



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

Salisbury Bancorp, Inc

Person to be contacted regarding this report:	Richard J. Cantele
UST Sequence Number:	366
CPP Funds Received:	8,816,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Mar 13, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	2693273
Holding Company Docket Number: (For Thrift Holding Companies)	
FDIC Certificate Number: (For Depository Institutions)	18467
City:	Lakeville
State:	Connecticut

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Our institution was able to increase lending as a result of the capital support provided by the CPP
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	The funds supported growth primarily in residential mortgage loans (60%) and in commercial and small business loans (40%)
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input checked="" type="checkbox"/>	Make other investments	The capital support allowed the bank to open a new branch in a neighboring community .
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input type="checkbox"/>	Increase charge-offs	
<input checked="" type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	The additional funding assisted in the purchase of a competitors branch in a nearby community.
<input checked="" type="checkbox"/>	Held as non-leveraged increase to total capital	The Company has thus far maintained the additional capital at the Holding Company level as the bank has been able to maintain "well-capitalized" status at the bank level without CPP funds.

What actions were you able to avoid because of the capital infusion of CPP funds?

Although difficult to quantify, the bank has been able to avoid a curtailment of its lending programs which may have been necessitated in order to preserve risk-based capital levels. Also the company may have had to raise capital utilizing alternative methods which may have been more costly, or more risky.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

As mentioned previously, continued lending, new branch opening, and the purchase of a competitors branch may not have occurred had we not obtained this funding.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.

n/a