18	5/25/18
Second	7/27/18	8/17/18	8/31/18
Third	10/26/18	11/16/18	11/30/18
Fourth	1/25/19	2/8/19	2/22/19

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

Dear Fellow Shareholders,

We continued to generate solid earnings on robust loan growth despite extremely competitive markets and a challenging interest rate environment. The credit quality of our loan portfolio remains strong as we continue to prudently capitalize on the strength of our commercial and residential lending franchise.

During the quarter we also completed the acquisition of the Fishkill, N. Y. branch of Orange Bank & Trust Company and consolidated our existing Fishkill branch into this new location. We remain focused on enhancing long-term value for our shareholders and providing outstanding service to our customers.

We are pleased to announce the promotion of Michael Jordan to Vice President, IT Security and Service Solutions Manager. Michael has been with the Bank for 12 years and has served as Assistant Vice President for the past 6 years. He will continue in his role to manage the overall responsibilities of all IT security functions and strategies within the Bank as well as service solutions. We would also like to recognize Robin Foley for 40 years of service with the Bank. Robin has worked in many roles throughout the years, including Bookkeeper, Trust Officer, and various positions within consumer lending. She currently serves as Assistant Vice President, Loan Origination. We are grateful to have Robin on our team.

If you would like to help us lessen the environmental impact of mailing printed materials and improve the timeliness with which you receive your materials, I encourage you to sign up for electronic delivery by enrolling at investor.broadridge.com. Shareholders who hold their stock through another bank, broker, or other holder of record should refer to that entity for instructions on how to request electronic delivery of materials.

If you would like to receive your dividends in a more timely manner, please consider enrolling in direct deposit.

Our transfer agent, Broadridge Corporate Issuer Solutions, Inc., is available to assist you at 888.520.5817 or you may contact Shelly Humeston, Secretary at 860.453.3432.

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.

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	Q2 2018	Q1 2018	Q4 2017	Q3 2017	Q2 2017
Total assets	\$1,096,780	\$1,014,934	\$986,984	\$979,469	\$974,806
Loans receivable, net	872,796	830,370	801,703	784,136	771,850
Total securities	90,870	84,878	82,860	88,546	84,468
Deposits	897,481	831,837	815,495	831,989	811,341
FHLBB advances	79,538	62,480	54,422	27,364	47,302
Shareholders' equity	99,180	98,097	97,514	97,526	96,545
Wealth assets under administration	667,933	600,256	610,218	594,510	585,759
Discretionary wealth assets under administration	397,637	390,248	394,673	374,357	374,271
Non-Discretionary wealth assets under administration	270,296	210,008	215,545	220,153	211,488
Non-performing loans	5,881	5,094	6,635	8,313	7,835
Non-performing assets	6,359	5,761	7,354	12,257	11,690
Accruing loans past due 30-89 days	1,507	3,362	3,536	3,449	2,961
Net interest and dividend income	8,043	7,994	8,025	7,766	7,661
Net interest and dividend income, tax equivalent	8,155	8,112	8,231	7,983	7,894
Provision for loan losses	467	326	67	237	364
Non-interest income	2,058	1,974	2,182	2,080	1,951
Non-interest expense	7,417	7,182	8,052	7,220	6,751
Income before income taxes	2,217	2,460	2,088	2,389	2,497
Income tax provision	318	445	1,011	695	615
Net income	1,899	2,015	1,077	1,694	1,882
Net income applicable to common shareholders	1,877	1,995	1,065	1,678	1,867

Per share data

Basic earnings per common share	\$0.68	\$0.72	\$0.39	\$0.61	\$ 0.68
Diluted earnings per common share	0.68	0.72	0.38	0.60	0.67
Dividends per common share	0.28	0.28	0.28	0.28	0.28
Book value per common share	35.38	35.20	35.01	35.01	34.66
Tangible book value per common share - Non-GAAP	29.88	29.63	29.39	29.34	28.94

Common shares outstanding at end of period

Common shares outstanding at end of period	2,803	2,787	2,785	2,786	2,785
Weighted average common shares outstanding, to calculate basic earnings per share	2,761	2,759	2,757	2,757	2,757
Weighted average common shares outstanding, to calculate diluted earnings per share	2,779	2,780	2,778	2,777	2,775

Profitability ratios

Net interest margin (tax equivalent)	3.31%	3.46%	3.58%	3.50%	3.58%
Efficiency ratio ¹	70.87	69.35	64.90	67.18	66.56
Effective income tax rate ²	14.35	18.09	48.42	29.09	24.62
Return on average assets	0.69	0.81	0.43	0.69	0.77
Return on average common shareholders' equity	7.68	8.33	4.38	6.89	7.82

Credit quality ratios

Non-performing loans to loans receivable, gross	0.67	0.61	0.82	1.05	1.01
Accruing loans past due 30-89 days to loans receivable, gross	0.17	0.40	0.44	0.44	0.38
Allowance for loan losses to loans receivable, gross	0.84	0.84	0.84	0.82	0.83
Allowance for loan losses to non-performing loans	125.51	138.56	102.12	79.30	82.87
Non-performing assets to total assets	0.58	0.57	0.74	1.25	1.20

Capital ratios

Common shareholders' equity to assets	9.04%	9.67%	9.88%	9.96%	9.90%
Tangible common shareholders' equity to tangible assets - Non-GAAP	7.75	8.26	8.43	8.48	8.41
Tier 1 leverage capital	8.30	8.56	8.53	8.49	8.77
Total risk-based capital	12.27	12.70	12.94	13.20	13.12
Common equity tier 1 capital	10.18	10.54	10.73	10.96	10.88

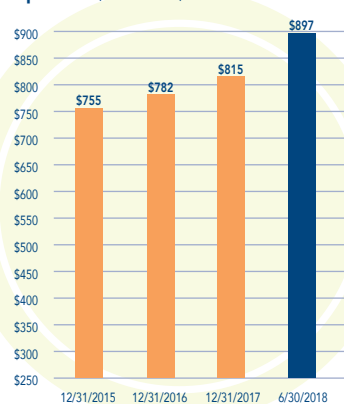
¹ Calculated using S&P Global's (publicly recognized resource of bank data) methodology, as follows: Noninterest expense before OREO expense, amortization of intangibles, and goodwill impairments as a percent of net interest income (fully taxable equivalent) and noninterest revenues, excluding gains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

² The effective tax rate for 4Q 2017 included 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%.



Selected Quarterly Highlights

Deposits (in millions)



Loans Receivable, Net (in millions)



Wealth Advisory Assets (in millions)

