

### Transfer Agent

Broadridge Corporate Issuer Solutions, Inc.  
P.O.Box 1342  
Brentwood, NY 11717  
888.520.5817  
investor.broadridge.com

### Stock Symbol: SAL

For more information visit [salisburybank.com](http://salisburybank.com) and click on Shareholder Relations or contact: Shelly L. Humeston, Secretary [shumeston@salisburybank.com](mailto:shumeston@salisburybank.com) 860.435.9801

### Common Share Data (unaudited)

At 12/31/15

Closing Price	\$33.48
Market Capitalization	\$91.5 mm
Dividend Yield	3.35%
Common Shares Outstanding	2,733,576
Institutional Ownership	9.12%

### 2015 Dividend Calendar\*

Quarter	Declaration Date	Record Date	Payable Date
First	4/24/15	5/15/15	5/29/15
Second	7/31/15	8/14/15	8/28/15
Third	10/30/15	11/13/15	11/27/15
Fourth	1/29/16	2/12/16	2/26/16

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

## Dear Fellow Shareholders,



I am pleased to report that we continued to make solid progress during the fourth quarter and have had a successful year. Our acquisition of Riverside Bank just over a year ago this December, has enabled the Bank to continue to grow in a responsible manner and contribute to the communities we serve. During 2015, we grew earnings per common share, book value, and tangible book value per share. These results, while buoyed throughout 2015 by the impact of the required purchase accounting treatment related to the acquisition, strengthened our franchise for the future. We were also able to redeem all \$16 million of SBLF Preferred Stock from the U.S. Treasury, and by way of the issuance of \$10 million of private placement of subordinated debt not dilute our shareholders.

The performance results, as well as the bank's growth in deposits and loans during 2015, reflects the efforts of all of the employees, Board of Directors, and Advisory Board to ensure that the integration of Riverside was successful. While we have more work to do, we strongly feel that Salisbury is well positioned for the future to continue to build profitability, serve our market areas, and respond to appropriate opportunities to expand our footprint through selective acquisitions and organic growth.

Sincerely,

Richard J. Cantele, Jr.  
President and Chief Executive Officer

### Board of Directors:

Michael A. Varet (Chairman), Louis E. Allyn II, Charles M. Andola, George E. Banta, Arthur J. Bassin, Louise F. Brown, Richard J. Cantele, Jr., Robert S. Drucker, David B. Farrell, Michael D. Gordon, Polly Diane Hoe, Nancy F. Humphreys, Holly J. Nelson, John F. Perotti, Rudolph P. Russo

**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](http://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.

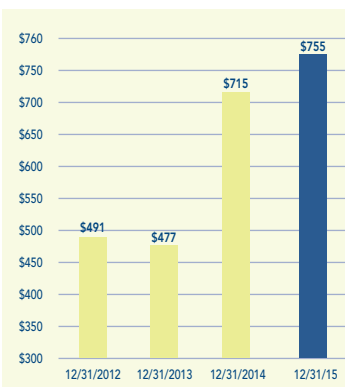
# 40th

December 31, 2015

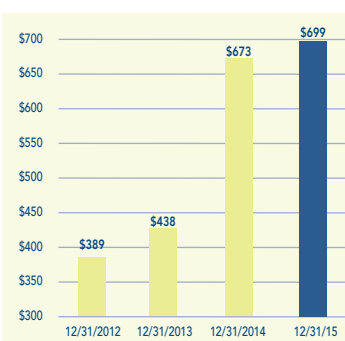
## Shareholder Report

### Selected Quarterly Highlights

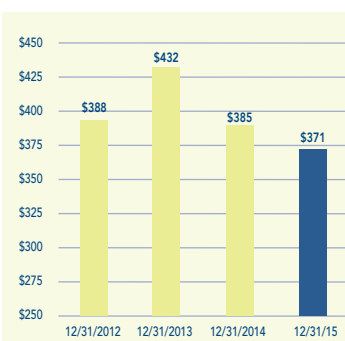
#### Deposits (in millions)



#### Loans Receivable, Net (in millions)



#### Wealth Advisory Assets (in millions)



## 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	12/31/15	9/30/15	6/30/15	3/31/15	12/31/14
Total assets	\$891,192	\$904,233	\$860,794	\$865,037	\$855,427
Loans receivable, net	699,018	687,719	677,726	676,734	673,330
Total securities	79,870	83,886	82,932	84,694	94,827
Deposits	754,533	761,479	720,734	724,910	715,426
FHLBB advances	26,979	26,928	28,033	28,403	28,813
Shareholders' equity	90,574	105,450	104,104	103,211	101,821
Wealth assets under management	371,012	350,102	374,141	384,574	385,316
Non-performing loans	16,264	16,435	14,728	14,000	9,890
Non-performing assets	16,264	16,602	14,995	14,875	10,892
Accruing loans past due 30-89 days	4,499	2,486	2,799	5,564	4,128
Net interest and dividend income	7,928	7,897	7,793	7,926	5,717
Net interest and dividend income, tax equivalent	8,235	8,194	8,084	8,238	6,038
Provision (benefit) for loan losses	266	655	196	(200)	165
Non-interest income	1,748	1,769	1,900	1,896	1,579
Non-interest expense	6,343	6,202	6,540	6,835	6,852
Income before income taxes	3,068	2,809	2,957	3,187	279
Income tax provision	900	824	885	953	43
Net income	2,167	1,985	2,072	2,234	236
Net income available to common shareholders	2,129	1,945	2,032	2,194	196
<b>Per share data</b>					
Basic earnings per common share	\$0.78	\$0.71	\$0.74	\$0.81	\$0.10
Diluted earnings per common share	0.77	0.71	0.74	0.80	0.10
Dividends per common share	0.28	0.28	0.28	0.28	0.28
Book value per common share	33.13	32.72	32.26	31.96	31.54
Tangible book value per common share - Non-GAAP	27.69	27.21	26.69	26.33	25.84
<b>Common shares outstanding at end of period</b>					
Weighted average common shares outstanding, to calculate basic earnings per share	2,710	2,708	2,706	2,699	1,977
Weighted average common shares outstanding, to calculate diluted earnings per share	2,727	2,724	2,724	2,716	1,981
<b>Profitability ratios</b>					
Net interest margin (tax equivalent)	3.88%	3.91%	4.01%	4.11%	3.68%
Efficiency ratio <sup>1</sup>	63.64	60.40	62.91	65.45	77.84
Non-interest income to operating revenue	18.06	18.25	19.51	17.84	21.65
Effective income tax rate	29.35	29.31	29.96	29.90	15.41
Return on average assets	0.94	0.87	0.94	1.03	0.11
Return on average common shareholders' equity	9.34	8.64	9.26	10.22	1.18
<b>Credit quality ratios</b>					
Net charge-offs to average loans receivable, gross	0.12%	0.03%	0.19%	-0.01%	0.14%
Non-performing loans to loans receivable, gross	2.31	2.37	2.16	2.05	1.46
Accruing loans past due 30-89 days to loans receivable, gross	0.64	0.36	0.41	0.82	0.61
Allowance for loan losses to loans receivable, gross	0.81	0.82	0.74	0.76	0.79
Allowance for loan losses to non-performing loans	35.15	34.43	34.35	37.02	54.18
Non-performing assets to total assets	1.82	1.84	1.74	1.72	1.27
<b>Capital ratios</b>					
Common shareholders' equity to assets	10.16%	9.89%	10.24%	10.08%	10.03%
Tangible common shareholders' equity to tangible assets - Non-GAAP	8.64	8.37	8.62	8.45	8.37
Tier 1 leverage capital	8.43	10.31	10.42	10.29	12.31
Total risk-based capital	13.51	13.90	14.22	13.65	14.29
Common equity tier 1 capital	11.17	10.74	11.01	10.50	N/A

<sup>1</sup> 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, litigation expenses, and one-time pension termination expenses.



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