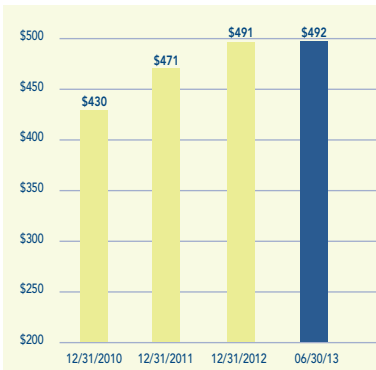


Shareholder Report

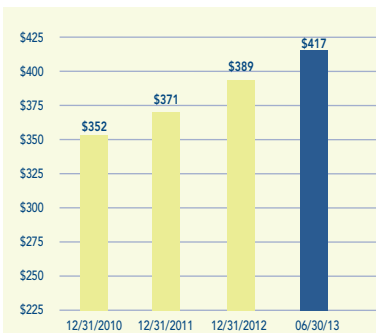
Salisbury Bancorp, Inc. is the holding company for Salisbury Bank and Trust Company



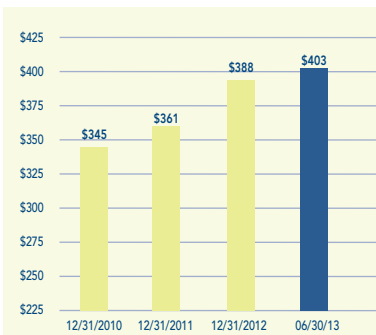
Deposits (in millions)



Loans Receivable, Net (in millions)



Wealth Advisory Assets (in millions)



Common Share Data (unaudited)

At 6/28/13

Closing Price	\$26.00
Market Capitalization	\$44.5 mm
Dividend Yield	4.31%
Common Shares Outstanding	1,710,121
Institutional Ownership	11.36%

Our second quarter operating results reflect a consistent net interest rate margin and improvement in operating efficiency as compared to first quarter 2013. We're pleased to report that our second quarter 2013 earnings per share of \$0.65 represent a 3.2% increase over second quarter 2012 results.

The current interest rate environment continues to impart pressure on our net interest margin, and competition for quality loans remains vigorous. While the low overall interest rate environment has encouraged mortgage activity, the rise in interest rates late in the quarter has slowed the volume of refinancing activity. Our origination and sale of mortgages during second quarter 2013 totaled \$5 million of fixed rate mortgage loans. This volume represented a decrease of \$4 million from first quarter 2013, and represented a decrease of approximately \$7 million over second quarter 2012.

Past due loans at June 30, 2013 decreased 2.7% from second quarter 2012. We continue to balance the active administration of our past due loans while supporting our small business and retail customers as they navigate through these ongoing challenging economic times. We achieved solid revenue growth of Salisbury's Trust and Wealth Advisory business for the second quarter 2013, which represented a 12% increase over second quarter 2012. We continue to consider our Trust and Wealth Advisory business to be an area of expertise which distinguishes Salisbury from its competition and we look to the continued growth of this business as a future source of non-interest revenue to enhance and diversify our revenue stream.

Financial Highlights

- **Net income available to common shareholders** was \$1,092,000, or \$0.65 per common share, for the quarter ended June 30, 2013 (second quarter 2013), versus \$890,000, or \$0.53 per common share, for the quarter ended March 31, 2013 (first quarter 2013), and \$1,069,000, or \$0.63 per common share, for the quarter ended June 30, 2012 (second quarter 2012).
- **Earnings per common share** of \$0.65 increased \$0.12, or 22.6%, as compared to \$0.53 for the first quarter 2013, and increased \$0.02, or 3.2%, as compared to second quarter 2012.
- **Tax equivalent net interest income** increased \$39,000, or 0.8%, versus first quarter 2013, and decreased \$40,000, or 0.8%, versus second quarter 2012.
- **Provision for loan losses** for the second quarter was \$240,000 versus \$396,000 for the first quarter 2013 and \$180,000 for second quarter 2012. Net loan charge-offs were \$294,000, versus \$70,000 for first quarter 2013 and \$138,000 for second quarter 2012.
- **Non-interest income** increased \$25,000, or 1.6%, versus first quarter 2013 and decreased \$240,000, or 12.7%, versus second quarter 2012, which included \$267,000 in gains on sale of securities.
- **Non-interest expense** decreased \$95,000, or 2.0%, versus first quarter 2013 and \$415,000, or 8.3%, versus second quarter 2012. Second quarter 2012 included non-recurring expenses totaling \$591,000 which consisted of \$341,000 in pension plan curtailment expense and \$250,000 in litigation expense.
- **Net loans receivable** increased \$10.5 million during second quarter 2013 to \$416.7 million at June 30, 2013, versus \$406.3 million at March 31, 2013, and increased \$39.5 million versus \$377.2 million at June 30, 2012.
- **Non-performing assets** increased \$0.3 million, or 4.0%, to \$9.6 million, or 1.6% of total assets, at June 30, 2013 versus March 31, 2013 and increased \$1.2 million versus June 30, 2012. Accruing loans receivable 30-to-89 days past due decreased \$0.5 million to \$4.3 million, or 1.02% of gross loans receivable at June 30, 2013, versus March 31, 2013 and increased \$1.8 million versus June 30, 2012.
- The Board of Directors of Salisbury, the holding company for Salisbury Bank and Trust Company, declared a \$0.28 per common share quarterly cash dividend at their July 26, 2013 meeting. The dividend will be paid on August 30, 2013 to shareholders of record as of August 9, 2013.

Happenings

Senior Vice President and Trust Officer Diane E.R. Johnstone and Steven Essex, Vice President and Trust Officer were recently awarded the Certified Trust and Financial Advisor (CTFA) designation from the Institute of Certified Bankers, a subsidiary of the American Bankers Association, in Washington, DC. The CTFA is the premier designation for trust officers and is awarded to individuals who demonstrate excellence in the field of wealth management and trust.

William (Bill) J. Miller joined the Bank's Trust and Wealth Advisory Services division as a Vice President and Trust Officer. Bill has over 25 years of experience with trust and wealth advisory services. In this position, Bill will be managing individual client trust and estate plans, as well as serving on the Wealth Advisory Services' Investment Committee.

**2Q13 Shareholder Report
June 30, 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>	<i>6/30/13</i>	<i>3/31/13</i>	<i>12/31/12</i>	<i>9/30/12</i>	<i>6/30/12</i>
Total assets	\$600,712	\$597,343	\$600,813	\$611,037	\$600,857
Loans receivable, net	416,729	406,258	388,758	377,377	377,212
Total securities	111,950	124,004	132,034	131,412	141,409
Deposits	492,040	487,773	491,215	490,206	477,910
FHLBB advances	31,187	31,574	31,980	42,392	42,801
Shareholders' equity	71,489	72,206	71,997	70,374	69,126
Wealth assets under management	402,897	404,211	388,113	388,807	372,506
Non-performing loans	9,204	8,585	9,860	9,229	8,409
Non-performing assets	9,639	9,297	10,104	9,870	8,409
Accruing loans past due 30-89 days	4,271	4,718	5,629	3,152	2,459
Net interest and dividend income	4,634	4,604	4,434	4,572	4,686
Net interest and dividend income, tax equivalent	4,942	4,903	4,709	4,847	4,982
Provision for loan losses	240	396	380	330	180
Non-interest income	1,650	1,625	1,877	1,887	1,890
Non-interest expense	4,610	4,705	5,334	4,693	5,025
Income before income taxes	1,433	1,127	597	1,436	1,371
Income tax provision	289	187	26	296	254
Net income	1,144	940	571	1,140	1,117
Net income available to common shareholders	1,092	890	531	1,094	1,069
Per share data					
Basic and diluted earnings per common share	\$0.65	\$0.53	\$0.31	\$0.65	\$0.63
Dividends per common share	0.28	0.28	0.28	0.28	0.28
Book value per common share	32.45	32.88	33.14	32.18	31.44
Tangible book value per common share - Non-GAAP ¹	26.30	26.70	26.85	25.86	25.09
Common shares outstanding at end of period					
Common shares outstanding at end of period	1,710	1,709	1,690	1,690	1,690
Weighted average equivalent common shares outstanding, diluted	1,690	1,701	1,690	1,690	1,689
Profitability ratios					
Net interest margin (tax equivalent)	3.54%	3.54%	3.32%	3.39%	3.53%
Efficiency ratio ²	68.88	70.91	71.41	66.05	66.39
Non-interest income to operating revenue	25.03	26.08	29.74	29.21	25.73
Effective income tax rate	20.17	16.59	4.32	20.63	18.54
Return on average assets	0.74	0.61	0.35	0.71	0.72
Return on average common shareholders' equity	7.81	6.46	3.85	8.05	8.10
Credit quality ratios					
Net charge-offs to average loans receivable, gross	0.29%	0.07%	0.21%	0.38%	0.15%
Non-performing loans to loans receivable, gross	2.19	2.09	2.51	2.43	2.21
Accruing loans past due 30-89 days to loans receivable, gross	1.02	1.15	1.44	0.83	0.65
Allowance for loan losses to loans receivable, gross	1.10	1.14	1.11	1.10	1.11
Allowance for loan losses to non-performing loans	50.32	54.59	44.22	45.28	50.04
Non-performing assets to total assets	1.60	1.56	1.68	1.62	1.40
Capital ratios					
Common shareholders' equity to assets	9.24%	9.41%	9.32%	8.90%	8.84%
Tangible common shareholders' equity to assets - Non-GAAP ¹	7.62	7.78	7.69	7.28	7.18
Tier 1 leverage capital	10.23	10.17	9.87	9.78	9.92
Total risk-based capital	16.48	16.47	16.63	17.00	16.65

¹ Common shareholders' equity less goodwill and intangible assets.

² 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.