



SALISBURY BANCORP, INC.

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

2017

Shareholder Report

June 30, 2017

Board of Directors:

Michael A. Varet (Chairman),
Louis E. Allyn II, Charles M. Andola,
George E. Banta, Arthur J. Bassin,
Louise F. Brown (retired 5/17/17),
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 6/30/17

Closing Price	\$41.05
Market Capitalization	\$114 M
Dividend Yield	2.73%
Common Shares Outstanding	2,785,066

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,

We are pleased to report that second quarter results reflect continued progress in enhancing the long term value of our franchise. We grew the footprint of our company with the consummation of a branch acquisition in New Paltz, New York, which expands our delivery system and customer base in the Hudson River communities. Our wealth assets under administration also grew, which helps to diversify our sources of income. During the second quarter, we continued to grow net interest income and build value for our shareholders. Our focus on asset quality remains in the forefront and the control of non-interest expense, while always maintaining our commitment to outstanding customer service, improves our efficiency. We continue to believe that despite the highly competitive banking market in the three states in which we operate, we are well-positioned for continued growth and success.

Each year, our Management Team selects qualified employees to enter the Connecticut School of Finance & Management (CSFM). This is an intensive two year bank management training program sponsored by the Connecticut Bankers Association. We are proud to announce that Amanda Goewey, Assistant Vice President, Branch Manager, and Eileen P. Narbutas, AAP, Assistant Vice President, Customer Support and Electronic Services Manager graduated the CSFM this past April.

We are also pleased to announce the promotion of Jennifer Peterson to Lending Compliance Specialist and Assistant Community Reinvestment Act (CRA) Officer. As Assistant CRA Officer, she will continue in her role to provide critical support to the CRA Officer and will assume responsibility for various aspects of the CRA requirements.

In April, John Trott joined the Bank as Senior Vice President, Team Leader, Commercial Lending. John has over 25 years of experience and most recently worked at Catskill Hudson Bank in Poughkeepsie, NY as Vice President and Regional Senior Loan Officer. He is a SUNY New Paltz graduate, holding a Bachelor of Science degree in Business Administration, with a concentration in Finance and a minor in Development Economics. John will maintain his office at our Dover Village Plaza branch.

Lastly, in May, Jordan Andersen joined the Bank as Assistant Vice President, Branch Manager at our Great Barrington branch. The former Branch Manager, Georgann Farnum, has assumed the Assistant Branch Manager position to provide for a smooth transition pending her planned retirement in 2018. Jordan most recently worked as Branch Manager at Berkshire Bank in the Sheffield Office. His previous experience included working in retail roles at Union and Thomaston Banks as well as running his own small business. Jordan holds a Bachelor's degree in Finance from the University of Connecticut.

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.

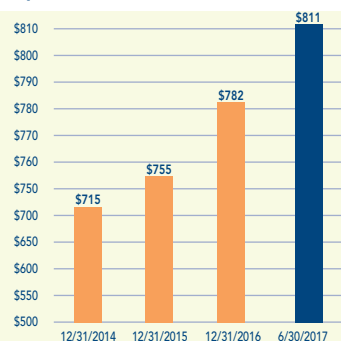


Shareholder Report

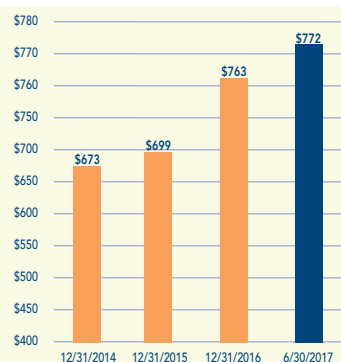
June 30, 2017

Selected Quarterly Highlights

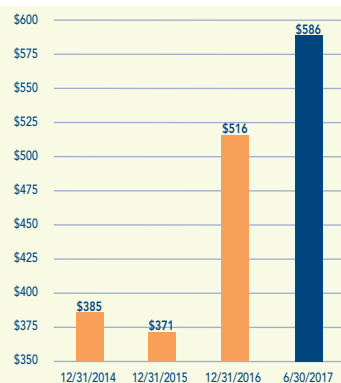
Deposits (in millions)



Loans Receivable, Net (in millions)



Wealth Advisory Assets (in millions)



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

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	6/30/17	3/31/17	12/31/16	9/30/16	6/30/16
Total assets	\$974,806	\$939,549	\$935,366	\$928,445	\$913,494
Loans receivable, net	771,850	764,665	763,184	753,623	749,523
Total securities	84,468	80,359	82,834	79,738	83,874
Deposits	811,341	772,416	781,770	786,730	754,471
FHLBB advances	47,302	52,745	37,188	27,134	47,083
Shareholders' equity	96,545	95,221	94,007	93,554	92,584
Wealth assets under administration	585,759	524,459	516,350	509,557	424,702
Discretionary wealth assets under administration	374,271	365,086	366,167	361,326	355,560
Non-discretionary wealth assets under administration	211,488	159,373	150,183	148,230	69,142
Non-performing loans	7,835	7,057	8,792	11,673	14,579
Non-performing assets	11,690	10,890	12,565	14,496	14,579
Accruing loans past due 30-89 days	2,961	11,689	4,537	5,889	3,569
Net interest and dividend income	7,770	7,953	7,687	7,687	7,567
Net interest and dividend income, tax equivalent	8,003	8,214	7,966	7,981	7,882
Provision for loan losses	364	352	503	344	525
Non-interest income	1,951	2,023	2,327	1,888	2,000
Non-interest expense	6,860	7,427	7,411	6,500	6,638
Income before income taxes	2,497	2,197	2,100	2,731	2,403
Income tax provision	615	593	580	812	669
Net income	1,882	1,604	1,520	1,919	1,734
Net income allocated to common shareholders	1,867	1,594	1,509	1,904	1,721

Per share data

Basic earnings per common share	\$0.68	\$0.58	\$0.55	\$0.70	\$0.63
Diluted earnings per common share	0.67	0.58	0.55	0.69	0.63
Dividends per common share	0.28	0.28	0.28	0.28	0.28
Book value per common share	34.66	34.38	34.07	33.92	33.57
Tangible book value per common share - Non-GAAP	28.94	29.26	28.90	28.63	28.28

Common shares outstanding at end of period

Common shares outstanding at end of period	2,785	2,770	2,758	2,758	2,758
Weighted average common shares outstanding, to calculate basic earnings per share	2,757	2,749	2,737	2,737	2,735
Weighted average common shares outstanding, to calculate diluted earnings per share	2,775	2,768	2,755	2,751	2,749

Profitability ratios

Net interest margin (tax equivalent)	3.63%	3.74%	3.63%	3.57%	3.71%
Efficiency ratio ¹	66.93	69.06	67.08	64.13	66.51
Non-interest income to operating revenue	20.18	20.28	19.81	19.22	20.63
Effective income tax rate	24.62	27.00	27.62	29.71	27.79
Return on average assets	0.77	0.70	0.65	0.81	0.77
Return on average common shareholders' equity	7.82	6.83	6.43	8.20	7.58

Credit quality ratios

Net charge-offs to average loans receivable, gross	0.02%	0.03%	0.04%	0.02%	0.37%
Non-performing loans to loans receivable, gross	1.01	0.92	1.16	1.54	1.93
Accruing loans past due 30-89 days to loans receivable, gross	0.38	1.53	0.60	0.78	0.47
Allowance for loan losses to loans receivable, gross	0.83	0.82	0.79	0.78	0.76
Allowance for loan losses to non-performing loans	82.87	89.05	69.43	50.47	39.22
Non-performing assets to total assets	1.20	1.16	1.34	1.56	1.60

Capital ratios

Common shareholders' equity to assets	9.90%	10.13%	10.05%	10.08%	10.14%
Tangible common shareholders' equity to tangible assets - Non-GAAP	8.41	8.76	8.64	8.66	8.68
Tier 1 leverage capital	8.77	8.83	8.69	8.47	8.77
Total risk-based capital	13.12	13.34	13.26	13.25	13.08
Common equity tier 1 capital	10.88	11.10	11.02	11.01	10.86

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.