

## CAPITAL MARKETS ANNOUNCEMENT

Salisbury Bancorp, Inc. (NASDAQ: SAL) Closes Private Placement of \$10.0 Million of Subordinated Notes due 2025

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 38<sup>th</sup> subordinated note or senior note transaction for a community bank since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter or book-runner, more than any other investment bank and approaching half of all the deals done during that period<sup>1</sup>.

**About the Offering:**

Lakeville, CT – Salisbury Bancorp, Inc. ("Salisbury" or the "Company"), NASDAQ Capital Market: "SAL", the holding company for Salisbury Bank and Trust Company (the "Bank"), announced today the completion of a private placement of \$10.0 million in aggregate principal amount of fixed to floating rate subordinated notes to various accredited investors including certain of Salisbury's directors. The subordinated notes have a maturity date of December 15, 2025 and bear interest at an annual rate of 6.00% from and including the original issue date of the subordinated notes to, but excluding, December 15, 2020, payable semi-annually in arrears on June 15 and December 15 of each year. Thereafter, from and including December 15, 2020 to, but excluding, December 15, 2025, the annual interest rate will be reset quarterly and equal to three-month LIBOR, plus 430 basis points, as described in the subordinated notes, payable quarterly, in arrears, on March 15, June 15, September 15 and December 15 through December 15, 2025 or an earlier redemption date. The subordinated notes have been structured to qualify as Tier 2 capital for regulatory purposes.

The Company expects to use the proceeds and other cash-on-hand to repay the SBLF preferred stock prior to the upcoming increase in the SBLF dividend rate to 9.00%.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

**About the Company:**

Salisbury Bancorp, Inc. is the parent company of Salisbury Bank and Trust Company, a Connecticut chartered commercial bank serving the communities of northwestern Connecticut and proximate communities in New York and Massachusetts, since 1848, through a network of 13 full service branches in Litchfield County, Connecticut; Berkshire County, Massachusetts; and Dutchess and Orange Counties, New York. The Bank offers consumer and business banking products and services as well as trust and wealth advisory services.

(1) Note: Includes nationwide subordinated debt and senior note offerings since 1/1/2014 that involved one or more book managers or placement agents for banks or bank holding companies with less than \$25bn in assets; excludes deals that were not reported and deals where no underwriter or placement agent was reported; Source: SNL Financial and Sandler O'Neill + Partners, L.P.

(2) Financial data is not pro forma for the offering

December 10, 2015

6.00% Fixed-to-Floating  
Rate Subordinated Notes  
due 2025  
**\$10.0 Million**


**SALISBURY BANCORP, INC.**

Sole Placement Agent

**SANDLER O'NEILL + PARTNERS**Financial Highlights (as of 9/30/2015)<sup>2</sup>

(\$ in thousands)

Total Assets	\$904,233
Net Loans	688,292
Total Deposits	761,479
Total Equity	105,450
Tier 1 Leverage Ratio	10.31%
Tier 1 Risk-Based Capital Ratio	13.04%
Total Risk-Based Capital Ratio	13.90%
TCE / TA	8.37%

## Sandler O'Neill Contacts:

**Bob Kleinert**  
Managing Principal  
(212) 466-7806

**Bill Hickey**  
Principal, Co-Head of Investment Banking  
(212) 466-7704

**Jace Day**  
Principal  
(212) 466-7831

**Jacques de Saint Phalle**  
Principal  
(212) 466-7721

**Jennifer Docherty**  
Managing Director  
(212) 466-7796

**James Furey**  
Associate Director  
(212) 466-7794

**Matt Landolphi**  
Analyst  
(212) 466-7732