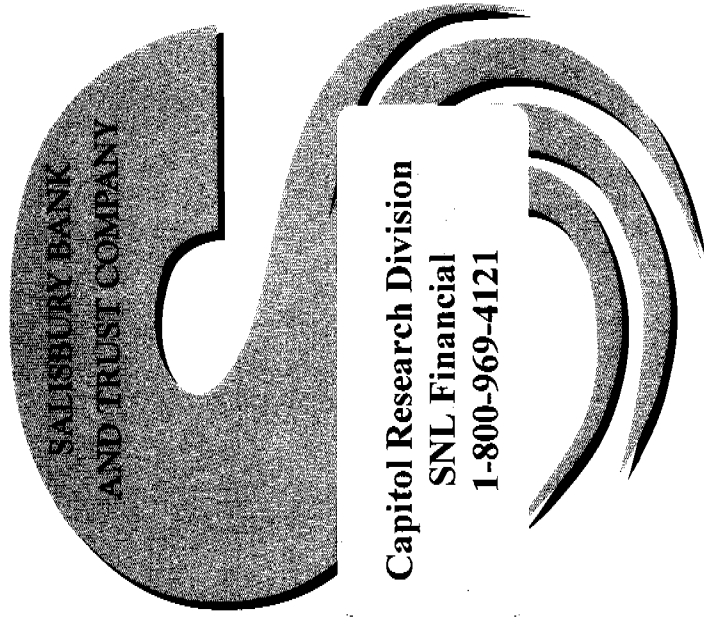


First Quarter Report
March 31, 2005

2008325

SALISBURY BANCORP, INC.

the holding company for



Capitol Research Division
SNL Financial
1-800-969-4121

with offices in Canaan,
Lakeville, Salisbury and Sharon,
Connecticut, South Egremont and
Sheffield, Massachusetts
Member FDIC Equal Housing Lender

MAIN OFFICE
5 Bissell Street
Lakeville, Connecticut 06039
Facsimile (860) 435-0631

CANAAN OFFICE
100 Main Street
Canaan, Connecticut 06018
Facsimile (860) 824-7506

SALISBURY OFFICE
18 Main Street
Salisbury, Connecticut 06068
Facsimile (860) 435-5216

SHARON OFFICE
29 Low Road
Sharon, Connecticut 06069
Facsimile (860) 364-4318

SOUTH EGREMONT OFFICE
51 Main Street
South Egremont, Massachusetts 01258-0313
Telephone (413) 528-5100
Facsimile (413) 528-8868

SHEFFIELD OFFICE
73 Main Street
Sheffield, Massachusetts 01257-1069
Telephone (413) 229-5000
Facsimile (413) 229-2388

SBT TRUST OFFICE
19 Bissell Street
Lakeville, Connecticut 06039
Facsimile (860) 435-5224

SBT MORTGAGE MAKERS
18A Main Street
Salisbury, CT 06068
Facsimile (860) 435-4005

OFFICERS

John F. Perotti, *Chairman & CEO*
Richard J. Cantele, Jr., *President, COO & Secretary*
John F. Foley, *CFO & Treasurer*

DIRECTORS

Salisbury Bancorp, Inc.
and Salisbury Bank and Trust Company
Louis E. Allyn II
Dana A. Bartholomew
John R. H. Blum, *Presiding Director*
Louise F. Brown
Richard J. Cantele, Jr.
Robert S. Drucker
Nancy F. Humphreys
John F. Perotti, *Chairman*
Walter C. Shannon, Jr.
Holly J. Nelson
Michael A. Varet

SBT ADVISORY BOARD

Mary Cooper
Angela B. Cruger
Edward O. Heacox
Mary T. Kirby
Eileen M. Mulligan
Jean R. Perotti
Barclay Prindle
Richard Rennia
Robert M. Riva
John P. Tuke

TELEPHONE NUMBERS

(860) 435-9801
(860) 824-5423
(860) 364-0500
1-800-222-9801 Toll Free from CT, NY, MA
SBT Link
Toll Free 1-877-SBT-1212
Local 824-8262

STOCK LISTING:

Salisbury Bancorp, Inc.'s common stock is traded on the
American Stock Exchange under the symbol "SAL"

WEBSITE:
www.salisburybank.com

SHAREHOLDER INFORMATION

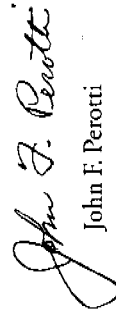
Stock Transfer Agent & Registrar
Registrar and Transfer Company
10 Commerce Drive
Cranford, New Jersey 07016
1-800-368-5948

To Our Shareholders, Customers and Friends:

Our business has always been focused on creating and delivering high customer value. To ensure that we continue to deliver the financial services that meet the needs of our customers, the Bank is committed to investing time and capital and enhancing our technology and operational processes as we attempt to make banking more convenient for our customers. The result of one of these initiatives is our sixth retail branch, located at 73 Main Street in Sheffield, Massachusetts, which opened for business on March 14, 2005.

I am pleased to report that net income for the first quarter of 2005 increased 23.8% to \$1,329,000 or \$.79 per share when compared to first quarter income of \$1,072,000 or \$.75 per share in 2004. The improvement in earnings is primarily attributable to an increase in earning assets resulting from the merger with Canaan National Bancorp during the fourth quarter of 2004. As a result of the Company's first quarter financial performance, your Board of Directors declared a first quarter cash dividend of \$.25 per common share. This compares to a cash dividend of \$.24 per common share that was paid for the first quarter of 2004. The dividend will be paid on April 27, 2005 to shareholders of record as of March 31, 2005.

I would like to take this opportunity to thank our shareholders and customers for their confidence in Salisbury Bank and Trust Company. We have assembled a great team that works hard to enhance shareholder value and to provide exemplary service for our customers. Special thanks to the Board of Directors, SBT Advisory Board, our officers and staff, as well as our business partners. Together "We're Something Else."



John F. Perotti
Chairman & CEO

CONSOLIDATED STATEMENTS OF CONDITION

	March 31	
	2005 (<i>unaudited</i>)	2004 (<i>unaudited</i>)
Assets		
Cash and due from banks	\$ 7,930,049	\$ 8,233,363
Federal funds sold	845,000	1,020,000
Money market mutual funds	991,943	507,453
Investments in available-for-sale securities at market	151,669,063	163,464,761
Investments in held-to-maturity securities at amortized cost	214,076	225,869
Federal Home Loan Bank Stock	5,413,200	3,867,900
Loans, net	202,943,030	138,395,880
Investment in real estate	75,000	75,000
Premises & equipment	6,431,094	2,944,675
Due from broker	1,089,973	—
Goodwill	9,509,305	2,357,884
Core deposit intangible	1,780,877	714,873
Accrued interest receivable	1,895,086	1,864,500
Cash surrender value of life insurance policies	3,323,414	3,191,634
Other assets	2,197,023	899,378
Total assets	\$396,308,133	\$327,763,170
Liabilities		
Deposits:		
Demand	\$ 61,802,087	\$ 43,582,701
Savings, NOW	117,187,012	69,657,467
Money market	26,562,638	35,006,189
Time deposits	89,251,937	70,322,873
Total deposits	294,803,674	218,569,230
Federal Home Loan Bank advances	58,738,645	75,634,239
Other liabilities	2,453,636	3,171,326
Total liabilities	355,995,955	297,374,795
Shareholders' equity		
Common stock, par value \$.10 per share		
Authorized: 3,000,000 shares		
Issued and outstanding shares	1,682,401 in 2005	142,408
and 1,424,078 in 2004		
Paid-in capital	13,031,573	2,327,151
Retained earnings	29,130,434	26,424,836
Accumulated other comprehensive (Loss) income	(2,018,069)	1,493,980
Total shareholders' equity	40,312,178	30,388,375
Total liabilities and shareholders' equity	\$396,308,133	\$327,763,170

CONSOLIDATED STATEMENTS OF INCOME

Three Months Ended	2005		2004	
	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)	(<i>unaudited</i>)
March 31				
Interest & fees on loans	\$ 3,210,080	\$ 2,162,984		
Interest & dividends on securities	1,824,027	1,591,532		
Total interest income	5,034,107	3,754,516		
Interest expense on deposits	908,019	619,004		
Interest expense on borrowed funds	737,584	649,948		
Total interest expense	1,645,603	1,268,952		
Total net interest income	3,388,504	2,485,564		
Provision for loan losses	90,000	60,000		
Total net interest income after provision	3,298,504	2,425,564		
Trust department income	388,365	353,700		
Other noninterest income	1,000,935	738,728		
Other noninterest expense	3,026,313	2,077,015		
Provision for income taxes	332,925	369,200		
Total net income	\$ 1,328,566	\$ 1,071,777		

SELECTED FINANCIAL DATA

For the three months ended March 31

	2005	2004	2003
Total risk based capital	14.78%	17.06%	16.33%
Tier 1 risk based capital	13.58%	15.94%	15.24%
Leverage ratio	7.67%	8.10%	7.64%
Basic earnings per share	\$.79	\$.75	\$.72
Diluted earnings per share	\$.79	\$.75	\$.72

Dividends per share Year to Date

\$.25

\$.24

\$.23

2003

2004

2005