SALISBURY BANCORP INC
Form S-4/A
September 10, 2014

As filed with the Securities and Exchange Commission on September 9, 2014

Registration No. 333-197985

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Amendment No. 1 to

Form S-4

REGISTRATION STATEMENT

UNDER THE SECURITIES ACT OF 1933

SALISBURY BANCORP, INC.

(Exact name of Registrant as specified in its charter)

Connecticut	**6035**	**06-1514263**
(State or other jurisdiction of incorporation or organization)	*(Primary Standard Industrial Classification Code Number)*	*(I.R.S. Employer Identification No.)*

Salisbury Bancorp, Inc.

5 Bissell Street

P.O. Box 1868

Lakeville, CT 06039

860-435-9801

(Name, address and telephone of principal executive offices)

Richard J. Cantele, Jr.

President and Chief Executive Officer

Salisbury Bancorp, Inc. and

Salisbury Bank and Trust Company

5 Bissell Street

Lakeville, CT 06039

860-435-9801

(Name, address, including zip code and telephone number, including area code, of agent for service)

---

with copies to:

J. J. Cranmore	**Robert A. Schwartz**
Jennifer DiBella	**Windels Marx Lane & Mittendorf, LLP**
Cranmore, FitzGerald & Meaney	**120 Albany Street Plaza**
49 Wethersfield Avenue	**New Brunswick, NJ 08901**
Hartford, CT 06114	**Telephone: 732-448-2548**
Telephone: 860-522-9100	**Facsimile: 732-846-8877**
Facsimile: 860-522-3379	

Approximate date of commencement of the proposed sale of the securities to the public: As soon as practicable after this Registration Statement becomes effective and upon completion of the merger described in the enclosed proxy statement/prospectus.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, as amended, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer		Accelerated filer
Non-accelerated filer	(Do not check if a smaller reporting company)	Smaller reporting company

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This document shall not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

PRELIMINARY - SUBJECT TO COMPLETION - DATED September 9, 2014

Joint Proxy Statement/Prospectus

MERGER PROPOSED - YOUR VOTE IS VERY IMPORTANT

Dear Shareholder:

On March 18, 2014, Salisbury Bancorp, Inc. ("SAL"), Salisbury Bank and Trust Company ("SBT") and Riverside Bank ("Riverside"), entered into an Agreement and Plan of Merger (which we refer to as the "merger agreement") that provides for the merger of Riverside into SBT (which we refer to as the "merger"). Based on financial results as of June 30, 2014, the combined institution would have approximately $847 million in total assets, $648 million in net loans, and $705 million in total deposits. In addition, upon consummation of the merger, the combined institution will have thirteen (13) full service branch offices across Connecticut, Massachusetts, and New York.

In the merger, each share of Riverside common stock (except for specified shares of Riverside common stock held by Riverside) will be converted into the right to receive 1.35 shares of SAL common stock (which we refer to as the "exchange ratio"). Although the number of shares of SAL common stock that Riverside shareholders will receive is fixed, the market value of the merger consideration will fluctuate with the market price of SAL common stock and will not be known at the time Riverside shareholders vote on the merger. Based on the closing price of SAL's common stock on the NASDAQ Capital Market on March 18, 2014, the last trading day before public announcement of the merger, the exchange ratio represented approximately $36.32 in value for each share of Riverside common stock and on [__________, 2014], the latest practicable trading day before the date of this document, the exchange ratio represented approximately $[_______________] in value for each share of Riverside common stock. **We urge you to obtain current market quotations for SAL (trading symbol "SAL").**

Based on the current number of shares of Riverside common stock outstanding and reserved for issuance under employee benefit plans, SAL expects to issue approximately 1.1 million shares of common stock to Riverside shareholders in the aggregate upon completion of the merger. The Riverside shareholders as a group will own approximately 37% of the combined institution following the merger.

Riverside and SAL will each hold a special meeting of its shareholders. Each company's shareholders will be asked to vote to approve matters related to the merger, as described in the attached joint proxy statement/prospectus. Approval of the merger agreement requires the affirmative vote of at least two-thirds outstanding shares of Riverside common stock.

The special meeting of Riverside shareholders will be held on October 29, 2014 at The Poughkeepsie Grand Hotel, 40 Civic Center Plaza, Poughkeepsie, New York, 12601 at 10:30 a.m. local time.

Riverside's board of directors unanimously recommends a vote "FOR" the approval of the merger agreement and "FOR" the other matters to be considered at the Riverside special meeting.

The special meeting of SAL shareholders will be held on October 29, 2014 at Hotchkiss School (Griswold Science Building, located off Route 41), 11 Interlaken Road, Lakeville, Connecticut 06039, at 4:00 p.m. local time.

SAL's board of directors unanimously recommends a vote "FOR" the merger agreement, including the issuance of SAL common stock as merger consideration; "FOR" the approval of the amendment to its certificate of incorporation to increase its shares of authorized common stock and increase the number of directors; and "FOR" the other matters to be considered at the SAL special meeting.

This joint proxy statement/prospectus describes the special meetings of Riverside and SAL, the merger, the documents related to the merger and other related matters. **Please carefully read this entire joint proxy statement/prospectus, including "Risk Factors," beginning on page 20, for a discussion of the risks relating to the proposed merger**. You also can obtain information about SAL from documents that it has filed with the Securities and Exchange Commission.

[SIGNATURE]	[SIGNATURE]
Richard J. Cantele, Jr.	John M. Davies
President and CEO	President and CEO
Salisbury Bancorp, Inc.	Riverside Bank

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of the securities to be issued in the merger or passed upon the adequacy or accuracy of this joint proxy statement/prospectus. Any representation to the contrary is a criminal offense.

The securities to be issued in the merger are not savings or deposit accounts or other obligations of any bank or non-bank subsidiary of either SAL or Riverside, and they are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement/prospectus is [September ___, 2014], and it is first being mailed or otherwise delivered to the shareholders of SAL and Riverside on or about [September ___, 2014].

5 Bissell Street, P.O. Box 1868, Lakeville, CT 06039

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON

October 29, 2014

To the Shareholders of Salisbury Bancorp, Inc.:

Salisbury Bancorp, Inc. will hold a special meeting of shareholders at 4:00 p.m. local time, on Wednesday, October 29, 2014, at Hotchkiss School (Griswold Science Building, located off Route 41), 11 Interlaken Road, Lakeville, Connecticut 06039 to consider and vote upon the following matters:

- a proposal to approve the Agreement and Plan of Merger dated as of March 18, 2014, by and among Salisbury Bank and Trust Company, Salisbury Bancorp, Inc., and Riverside Bank, pursuant to which Riverside will merge with and into SBT and pursuant to which SAL will issue shares of SAL common stock as merger consideration, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "SAL merger proposal");
- a proposal to approve the amendment to SAL's certificate of incorporation to increase SAL's authorized common stock and to eliminate the minimum and maximum number of directors on the SAL board (which we refer to as the "SAL certificate of amendment proposal");
- a proposal to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt and approve the merger agreement (which we refer to as the "SAL adjournment proposal"); and
- such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

We have fixed the close of business on September 5, 2014 as the record date for the special meeting. Only SAL common shareholders of record at that time are entitled to notice of, and to vote at, the SAL special meeting, or any adjournment or postponement of the SAL special meeting. Approval of the SAL merger proposal and the SAL certificate of amendment proposal require the affirmative vote of at least a majority of the outstanding shares of SAL common stock. Approval of the SAL adjournment proposal also requires the affirmative vote of a majority of the shares present or represented at the special meeting and entitled to vote on the matter.

SAL's board of directors has unanimously adopted the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger and the issuance of SAL common stock as merger consideration, are advisable and in the best interests of SAL and its shareholders, and unanimously recommends that SAL shareholders vote "FOR" the SAL merger proposal, "FOR" the SAL adjournment proposal, and "FOR" the SAL certificate of amendment proposal.

Your vote is very important. We cannot complete the merger unless SAL's common shareholders approve the SAL merger proposal and approve the amendment to SAL's certificate of incorporation to increase SAL's authorized common stock. If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank or broker with respect to the SAL merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Regardless of whether you plan to attend the SAL special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of SAL, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in "street name" through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

Shelly L. Humeston

Secretary

Lakeville, Connecticut

September ___, 2014

11 Garden Street, Poughkeepsie, NY 12601

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS TO BE HELD ON

October 29, 2014

To the Shareholders of Riverside Bank:

Riverside Bank will hold a special meeting of shareholders at 10:30 a.m. local time, on Wednesday, October 29, 2014, at The Poughkeepsie Grand Hotel, 40 Civic Center Plaza, Poughkeepsie, New York, 12601 to consider and vote upon the following matters:

- a proposal to approve the Agreement and Plan of Merger dated as of March 18, 2014, by and among Salisbury Bank and Trust Company, Salisbury Bancorp, Inc., and Riverside Bank, pursuant to which Riverside will merge with and into SBT, as more fully described in the attached joint proxy statement/prospectus (which we refer to as the "Riverside merger proposal");
- a proposal to adjourn the Riverside special meeting, if necessary or appropriate, to solicit additional proxies in favor of the Riverside merger proposal (which we refer to as the "Riverside adjournment proposal");
- to transact such other business as may properly come before the meeting or any adjournment thereof.

We have fixed the close of business on September 5, 2014 as the record date for the special meeting. Only Riverside common shareholders of record at that time are entitled to notice of, and to vote at, the Riverside special meeting, or any adjournment or postponement of the Riverside special meeting.

Riverside's board of directors has adopted the merger agreement, has determined that the merger agreement and the transactions contemplated thereby, including the merger, are advisable and in the best interests of Riverside and its shareholders, and unanimously recommends a vote "FOR" the Riverside merger proposal, and "FOR" the Riverside adjournment proposal.

Your vote is very important. We cannot complete the merger unless Riverside's common shareholders approve the merger agreement. If you fail to vote, mark "ABSTAIN" on your proxy or fail to instruct your bank or broker with respect to the Riverside merger proposal, it will have the same effect as a vote "AGAINST" the proposal.

Regardless of whether you plan to attend the Riverside special meeting, please vote as soon as possible. If you hold stock in your name as a shareholder of record of Riverside, please complete, sign, date and return the accompanying proxy card in the enclosed postage-paid return envelope. If you hold your stock in “street name” through a bank or broker, please follow the instructions on the voting instruction card furnished by the record holder.

The enclosed joint proxy statement/prospectus provides a detailed description of the special meeting, the merger, the documents related to the merger and other related matters. We urge you to read the joint proxy statement/prospectus, including any documents incorporated in the joint proxy statement/prospectus by reference, and its annexes carefully and in their entirety.

BY ORDER OF THE BOARD OF DIRECTORS,

John M. Davies

President and Chief Executive Officer

Poughkeepsie, New York

September ___, 2014

ADDITIONAL INFORMATION

The accompanying joint proxy statement/prospectus provides a detailed description of the merger, the merger agreement and related matters, as well as important business and financial information about Salisbury Bancorp, Inc. and Riverside Bank. We urge you to read the joint proxy statement/prospectus, including any documents incorporated by reference from other documents filed with or furnished to the SEC by SAL into the proxy statement/prospectus, and its appendices carefully and in their entirety. You can obtain any of the documents filed with or furnished to the SEC by SAL at no cost from the SEC's website at www.sec.gov. You may also request copies of such documents at no cost by contacting the appropriate company at the address and telephone numbers provided below. If you have any questions concerning the merger, the other meeting matters or the proxy statement/prospectus, or need assistance voting your shares, please contact the appropriate company at the following address or telephone number listed below:

Riverside Bank 11 Garden Street Poughkeepsie, NY 12601 Attn: John M. Davies, President and CEO Telephone: 845-454-5511	Salisbury Bancorp, Inc. 5 Bissell Street P.O. Box 1868 Lakeville, CT 06038 Attn: Shelly L. Humeston, Secretary Telephone: 860-435-9801

Please do not send your stock certificates at this time. Riverside shareholders will be sent separate instructions regarding the surrender of their stock certificates.

You should rely only on the information contained in, or incorporated by reference into, this document. No one has been authorized to provide you with information that is different from that contained in, or incorporated by reference into, this document. This document is dated [_______], 2014, and you should assume that the information in this document is accurate only as of such date. You should assume that the information incorporated by reference into this document is accurate as of the date of such document. Neither the mailing of this document to Riverside shareholders or SAL shareholders, nor the issuance by SAL of shares of SAL common stock in connection with the merger, will create any implication to the contrary.

This document does not constitute an offer to sell, or a solicitation of an offer to buy, any securities, or the solicitation of a proxy, in any jurisdiction to or from any person to whom it is unlawful to make any such offer or solicitation in such jurisdiction. Except where the context otherwise indicates, information contained in this document regarding Riverside has been provided by Riverside and information contained in this document regarding SAL has been provided by SAL.

See “Where You Can Find More Information” for more details.

TABLE OF CONTENTS

	Page
QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS	**1**
SUMMARY	**7**
The Companies	**7**
The Special Meeting of Shareholders of Riverside	**7**
The Special Meeting of Shareholders of SAL	**8**
The Merger and the Merger Agreement	**9**
UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION	**13**
CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS	**19**
RISK FACTORS	**20**
INFORMATION ABOUT THE COMPANIES	**24**
Salisbury Bancorp, Inc. and Salisbury Bank and Trust Company	**24**
Riverside Bank	**24**
SPECIAL MEETING OF SHAREHOLDERS OF RIVERSIDE	**25**
Date, Time and Place of the Special Meeting	**25**
Purpose of the Special Meeting	**25**
Recommendation of the Board of Directors of Riverside	**25**
Record Date; Outstanding Shares; Shares Entitled to Vote	**25**
Quorum; Vote Required	**25**
Share Ownership of Management; Voting Agreements	**26**
Voting of Proxies	**26**
How to Revoke Your Proxy	**26**
Voting in Person	**27**
Abstentions and Broker Non-Votes	**27**
Proxy Solicitation	**27**
Stock Certificates	**27**
RIVERSIDE PROPOSALS	**28**
Proposal No. 1 - To Approve the Riverside Merger Proposal	**28**
Proposal No. 2 - To Approve the Riverside Adjournment Proposal	**28**
SPECIAL MEETING OF THE SHAREHOLDERS OF SAL	**29**
Date, Time and Place of the Special Meeting	**29**
Purpose of the Special Meeting	**29**
Recommendation of the Board of Directors of SAL	**29**
Record Date; Outstanding Shares; Shares Entitled to Vote	**29**
Quorum; Vote Required	**29**
Share Ownership of Management	**30**

Voting of Proxies	**30**
How to Revoke Your Proxy	**30**
Voting in Person	**31**
Abstentions and Broker Non-Votes	**31**
Proxy Solicitation	**31**
SAL PROPOSALS	**32**
Proposal No. 1 - To Approve the SAL Merger Proposal	**32**
Proposal No. 2 - To Approve the SAL Certificate of Amendment Proposal	**32**
Proposal No. 3 - To Approve the SAL Adjournment Proposal	**32**
THE MERGER	**34**
General	**34**
Background of the Merger	**34**
Riverside's Reasons for the Merger	**37**
SAL's Reasons for the Merger	**38**
Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Riverside	**39**
Opinion of Sterne, Agee & Leach, Financial Advisor to SAL	**51**
Interests of Riverside's Directors and Executive Officers	**59**
New Employment Agreements with Certain Riverside Officers	**60**
Other Employment and Change in Control Agreements	**64**
Riverside Stock Options	**64**
Material U.S. Federal Income Tax Consequences of the Merger	**65**
Accounting Treatment	**67**
Regulatory Approvals	**67**
Dissenters' Rights of Riverside Shareholders	**68**
Restrictions on Sale of Shares by Certain Affiliates	**70**
Stock Exchange Listing	**70**
THE MERGER AGREEMENT	**71**
Structure	**71**
Effective Time and Timing of Closing	**71**
Consideration to be Received in the Merger	**71**
Exchange of Certificates; Dividends	**71**
Treatment of Riverside Stock Options	**72**
Representations and Warranties	**72**
Conduct of Business Pending the Merger	**73**
Riverside Shareholders' Meeting	**76**
SAL Shareholders' Meeting	**76**
No Solicitation	**76**
Employee Matters	**77**
Indemnification and Insurance	**77**
Voting Agreements	**77**
Additional Agreements	**78**
Conditions to the Merger	**78**
Termination of the Merger Agreement	**80**
Termination Fee and Termination Expenses	**80**
Amendment, Waiver and Extension of the Merger Agreement	**81**
Expenses	**81**
Specific Performance	**81**

MARKET PRICES AND DIVIDEND INFORMATION OF SAL AND RIVERSIDE	**82**
Market Prices	**82**
Dividends	**83**
Securities Authorized for Issuance Under Equity Compensation Plans	**83**
INFORMATION ABOUT RIVERSIDE	**84**
Business	**84**
General	**84**
New York Banking Laws and Supervision	**84**
Federal Regulations	**85**
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATION OF RIVERSIDE	**91**
Employees	**103**
Properties	**104**
Legal Proceedings	**104**
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure	**104**
SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT	**105**
Riverside	**105**
SAL	**105**
BOARD OF DIRECTORS AND MANAGEMENT OF THE COMBINED COMPANY FOLLOWING THE MERGER	**107**
Directors and Executive Officers of the Combined Company Following the Merger	**107**
SAL's Board of Directors Independence	**110**
Executive Compensation of SAL	**114**
Supplemental Retirement Agreement	**118**
Executive Compensation of Riverside	**118**
Board of Directors Compensation - SAL	**120**
Directors' Fees - SAL	**120**
Board of Directors Compensation - Riverside	**121**
Directors' Fees - Riverside	**121**
Transactions with Management and Others - SBT and SAL	**121**
Transactions with Management and Others - Riverside	**121**
Indebtedness of Management and Others - SBT and SAL	**121**
Indebtedness of Management and Others - Riverside	**121**
DESCRIPTION OF CAPITAL STOCK AND COMPARISON OF SHAREHOLDER RIGHTS	**122**
SAL's Common Stock	**122**
Riverside's Common Stock	**122**
Certificate of Incorporation and Bylaw Provisions	**123**
Applicable Law	**128**
LEGAL MATTERS	**130**
EXPERTS	**130**
WHERE YOU CAN FIND MORE INFORMATION	**131**
FUTURE SHAREHOLDER PROPOSALS	**132**

INDEX TO RIVERSIDE'S FINANCIAL STATEMENTS		**FS-1**
INDEPENDENT AUDITOR'S REPORT		**FS-2**
RIVERSIDE FINANCIAL STATEMENTS		**FS-3**
Appendix A	**Agreement and Plan of Merger**	**A-1**
Appendix B	**Sections 604 and 6022 of the New York Banking Law - Rights of Dissenting Shareholders and Procedure to Enforce Shareholder’s Right to Receive Payment for Shares**	**B-1**
Appendix C	**Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Riverside**	**C-1**
Appendix D	**Opinion of Sterne, Agee & Leach, Inc., Financial Advisor to SAL**	**D-1**
Appendix E	**Form of Certificate of Amendment to SAL Certificate of Incorporation**	**E-1**
Appendix F	**Form 10-K for Fiscal Year Ended December 31, 2013**	**F-1**
Appendix G	**Form 10-Q for Quarter Ended June 30, 2014**	**G-1**

QUESTIONS AND ANSWERS ABOUT THE MERGER AND THE SPECIAL MEETINGS

The following questions and answers are intended to address briefly some commonly asked questions regarding the merger and the SAL and Riverside special meetings. These questions and answers may not address all questions that may be important to you as a shareholder. To better understand these matters, and for a description of the legal terms governing the merger, you should carefully read this entire joint proxy statement/prospectus, including the appendices, as well as the documents that have been incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find More Information".

Unless otherwise required by context, references in this joint proxy statement/prospectus to "SAL" refer to Salisbury Bancorp, Inc., references to "SBT" refer to Salisbury Bank and Trust Company, and references made to "Riverside" refer to Riverside Bank.

Q: Why am I receiving this joint proxy statement/prospectus?

A: SAL and Riverside have signed an agreement and plan of merger that is described in this joint proxy statement/prospectus pursuant to which Riverside will merge with and into SBT with SBT being the surviving bank. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A. In order to complete the merger, Riverside shareholders must vote to approve the merger agreement and SAL shareholders must vote to approve the merger agreement, including the issuance of SAL common stock as merger consideration, and to amend SAL's certificate of incorporation to increase its shares of authorized common stock and to eliminate the minimum and maximum number of directors on the SAL board, and to provide that the number of directors shall be fixed from time to time by the board of directors. A copy of the certificate of amendment to the SAL certificate of incorporation is attached as Appendix E hereto. Riverside and SAL will each hold a special meeting of their respective shareholders to obtain such approvals. This joint proxy statement/prospectus contains important information about the merger, the merger agreement, the special meetings of Riverside and SAL shareholders, and other related matters, and you should read it carefully. The enclosed voting materials for the special meetings allow you to vote your shares of Riverside or SAL common stock without attending the special meeting in person.

We are delivering this joint proxy statement/prospectus to you as both a proxy statement of Riverside, a proxy statement of SAL, and a prospectus of SAL. It is a proxy statement because the board of directors of Riverside is soliciting proxies from its shareholders to vote on the approval of the merger agreement, including the issuance of shares of SAL common stock as merger consideration at a special meeting of shareholders, and your proxy will be used at the special meeting or at any adjournment or postponement of the special meeting. In addition, the board of directors of SAL is soliciting proxies from its shareholders to vote on the amendment to SAL's certificate of incorporation to increase shares of authorized SAL common stock and to increase its number of directors contingent upon the merger. It is also a prospectus because SAL will issue SAL common stock to Riverside shareholders as consideration in the merger, and this prospectus contains information about that common stock.

Q: What will I receive in the merger?

A: *Riverside Shareholders*. If the merger agreement is approved and the merger is subsequently completed, Riverside shareholders will be entitled to receive 1.35 shares of SAL common stock for each outstanding share of Riverside common stock (other than stock held by Riverside or SAL) held at the time of the merger.

The value of the stock consideration is dependent upon the value of SAL common stock and therefore will fluctuate with the market price of SAL common stock. Accordingly, any change in the price of SAL common stock prior to the merger will affect the market value of the stock consideration that Riverside shareholders will receive as a result of the merger.

SAL Shareholders. SAL shareholders will continue to hold their existing shares, which will not change as a result of the merger.

Q: What am I being asked to vote on?

A: Riverside shareholders are being asked to vote on the following proposals:

- to approve the merger agreement by and among SBT, SAL and Riverside; and
- to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes to approve the merger agreement at the time of the special meeting

SAL shareholders are being asked to vote on the following proposals:

- to approve the merger agreement by and among SBT, SAL and Riverside and to approve the issuance of shares of SAL common stock as merger consideration;
- to approve the amendment to SAL's certificate of incorporation to increase SAL's authorized common stock and to eliminate the minimum and maximum number of directors on the SAL board;
- to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt and approve the merger agreement; and
- such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

Q: What will happen in the merger?

A: In the proposed merger, Riverside will merge with and into Salisbury Bank and Trust Company, with Salisbury Bank and Trust Company being the surviving entity.

Q: Will Riverside shareholders receive any fractional shares of SAL common stock as part of the merger consideration?

A: No. SAL will not issue any fractional shares of SAL common stock in the merger. Instead, SAL will pay you the cash value of a fractional share measured by the average of the daily closing prices of SAL common stock on The NASDAQ Capital Market, or NASDAQ, for the five consecutive trading days ending on the third business day immediately prior to the closing date, rounded to the nearest whole cent.

Q: What will happen to my shares of SAL common stock in the merger?

A: Nothing. Each share of SAL common stock outstanding will remain outstanding as a share of SAL common stock.

Q: What are the conditions to completion of the merger?

A: The obligations of SAL and Riverside to complete the merger are subject to the satisfaction or waiver of certain closing conditions contained in the merger agreement, including, but not limited to, the receipt of required regulatory approvals, legal opinions delivered by tax counsel to SAL and Riverside, respectively, and approval of the merger agreement by Riverside shareholders and approval of the stock issuance by SAL shareholders to Riverside shareholders.

-2-

Q: When do you expect the merger to be completed?

A: We will complete the merger when all of the conditions to completion contained in the merger agreement are satisfied or waived, including obtaining customary regulatory approvals and the approval of the merger agreement by Riverside shareholders at its special meeting and the approval of an increase in SAL's authorized common stock and the issuance of SAL common stock as merger consideration by SAL shareholders at its special meeting. While we expect the merger to be completed in the fourth quarter of 2014, because fulfillment of some of the conditions to completion of the merger is not entirely within our control, we cannot assure you of the actual timing.

Q: What shareholder approvals are required to complete the merger?

A: The merger cannot be completed unless two-thirds of the shares of Riverside common stock outstanding and entitled to vote at the company's special meeting approve the merger agreement and a majority of the shares of SAL common stock outstanding and entitled to vote at SAL's special meeting approve the merger agreement, the issuance of SAL common stock as merger consideration and the amendment of SAL's certificate of incorporation.

Q: Are there any shareholders already committed to voting in favor of the merger agreement?

A: Yes. Each of the executive officers, directors and director nominees of Riverside individually have entered into an agreement with SAL to vote their shares of Riverside common stock in favor of the merger agreement and against any competing proposal. These shareholders held approximately 52.3% of Riverside's outstanding common stock as of the date the merger agreement and voting agreements were executed and held 52.3% as of the record date for the special meeting of Riverside shareholders.

Q: When and where are the special meetings?

A: The special meeting of shareholders of Riverside will be held at The Poughkeepsie Grand Hotel, 40 Civic Center Plaza, Poughkeepsie, New York 12601 on October 29, 2014, at 10:30 a.m., local time.

The special meeting of shareholders of SAL will be held at Hotchkiss School (Griswold Science Building, located off Route 41), 11 Interlaken Road, Lakeville, Connecticut 06039 on October 29, 2014, at 4:00 p.m., local time.

Q: Who is entitled to vote at the special meetings?

A: You are entitled to receive notice of and to vote at the Riverside special meeting if you owned Riverside common stock at the close of business on September 5, 2014, which is the record date for the special meeting of Riverside shareholders. You will be entitled to one vote for each share of Riverside common stock that you owned as of the record date.

You are entitled to receive notice of and to vote at the SAL special meeting if you owned SAL common stock at the close of business on September 5, 2014, which is the record date for the special meeting of SAL shareholders. You will be entitled to one vote for each share of SAL common stock that you owned as of the record date.

Q: What constitutes a quorum for the

special meetings?

A: The quorum requirement for both the Riverside and SAL special meetings are the presence in person or by proxy of a majority of the total number of outstanding shares of common stock entitled to vote. Abstentions will be included in determining the number of shares present for determining the presence of a quorum. Broker non-votes will be counted for this purpose only if the beneficial owner of such shares has instructed the bank or broker how to vote with respect to at least one matter before the meeting.

-3-

Q: How does the board of directors of Riverside recommend I vote?

A: After careful consideration, Riverside's board of directors unanimously recommends that Riverside shareholders vote "FOR" approval of the Riverside merger proposal and "FOR" the Riverside adjournment proposal, if necessary.

Q: How does the board of directors of SAL recommend I vote?

A: After careful consideration, SAL's board of directors unanimously recommends that SAL shareholders vote "FOR" approval of the SAL merger proposal; "FOR" approval of the SAL certificate of amendment proposal; and "FOR" the SAL adjournment proposal, if necessary.

Q: Are there any risks that I should consider in deciding whether to vote for the approval of the merger agreement?

A: Yes. You should read and carefully consider the risk factors set forth in the section in this joint proxy statement/prospectus entitled “Risk Factors” beginning on page 20 as well as the other information contained in or incorporated by reference into this joint proxy statement/prospectus, including the matters addressed in the section of this joint proxy statement/prospectus titled “Cautionary Note Concerning Forward-Looking Statements” on page 19.

Q: What do I need to do now?

A: You should carefully read and consider the information contained and incorporated by reference in this joint proxy statement/prospectus, including its appendices. It contains important information about the merger, the merger agreement, SAL and Riverside. After you have read and considered this information, you should complete and sign your proxy card and return it in the enclosed postage-paid return envelope as soon as possible so that your shares will be represented and voted at the appropriate special meeting.

Q: If my shares are held in "street name" by my broker, bank or other nominee, will my broker, bank or other nominee automatically vote my shares for me?

A: No. Your broker, bank or other nominee will not vote your shares unless you provide instructions to your broker, bank or other nominee on how to vote. You should instruct your broker, bank or other nominee to vote your shares by following the instructions provided by the broker, bank or nominee with this joint proxy statement/prospectus.

Q; How will my shares be represented at the special meeting?

A: At the appropriate special meeting, the proxies named in your proxy card will vote your shares in the manner you requested if you properly signed and submitted your proxy. If you sign your proxy card and return it without indicating how you would like to vote your shares, your proxy will be voted as the board of directors recommends, which for Riverside, is (1) "FOR" the approval of the Riverside merger proposal and (2) "FOR" the approval of the Riverside adjournment proposal; and for SAL is "FOR" the approval of the SAL merger proposal; "FOR" approval of the SAL certificate of amendment proposal; and "FOR" the SAL adjournment proposal, if necessary.

Q: What if I fail to submit my proxy card or to instruct my broker, bank or other nominee?

A: If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted.

Q: Can I attend the special meeting and vote my shares in person?

A: Yes. Although the boards of directors request that you return the proxy card accompanying this joint proxy statement/prospectus, all shareholders are invited to attend the respective special meetings. For Riverside, shareholders of record on September 5, 2014, can vote in person at the special meeting. For SAL, shareholders of record on September 5, 2014, can vote in person at the special meeting. If your shares are held by a broker, bank or other nominee, then you are not the shareholder of record and you must bring to the appropriate special meeting appropriate documentation from your broker, bank or other nominee to enable you to vote at such special meeting.

Q: Can I change my vote after I have mailed my signed proxy card?

A: Riverside shareholders:

Yes. You can change your vote at any time after you have submitted your proxy card and before your proxy is voted at the special meeting.

- you may deliver a written notice bearing a date later than the date of your proxy card to Riverside's CEO at the address listed below, stating that you revoke your proxy;
- you may submit a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or
- you may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation or your completed new proxy card, as the case may be, to Riverside at the following address:

Riverside Bank
11 Garden Street
Poughkeepsie, NY 12601
Attn: John M. Davies, President and CEO

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your voting instructions.

SAL shareholders:

Yes. You can change your vote at any time after you have submitted your proxy card and before your proxy is voted at the special meeting.

- you may deliver a written notice bearing a date later than the date of your proxy card to SAL's Secretary at the address listed below, stating that you revoke your proxy;
- you may submit a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or
- you may attend the special meeting and vote in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation or your completed new proxy card, as the case may be, to SAL at the following address:

Salisbury Bancorp, Inc.
5 Bissell Street
P.O. Box 1868
Lakeville, CT 06038
Attn: Shelly L. Humeston, Secretary

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your voting instructions.

Q: What happens if I sell my Riverside shares after the record date but before the special meeting?

A: The record date of the special meeting is earlier than the date of the special meeting and the date that the merger is expected to be completed. If you sell or otherwise transfer your shares after the record date but before the date of the special meeting, you will retain your right to vote at the special meeting (provided that such shares remain outstanding on the date of the special meeting), but you will not have the right to receive the merger consideration to be received by Riverside shareholders in the merger. In order to receive the merger consideration, you must hold your shares through completion of the merger.

Q: What do I do if I receive more than one proxy statement/prospectus or set of voting instructions?

A: If you hold shares directly as a record holder and also in "street name" or otherwise through a nominee, you may receive more than one proxy statement/prospectus and/or set of voting instructions relating to the special meeting. These should each be voted and/or returned separately in order to ensure that all of your shares are voted.

Q: Should I send in my stock certificates of Riverside now?

A: No. Riverside shareholders will receive a letter of transmittal and instructions for surrendering of their stock certificates. In the meantime, you should retain your stock certificates because they are still valid. Please do not send in your stock certificates with your proxy card.

Q: Where can I find more information about SAL and Riverside?

A: You can find more information about SBT, SAL and Riverside from the various sources described under

"Where You Can Find More Information" beginning on page 131.

Q: Whom can I call with questions?

A: You may contact SAL or Riverside at the telephone numbers listed under "Where You Can Find More Information" on page 131. In each case, please ask to speak with the persons identified in that section.

SUMMARY

The following is a summary of information located elsewhere in this document. It does not contain all of the information that is important to you. Before you vote, you should give careful consideration to all of the information contained in this document and the information incorporated into this document by reference to fully understand the merger. See "Where You Can Find More Information" on page 131. Each item in this summary refers to the page where that subject is discussed in more detail.

The Companies (Page 24)

Salisbury Bancorp, Inc.

SAL is a Connecticut corporation that owns all of the outstanding shares of common stock of SBT. At June 30, 2014, SAL had on a consolidated basis, assets of $621 million, deposits of $507 million, and shareholders' equity of approximately $75 million. SAL's stock is traded on the NASDAQ Capital Market under the symbol "SAL". SBT, which is headquartered in Lakeville, CT, is a nine (9) branch community bank serving Litchfield County, Connecticut, Dutchess County, New York, and Berkshire County, Massachusetts. SBT offers a full range of deposit, loan and related banking and financial products and services to retail and commercial customers.

Riverside Bank

Riverside is a New York State chartered commercial bank headquartered in Poughkeepsie, New York. Riverside provides a full range of banking products and services through its main office in Poughkeepsie and three branch offices located in Red Oaks Mill, Fishkill and Newburgh, New York. Riverside's primary business focus is serving the banking needs of small and medium sized businesses. Riverside focuses almost exclusively on commercial lending. At June 30, 2014, Riverside had assets of approximately $224 million and deposits of approximately $197 million.

The Special Meeting of Shareholders of Riverside

Date, Time and Place of the Special Meeting **(Page 25)**

Riverside will hold its special meeting of shareholders at The Poughkeepsie Grand Hotel, 40 Civic Center Plaza, Poughkeepsie, New York 12601 on October 29, 2014, at 10:30 a.m., local time.

Actions to be Taken at the Riverside Special Meeting **(Page 25)**

At the Riverside special meeting Riverside shareholders will be asked to approve the merger agreement and, if necessary, approve one or more adjournments of the special meeting.

Recommendation of Riverside Board of Directors (Page 25)

The Riverside board of directors has determined that the merger and the transactions contemplated by the merger agreement are advisable and in the best interests of Riverside and its shareholders, and the directors in attendance at the March 18, 2014 board meeting voted unanimously to adopt the merger agreement. Riverside's board of directors unanimously recommends that Riverside shareholders vote "**FOR**" approval of the merger agreement and "**FOR**" approval of the proposal to adjourn the special meeting.

Riverside's board of directors believes that the merger will provide value to its shareholders, customers and employees and strengthen the ability of the combined institution to support the communities in which it will operate. For additional factors considered by Riverside's board of directors in reaching its decision to adopt the merger agreement, see "The Merger - Riverside's Reasons for the Merger."

Record Date; Outstanding Shares; Shares Entitled to Vote **(Page 25)**

Only holders of record of Riverside common stock at the close of business on the record date of September 5, 2014, are entitled to notice of and to vote at the special meeting. As of the record date, there were 741,876 shares of Riverside common stock outstanding, held of record by approximately 329 shareholders.

Quorum; Vote Required **(Page 25)**

A quorum of Riverside shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of Riverside common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Riverside will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of the holders of at least two-thirds of the shares of Riverside common stock outstanding and entitled to vote is required to approve the merger agreement. The affirmative vote of the holders of at least a majority of the shares present and entitled to vote at the special meeting is required to approve the proposal to adjourn the special meeting.

Share Ownership of Management; Voting Agreements **(Page 26)**

As of the record date, the directors and executive officers of Riverside and their affiliates collectively owned 303,045 shares of Riverside common stock, or approximately 39.52% of Riverside's outstanding shares. Each Riverside director and executive officer has entered into a voting agreement with SAL, which requires each person to vote all of the shares of Riverside common stock beneficially owned by him or her "**FOR**" approval of the merger agreement and the other proposals described in the notice for the special meeting. None of the directors or executive officers were paid any additional consideration in connection with the execution of the voting agreement.

Proxies, Voting and Revocation **(Page 26)**

The Riverside board of directors requests that you return the proxy card accompanying this document for use at the special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed pre-paid envelope. All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, if no instructions are given, to approve the merger agreement.

You may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

- delivering a written notice bearing a date later than the date of your proxy card to the President and CEO of Riverside, stating that you revoke your proxy;

- signing and delivering to the CEO of Riverside a new proxy card relating to the same shares and bearing a later date; or
- attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

The Special Meeting of Shareholders of SAL

Date, Time and Place of the SAL Special Meeting **(Page 29)**

SAL will hold its special meeting of shareholders at Hotchkiss School (Griswold Science Building, located off Route 41), 11 Interlaken Road, Lakeville, Connecticut 06039 on October 29, 2014, at 4:00 p.m., local time.

Actions to be Taken at the Special Meeting **(Page 29)**

At the SAL special meeting SAL shareholders will be asked to vote to approve the merger agreement including issuance of shares as merger consideration, to approve the amendment to the certificate of incorporation to increase SAL's authorized stock and to eliminate the minimum and maximum number of directors on the SAL board and provide that the number of directors shall be fixed from time to time by the board of directors, and, if necessary, to approve one or more adjournments of the special meeting.

Recommendation of SAL Board of Directors **(Page 29)**

The SAL board of directors has determined that the merger, the merger agreement and the transactions contemplated thereby are advisable and in the best interests of SAL and its shareholders and has unanimously adopted the merger agreement. SAL's board of directors unanimously recommends that SAL shareholders vote "**FOR**" approval of the SAL merger proposal, "**FOR**" approval of the SAL certificate of amendment proposal, "**FOR**" approval of the proposal to issue SAL common stock, and "**FOR**" approval of the SAL adjournment proposal.

SAL's board of directors believes that Riverside's business and operations complement those of SAL and that the transaction will enhance SAL's franchise and create value for its shareholders, customers and employees. For additional factors considered by SAL's board of directors in reaching its decision to adopt the merger agreement, see "The Merger - SAL's Reasons for the Merger."

***Record Date; Outstanding Shares; Shares Entitled to Vote* (Page 29)**

Only holders of record of SAL common stock at the close of business on the record date of September 5, 2014, are entitled to notice of and to vote at the special meeting. As of the record date, there were 1,713,281 shares of SAL common stock outstanding, held of record by approximately 1,739 shareholders.

***Quorum; Vote Required* (Page 29)**

A quorum of SAL shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of SAL common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. SAL will include proxies marked as abstentions and broker non-votes in determining the presence of a quorum at the special meeting.

The affirmative vote of the holders of at least a majority of the shares of SAL common stock outstanding and entitled to vote is required to approve the SAL merger proposal, the SAL certificate of amendment proposal, and the SAL adjournment proposal, if necessary.

***Share Ownership of Management* (Page 30)**

As of the record date, the directors and executive officers of SAL and their affiliates collectively owned 127,240 shares of SAL common stock, or approximately 7.43% of SAL's outstanding shares.

***Proxies, Voting and Revocation* (Page 30)**

SAL's board of directors requests that you return the proxy card accompanying this document for use at the special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed pre-paid envelope. All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, if no instructions are given, to approve the merger agreement.

You may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

- delivering a written notice bearing a date later than the date of your proxy card to the Secretary of SAL, stating that you revoke your proxy;
- signing and delivering to the Secretary of SAL a new proxy card relating to the same shares and bearing a later date; or
- attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

The Merger and the Merger Agreement

The proposed merger is of Riverside with and into SBT, with SBT as the surviving institution in the merger. The merger agreement is attached to this joint proxy statement/prospectus as Appendix A. Please carefully read the merger agreement as it is the legal document that governs the merger.

Structure of the Merger **(Page 71)**

Subject to the terms and conditions of the merger agreement, and in accordance with Connecticut Banking Law, at the completion of the merger, Riverside will merge with and into SBT. SBT will be the surviving institution in the merger and will continue its corporate existence under the laws of the State of Connecticut. Upon completion of the merger, the separate corporate existence of Riverside will terminate.

***Consideration to be Received in the Merger* (Page 71)**

Upon completion of the merger, each outstanding share of Riverside common stock (other than any Riverside stock held by Riverside, which will be cancelled) will be converted into the right to receive 1.35 shares of SAL common stock.

No fractional shares of SAL common stock will be issued to any holder of Riverside common stock upon completion of the merger. For each fractional share that would otherwise be issued, SAL will pay each shareholder cash (without interest) in an amount equal to the fractional share interest to which such shareholder would otherwise be entitled multiplied by the average of the daily closing prices of SAL common stock during the regular session of SAL common stock on NASDAQ for the five consecutive trading days ending on the third business day immediately prior to the closing date, rounded to the nearest whole cent.

***Treatment of Riverside's Stock Options* (Page 72)**

At the effective time of the merger, SAL will assume each validly issued stock option granted under Riverside's stock option plan, whether vested or unvested, and which has not been previously exercised or cancelled, subject to adjustment such that options granted under Riverside's stock option plan will be exercisable for shares of SAL common stock. Of the 41,000 options granted in 2013, 21,000 options will not be assumed by SAL, and will be terminated by Riverside prior to the effective time.

***Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Riverside* (Page 39)**

On March 18, 2014, Riverside's financial advisor, Keefe, Bruyette & Woods, Inc. ("KBW"), rendered to the Riverside board of directors its opinion as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio in the proposed merger. The full text of KBW's written opinion, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by KBW, is included as Appendix C to this joint proxy statement/prospectus. Riverside shareholders are urged to read the opinion in its entirety. KBW's opinion speaks only as of the date of the opinion. **The opinion was directed to the Riverside board of directors (in its capacity as such) in its consideration of the financial terms of the merger and addressed only the fairness, from a financial point of view, of the exchange ratio to the holders of Riverside common stock. It did not address the underlying business decision of Riverside to engage in the merger and does not constitute a recommendation to any Riverside shareholder as to how to vote in connection with the merger or any other matter.**

***Opinion of Sterne, Agee & Leach, Financial Advisor to SAL* (Page 51)**

On March 18, 2014, Sterne, Agee & Leach ("Sterne Agee") rendered to the SAL board of directors its opinion that, as of such date, the consideration to be paid to the Riverside shareholders by SAL in the merger was fair, from a financial point of view, to SAL shareholders. The full text of Sterne Agee's written opinion, which sets forth the procedures followed, assumptions made, matters considered and qualifications and limitations on the review undertaken by Sterne Agee, is included as Appendix D to this joint proxy statement/prospectus. SAL shareholders are urged to read the opinion in its entirety. The description of the opinion set forth herein is qualified in its entirety by reference to the full text of such opinion. **Sterne Agee's opinion speaks only as of the date of the opinion. The opinion is directed to the SAL board of directors and addresses only the fairness, from a financial point of view, of the merger consideration to be paid to the holders of SAL common stock. It does not address the underlying business decision to proceed with the merger and does not constitute a recommendation to any SAL shareholder as to how the shareholder should vote at the SAL special meeting.**

***Interests of Riverside's Directors and Executive Officers in the Merger* (Page 59)**

Riverside's executive officers and directors may have financial interests in the merger that are different from, or in addition to, the interests of Riverside shareholders. These interests include continued indemnification and insurance coverage by SAL after the merger for acts or omissions occurring before the merger, severance payments due certain executive officers in connection with the merger under pre-existing employment agreements, the entry into employment agreements with SAL and two (2) executive officers of Riverside, the appointment of five (5) individuals to the board of directors of both SAL and SBT following the effective date of the merger and the invitation of those Riverside directors who will not join the SAL or SBT boards of directors to serve on an advisory board of SAL and the assumption of outstanding Riverside stock options by SAL. Riverside's board of directors was aware of these interests and considered them in its decision to approve the merger agreement.

SAL and Salisbury Bank and Trust Company Management and Boards of Directors After the Merger **(Page 107)**

SBT has agreed to appoint John M. Davies, the current Chief Executive Officer and President of Riverside to the position of President of the New York Region of SBT and to appoint Todd Rubino, the current Executive Vice President and Senior Lending Officer of Riverside, to be the Vice President, Senior Lender of the New York Region pursuant to employment agreements to be effective upon consummation of the merger. In addition, SAL has agreed to appoint five (5) representatives of Riverside, Rudolph P. Russo, Charles M. Andola, George E. Banta, Michael D. Gordon and P. Diane Hoe, to the board of directors of SAL effective immediately following the effective date of the merger.

No Solicitation of Alternative Transactions **(Page 76)**

While the merger agreement is in effect, Riverside has agreed not to initiate, solicit, encourage or knowingly facilitate the submission of any proposals from third parties regarding acquiring Riverside or its businesses. In addition, Riverside has agreed not to engage in discussions or negotiations with or provide confidential information to a third party regarding acquiring Riverside or its businesses. However, if Riverside receives an acquisition proposal from a third party that did not result from solicitation in violation of its obligations under the merger agreement prior to the date of the special meeting of Riverside shareholders, Riverside may participate in discussions with, or provide confidential information to, such third party if, among other steps, Riverside's board of directors concludes in good faith that the failure to take such actions would result in a violation of its fiduciary duties under applicable law.

Conditions to Completion of the Merger **(Page 78)**

As more fully described in this joint proxy statement/prospectus and the merger agreement, the completion of the merger depends on a number of mutual conditions being satisfied or waived, including approval of the merger agreement by Riverside and SAL shareholders, approval of an amendment to the SAL certificate of incorporation, approval of the issuance of SAL shares as merger consideration by the SAL shareholders, and receipt of required regulatory approvals.

Termination of the Merger Agreement **(Page 80)**

The merger agreement specifies a number of situations when SAL and Riverside may terminate the merger agreement. For example, the merger agreement may be terminated at any time prior to the effective time by mutual consent and by either party under specified circumstances, including if the merger is not consummated by December 31, 2014, unless the delay is due to a material breach of the merger agreement by the party seeking to terminate the merger agreement.

***Termination Fee and Termination Expenses* (Page 80)**

Riverside has agreed to pay to SAL a termination fee of $1,200,000 plus certain termination expenses of up to $500,000, if the merger agreement is terminated under certain circumstances as specified in "The Merger Agreement - Termination Fee and Termination Expense" beginning on page 80.

***Waiver or Amendment of Merger Agreement Provisions* (Page 81)**

At any time prior to the completion of the merger, a provision of the merger agreement may be waived by the party intended to benefit by the provision, or may be amended or modified by a written action taken or authorized by the parties' respective boards of directors. However, after the approval of the merger agreement by the Riverside shareholders, no amendment will be made which by law requires further approval by Riverside shareholders without such further approval.

Material U.S. Federal Income Tax Consequences of the Merger **(Page 65)**

The merger is intended to qualify for U.S. federal income tax purposes as a "reorganization" within the meaning of Section 368(a) of the Code and counsel for each of SAL and Riverside has provided an opinion to that effect. Such opinions have been filed as exhibits to the registration statement of which this joint proxy statement/prospectus is a part. Accordingly, Riverside shareholders generally will not recognize any gain or loss on the conversion of shares of Riverside common stock solely into shares of SAL common stock. However, a Riverside shareholder generally will be subject to tax on cash received in lieu of any fractional share of SAL common stock that a Riverside shareholder would otherwise be entitled to receive.

Tax matters are very complicated and your tax consequences will depend on your individual situation. You should consult your tax advisor for a full explanation of the tax consequences of the merger to you.

Regulatory Approvals Required for the Merger **(Page 67)**

To complete the merger, SBT and Riverside need the prior approval of the Federal Deposit Insurance Corporation ("FDIC") and the Connecticut Department of Banking ("CT DOB"). In addition, SAL must receive a waiver from the Federal Reserve Bank of Boston ("FRB"). The United States Department of Justice (the "DOJ") is able to provide input into the approval process of federal banking agencies to challenge the approval on antitrust grounds. Prior to the date of the Riverside and SAL special meetings, SBT and Riverside will have filed all necessary applications and notices with regulators. Approval by the FDIC and CT DOB and the issuance of a waiver by the FRB is required prior to the merger of Riverside into SBT. SAL and Riverside cannot predict, however, whether or when the required regulatory approval will be obtained or whether any such approval and waiver will impose any burdensome condition upon SAL.

Accounting Treatment of the Merger **(Page 67)**

The merger will be accounted for using the purchase method of accounting with SBT treated as the acquiror. Under this method of accounting, Riverside's assets and liabilities will be recorded by SBT at their respective fair values as of the closing date of the merger and added to those of SBT. Any excess of purchase price over the net fair values of Riverside's assets and liabilities will be recorded as goodwill. Any excess of the fair value of Riverside's net assets over the purchase price will be recognized in earnings by SBT on the closing date of the merger.

Dissenters' Rights **(Page 68)**

Under New York law, holders of Riverside common stock have the right to dissent from, and obtain payment of the fair value of their shares of Riverside common stock in connection with, the merger. To perfect such dissenters' rights, a Riverside shareholder must not vote for the approval of the merger agreement and must strictly comply with all of the procedures required under the New York law. These procedures are described more fully beginning on page 68.

The relevant provisions of the New York law are included as Appendix B to this joint proxy statement/prospectus.

Listing of SAL Common Stock to be Issued in the Merger **(Page 70)**

SAL's common stock is quoted on the NASDAQ Capital Market under the trading symbol "SAL." The SAL shares to be issued to the shareholders of Riverside will also be included for quotation on the NASDAQ Capital Market.

Comparison of Shareholders' Rights **(Page 122)**

As a result of the merger, some or all of the holders of Riverside common stock will become holders of SAL common stock. Following the merger, Riverside shareholders will have different rights as shareholders of SAL than as shareholders of Riverside due to the different provisions of the governing documents of SAL and Riverside and differences between the New York Law, which governs the rights of Riverside shareholders, and the Connecticut Business Corporation Act, which governs the rights of SAL shareholders. For additional information regarding the different rights as shareholders of SAL than as shareholders of Riverside, see "Comparison of Shareholders' Rights" beginning on page 122.

UNAUDITED PRO FORMA CONDENSED COMBINED FINANCIAL INFORMATION

The following unaudited pro forma condensed combined financial information gives effect to the merger of SAL and Riverside based on the assumptions set forth below. The unaudited pro forma condensed combined financial information reflects the impact of the merger on the combined balance sheets and on the combined statements of income under the acquisition method of accounting under generally accepted accounting principles with SAL treated as the acquirer. Under the acquisition method of accounting, Riverside's assets and liabilities are recorded by SAL at their estimated fair values as of the date that the merger is completed. However, no pro forma adjustments have been included that reflect potential effects of cost savings or synergies that may be obtained by combining the operations of SAL and Riverside, or the costs of combining the companies and their operations.

The unaudited pro forma condensed combined balance sheet as of June 30, 2014 assumes the merger was completed on that date. The unaudited pro forma condensed combined statements of income for the year ended December 31, 2013 assume the merger was completed on January 1, 2013.

The unaudited pro forma information is provided for informational purposes only. The pro forma financial information presented is not necessarily indicative of the actual results that would have been achieved had the merger been consummated on the dates or at the beginning of the periods presented, and is not necessarily indicative of future results. The unaudited pro forma financial information should be read in conjunction with the historical consolidated financial statements and related notes of SAL, which are incorporated into this document by reference, and the historical consolidated financial statements and related notes of Riverside, which are included in this document.

The following unaudited pro forma condensed combined balance sheet as of June 30, 2014 combines the June 30, 2014 balance sheets of SAL and Riverside assuming the merger was completed on June 30, 2014.

Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2014

	Salisbury Bancorp, Inc.	Riverside Bank	Adjustments		Unaudited Pro Forma
	(in thousands)				
Cash and cash equivalents and certificates of deposit	$34,908	$8,557	$ (1,980)	(1)	$41,485
Securities available for sale, at fair value	88,456	16,548	(138)	(2)	104,866
Loans, net and loans held for sale	456,627	191,949	(869)	(3)	647,707
Premises and equipment, net	13,013	1,122	(129)	(4)	14,006
Goodwill	9,829	—	5,112	(5)	14,941
Identifiable intangible assets	946	—	1,574	(6)	2,520
Cash surrender value of life insurance policies	7,641	4,322	—		11,963

Other assets	10,056	1,573	631	(7)	12,260
Total assets	$621,476	$224,071	$ 4,201		$849,748
Deposits	$507,361	$196,892	$ 720	(8)	$704,973
Borrowings	34,388	—	—		34,388
Other liabilities	4,727	1,027	535	(9)	6,289
Shareholders' equity	75,000	26,152	2,946	(10)	104,098
Total liabilities and shareholders' equity	$621,476	$224,071	$ 4,201		$849,748
Common Shares	1,712	742	999	(11)	2,711

(1) Cash component of transaction, which includes transaction expenses and costs.

(2) Acquisition accounting fair value adjustment on securities portfolio.

(3) Calculated to reflect fair value adjustments on loans of ($3,729), net of eliminated Riverside allowance for loan losses of $2,860.

(4) Acquisition accounting fair value adjustment on bank premises. Purchase discount is accreted over a 15-year period.

(5) Calculated as the fair value of consideration paid in the acquisition of Riverside, less amounts allocated to the fair value of identifiable assets acquired and liabilities assumed. The purchase price, purchase price allocation, and financing of the transaction are as follows:

(6) Calculated to reflect the recognition of the estimated fair value of core deposit intangible, or CDI. The estimated intangibles represent the estimated future economic benefit resulting from the acquired customer balances and relationships. These values were derived from similar transactions. The final values will be determined based upon independent appraisals at the date of acquisition.

(7) Calculated to reflect estimated deferred income tax assets of $631 arising from the purchase and fair value adjustments of assets and liabilities.

(8) Calculated to reflect fair value adjustments on deposits at current market rates.

(9) Calculated to reflect estimated deferred tax liabilities of $535 arising from the core deposit intangible.

(10) Calculated to reflect the elimination of Riverside shareholders' equity as part of the acquisition accounting adjustments and represents the conversion of 100% of Riverside shares into SAL shares at an exchange ratio of 1.35 of SAL shares (assuming a stock price of $30.01).

(11) Reflects newly issued SAL shares.

Purchase Price for Riverside paid as:	
Conversion of 100% of Riverside’s outstanding shares of common stock and in the money options into 1.35 shares of SAL stock (based upon the closing SAL’s stock price of $30.01 at June 30, 2014)	$30,648
Allocated to:	
Historical net book value of Riverside assets and liabilities	$26,152
Adjustment to Riverside equity resulting from transaction related to expenses attributable to Riverside and SAL	$(430)
Adjustments to step-up assets and liabilities to fair value:	
Securities available for sale	$(138)
Loans, net	$(869)
Premises and equipment	$(129)
Other assets (Net tax deferred asset)	$96
Deposits	$(720)
Core deposit intangible	$1,574
Excess purchase price over fair value of identifiable assets and liabilities (goodwill)	$5,112

The following unaudited pro forma condensed combined statement of income for the six months ended June 30, 2014 combines the statements of income of SAL and Riverside assuming the merger was completed on January 1, 2014.

Unaudited Pro Forma Condensed Combined Statement of Income for the

Six Months Ended June 30, 2014

	Salisbury Bancorp, Inc.	Riverside Bank	Adjustments		Unaudited Pro Forma
	(in thousands, except per share data)				
Interest and dividend income:					
Interest and fees on loans	$9,327	$4,813	$ 199	(1)	$14,339
Interest and dividends on securities	1,623	91	—		1,714
Interest on cash equivalents and certificates of deposit	45	—	—		45
Total interest and dividend income	10,995	2,435	199		16,098
Interest expense:					
Interest on deposits	700	541	(35)	(2)	1,206
Interest on borrowed funds	615	—	—		615
Total interest expense	1,315	541	(35)		1,821
Net interest and dividend income	9,680	4,363	234		14,277
Provision for loan losses	651	420	—		1,071
Net interest and dividend income, after provision for loan losses	9,029	3,943	234		13,206
Non-interest income:					
Service charges on deposits	1,168	95	—		1,263
Income from fiduciary activities	1,718	—	—		1,718
Net gain on sales of securities	—	2	—		2
Net increase in cash surrender value of bank-owned life insurance	113	—	—		113
Other operating income	121	256	—		377
Total non-interest income	3,120	353	—		3,473
Non-interest expenses:					
Salaries and employee benefits	5,275	1,685	—		6,960
Occupancy and equipment expenses	1,374	325	4	(3)	1,703
Deposit insurance expense	221	63	—		284
Other operating expense	3,308	757	185	(4)	4,250
Total non-interest expenses	10,178	2,830	189		13,197
Income before income taxes	1,971	1,466	45		3,482
Provision for income taxes	454	532	15	(5)	1,001
Net income	$1,517	$934	$ 30		$2,481
Net income available to common shareholders	$1,431	$934	$ 30		$2,395

Weighted-average shares outstanding:					
Basic	1,712	999	(6)	—	2,711
Diluted	1,712	1,000	(6)	20	2,732
Earnings per share					
Basic	$0.83	$ 0.93			$ 0.88
Diluted	$0.83	$ 0.93			$ 0.88

-15-

(1) Amount represents accretion of loan discount of approximately $1.2 million, over an estimated weighted average life of 3.4 years. $0.77 million is the portion of the fair value adjustment on loans which is due to changes in the interest rate environment and not the portion that reflects the credit quality fair value adjustment on the loans.

(2) Amount represents amortization of deposit fair value adjustment of $0.72 million, over the estimated life of the deposits.

(3) Amounts represents amortization of fair value adjustment on fixed assets over estimated life of 15 years.

(4) Amount represents CDI amortization of $1.6 million over an estimated life of 10 years using an accelerated method based on anticipated life of deposits.

(5) Amount represents a change in taxes from adjustments at an assumed tax rate of 34%.

(6) Weighted-average shares outstanding used in the computation of Riverside earnings per share reflect the conversion of such shares into SAL shares at an exchange ratio of 1.35 SAL shares.

The following unaudited pro forma condensed combined statement of income for the year ended December 31, 2013 combines the statements of income of SAL and Riverside assuming the merger was completed on January 1, 2013.

Unaudited Pro Forma Condensed Combined Statement of Income for the

Year Ended December 31, 2013

	Salisbury Bancorp, Inc.	Riverside Bank	Adjustments		Unaudited Pro Forma
	(in thousands, except per share data)				
Interest and dividend income:					
Interest and fees on loans	$17,978	$9,686	$ 235	(1)	$27,899
Interest and dividends on securities	3,705	143	—		3,848
Interest on cash equivalents and certificates of deposit	67	1	—		68
Total interest and dividend income	21,750	9,830	235		31,815
Interest expense:					
Interest on deposits	1,813	1,263	(75)	(2)	3,001
Interest on borrowed funds	1,249	—	—		1,249
Total interest expense	3,062	1,263	(75)		4,250
Net interest and dividend income	18,688	8,567	310		27,565
Provision for loan losses	1,066	820	—		1,886
Net interest and dividend income, after provision for loan losses	17,622	7,747	310		25,679
Non-interest income:					
Service charges on deposits	2,298	547	—		2,845
Income from fiduciary activities	3,074	—	—		3,074
Net gain on sales of securities	—	—	—		—
Net increase in cash surrender value of bank-owned life insurance	234	117	—		351
Other operating income	699	164	—		863
Total non-interest income	6,305	828	—		7,133
Non-interest expenses:					
Salaries and employee benefits	10,271	3,524	—		13,795
Occupancy and equipment expenses	2,398	696	9	(3)	3,103
Deposit insurance expense	470	142	—		612
Other operating expense	5,796	1,338	360	(4)	7,494
Total non-interest expenses	18,935	5,700	369		25,004
Income before income taxes	4,992	2,875	(59)		7,808
Provision (benefit) for income taxes	909	1,069	(21)	(5)	1,957
Net income	$4,083	$1,806	$ (38)		$5,851
Net income available to common shareholders	$3,922	$1,806	$ (38)		$5,690

Weighted-average shares outstanding:							
Basic				1,691	999	—	2,690
Diluted				1,691	1,000	14	2,705

Earnings per share			
Basic	$2.30	$1.81	$2.12
Diluted	$2.30	$1.81	$2.10

-17-

(1) Amount represents accretion of loan discount of approximately $1.2 million, over an estimated weighted average life of 3.4 years. $0.77 million is the portion of the fair value adjustment on loans which is due to changes in the interest rate environment and not the portion that reflects the credit quality fair value adjustment on the loans.

(2) Amount represents amortization of deposit fair value adjustment of $0.72 million, over the estimated life of the deposits.

(3) Amount represents amortization of fair value adjustment on fixed assets over estimated life of 15 years

(4) Amount represents CDI amortization of $1.9 million over an estimated life of 10 years using an accelerated method based on anticipated life of deposits.

(5) Amount represents a change in taxes from adjustments at an assumed tax rate of 34.0%.

(6) Weighted-average shares outstanding used in the computation of Riverside earnings per share reflect the conversion of such shares into SAL shares at an exchange ratio of 1.35 SAL shares.

CAUTIONARY NOTE CONCERNING FORWARD-LOOKING STATEMENTS

This joint proxy statement/prospectus, including information included or incorporated by reference in this joint proxy statement/prospectus, may contain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements include, but are not limited to, statements about the benefits of the merger between SAL and Riverside, including future financial and operating results and performance; statements about SAL and Riverside's plans, objectives, expectations and intentions with respect to future operations, products and services; and other statements identified by words such as "expects," "anticipates," "intends," "plans," "believes," "seeks," "estimates," "will," "should," "may" or words of similar meaning. These forward-looking statements are based upon the current beliefs and expectations of SAL and Riverside's management and are inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which are difficult to predict and generally beyond the control of SAL and Riverside. In addition, these forward-looking statements are subject to assumptions with respect to future business strategies and decisions that are subject to change. Actual results may differ materially from the anticipated results discussed in these forward-looking statements.

In addition to the items discussed under "Risk Factors" elsewhere in this joint proxy statement/prospectus, the following factors, among others, could cause actual results to differ materially from the anticipated results or other expectations expressed in the forward-looking statements:

- difficulties related to the consummation of the merger and the integration of the businesses of SBT and Riverside;
- the level and timeliness of realization, if any, of expected cost savings from the merger;
- lower than expected revenues following the merger;
- difficulties in obtaining required shareholder and regulatory approvals for the merger;
- limitations imposed by the merger agreement on Riverside's ability to pursue alternatives to the merger;
- local, regional, national and international economic conditions and the impact they may have on SBT or Riverside and their customers;
- continued volatility and disruption in national and international financial markets;
- changes in the level of non-performing assets and charge-offs;
- changes in estimates of future reserve requirements based upon the periodic review thereof under relevant regulatory and accounting requirements;
- adverse conditions in the securities markets that lead to impairment in the value of securities in SAL's or Riverside's investment portfolio;
- inflation, interest rate, securities market and monetary fluctuations;
- the timely development and acceptance of new products and services and perceived overall value of these products and services by users;
- changes in consumer spending, borrowings and savings habits;
- technological changes;
- the ability to increase market share and control expenses;
- changes in the competitive environment among banks, financial holding companies and other financial service providers;
- the effect of changes in laws and regulations (including laws and regulations concerning taxes, banking, securities and insurance) with which SBT, SAL and Riverside must comply;
- the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting

standard setters;

- the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews;
- a possible change in SAL's ability to pay dividends in the future in accordance with past practice, due to dependence on SBT's earnings and certain legal and regulatory restrictions; and
- SAL's and Riverside's success at managing the risks involved in the foregoing items.

You are cautioned not to place undue reliance on the forward-looking statements, which speak only as of the date of this joint proxy statement/prospectus or the date of any document incorporated by reference in this joint proxy statement/prospectus. All subsequent written and oral forward-looking statements concerning the merger or other matters addressed in this joint proxy statement/prospectus and attributable to SAL and Riverside or any person acting on their behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this section. Except to the extent required by applicable law or regulation, SAL and Riverside undertake no obligation to update these forward-looking statements to reflect events or circumstances after the date of this joint proxy statement/prospectus or to reflect the occurrence of unanticipated events.

RISK FACTORS

In addition to the other information included in this joint proxy statement/prospectus (including the matters addressed in "Cautionary Note Concerning Forward-Looking Statements") and incorporated by reference into this document, you should carefully consider the matters described below in determining how to vote for the proposal presented in this joint proxy statement/prospectus. Any of these risks could have an adverse effect on SAL's business, financial condition, results of operations or prospects, which could in turn affect the price of its shares.

The value of the merger consideration will vary with changes in SAL's stock price.

Upon completion of the merger, all of the outstanding shares of Riverside common stock will be converted into shares of SAL common stock. The ratio at which the shares will be converted is fixed at 1.35 shares of SAL common stock for each share of Riverside common stock. Any change in the price of SAL common stock will affect the aggregate value Riverside shareholders will receive in the merger. Stock price changes may result from a variety of factors that are beyond the control of SAL and Riverside, including changes in businesses, operations and prospects, regulatory considerations, and general market and economic conditions. Accordingly, at the time of the special meeting, you will not know the exact value of the stock consideration to be received by Riverside shareholders in the merger. In addition, there will be a time period between the completion of the merger and the time at which former Riverside shareholders actually receive their shares of SAL common stock. Until shares are received, former Riverside shareholders may not be able to sell their SAL shares in the open market and, therefore, will not be able to avoid losses resulting from any decrease, or secure gains resulting from any increase, in the trading price of SAL common stock during this period.

The merger agreement may be terminated in accordance with its terms and the merger may not be completed.

The merger agreement is subject to a number of conditions which must be fulfilled in order to complete the merger. Those conditions include:

- approval of the merger agreement by Riverside and SAL shareholders;
- approval by SAL shareholders of an amendment to SAL's certificate of incorporation to increase SAL's authorized stock and eliminate the minimum and maximum number of directors on its board and the issuance of SAL common stock as merger consideration pursuant to the merger agreement;
- the receipt of required regulatory approvals;
- absence of orders prohibiting the completion of the merger;
- effectiveness of the registration statement of which this joint proxy statement/prospectus is a part;
- the continued accuracy of the representations and warranties by both parties and the performance by both parties of their covenants and agreements; and
- the receipt by both parties of tax opinions from their respective counsels.

If these conditions are not satisfied or waived (to the extent legally waivable), we will not be able to consummate the merger and the merger agreement will be terminated. In addition, under the merger agreement, each of SAL and Riverside have the right to terminate the merger agreement under certain circumstances. We can give you no assurance that the merger will actually be completed.

The need for regulatory approvals may delay the date of completion of the merger or may diminish the benefits of the merger.

SBT, SAL and Riverside are required to obtain the approvals or nonobjections of bank regulatory agencies prior to completing the merger. Satisfying any requirements of these regulatory agencies may delay the date of completion of the merger. In addition, it is possible that, among other things, restrictions on the combined operations of the two companies, including divestitures, may be sought by governmental agencies as a condition to obtaining the required regulatory approvals. Any regulatory restriction may diminish the benefits of the merger to Riverside and SAL. SAL is not required to complete the merger if a governmental agency, as part of its authorization or approval, imposes any condition, restriction or requirement upon SAL that SAL reasonably determines in good faith would individually or in the aggregate, materially reduce the benefits of the merger to such a degree that SAL would not have entered into the merger agreement had such a condition, restriction or requirement been known at the time the merger agreement was entered into.

If the merger is not completed, Riverside and SAL will have incurred substantial expenses without their respective shareholders realizing the expected benefits.

Riverside and SAL have each incurred substantial expenses in connection with the transactions described in this joint proxy statement/prospectus. If the merger is not completed, Riverside expects that it will have incurred approximately $430,000 (after tax) in merger-related expenses and SAL expects that it will have incurred approximately $1,550,000 (after tax) in merger-related expenses. These expenses would likely have a material adverse impact on the operating results of Riverside and SAL, respectively, because they would not have realized the expected benefits of the merger. There can be no assurance that the merger will be completed.

Riverside and SAL will be subject to business uncertainties and contractual restrictions while the merger is pending.

Uncertainty about the effect of the merger on employees, suppliers and customers may have an adverse effect on Riverside or SAL. These uncertainties may impair Riverside's or SAL's ability to attract, retain and motivate key personnel until the merger is completed, and could cause customers, suppliers and others who deal with Riverside to seek to change existing business relationships with Riverside or SAL. Riverside or SAL employee retention and recruitment may be particularly challenging prior to the effective time of the merger, as employees and prospective employees may experience uncertainty about their future roles with the combined company.

The pursuit of the merger and the preparation for the integration may place a significant burden on management and internal resources. Any significant diversion of management attention away from ongoing business and any difficulties encountered in the transition and integration process could affect the financial results of Riverside or SAL and, following the merger, the combined company. In addition, the merger agreement requires that Riverside and SAL operate in the ordinary course of business consistent with past practice and restricts Riverside or SAL from taking certain actions prior to the effective time of the merger or termination of the merger agreement. This may limit the ability of Riverside or SAL to engage in new lines of business or take advantage of other business opportunities while the merger is pending.

The merger agreement limits Riverside's ability to pursue alternatives to the merger.

The merger agreement contains terms and conditions that make it more difficult for Riverside to sell its business to a party other than SAL. Riverside has agreed to take action necessary to convene and to hold a meeting of shareholders of Riverside to consider and vote upon the approval of the merger agreement and the merger as promptly as practicable following the execution of the merger agreement. Subject to certain limited exceptions, Riverside's board of directors is required to recommend such approval.

SAL required Riverside to agree to these provisions as a condition to SAL's willingness to enter into the merger agreement. However, these provisions might discourage a third party that might have an interest in acquiring all or a significant part of Riverside from considering or proposing that acquisition even if it were prepared to pay consideration with a higher per share price than the current proposed merger consideration, and the termination fee might result in a potential competing acquirer proposing to pay a lower per share price to acquire Riverside than it might otherwise have proposed to pay.

SAL may fail to realize the anticipated benefits of the merger.

The success of the merger will depend, in part, on the combined company's ability to realize the anticipated benefits from combining the businesses of SAL and Riverside. However, to realize these anticipated benefits, the businesses of SBT and Riverside must be successfully combined. If the combined company is not able to achieve these objectives, the anticipated benefits of the merger may not be realized fully or at all or may take longer to realize than expected.

SAL and Riverside have operated and, until the completion of the merger, will continue to operate independently. It is possible that the integration process could result in the loss of key employees, as well as the disruption of each company's ongoing businesses or inconsistencies in standards, controls, procedures and policies, any or all of which could adversely affect SAL's ability to maintain relationships with clients, customers, depositors and employees after the merger or to achieve the anticipated benefits of the merger. Integration efforts between the two companies will also divert management attention and resources. These integration matters could have an adverse effect on each of SAL and Riverside.

Riverside's executive officers and directors have interests in the merger that are different from the interests of the Riverside shareholders.

Riverside executive officers negotiated the merger agreement with SBT and SAL, and the board of directors approved the agreement and is recommending that Riverside shareholders who are entitled to vote, vote for the merger agreement. In considering these facts and the other information contained in this joint proxy statement/prospectus, you should be aware that Riverside's executive officers and directors have interests in the merger in addition to the interests that they share with the Riverside shareholders. These interests include continued indemnification and insurance coverage by SAL after the merger for acts or omissions occurring before the merger, severance payments due certain executive officers in connection with the merger under pre-existing employment contracts, the continuation of employment and employment agreements with SBT for two officers following the effective date of the merger, the assumption of certain Riverside stock options by SAL, and the invitation of five other Riverside directors to serve on the boards of SBT and SAL. In addition, those non-officer Riverside directors who will not join the SAL board will be asked to serve on an advisory board of SAL. For a detailed discussion of these interests, see the section in this joint proxy statement/prospectus titled "Interests of Riverside's Directors and Executive Officers in the Merger" beginning on page 59.

Unanticipated costs relating to the merger could reduce SAL's future earnings per share.

SAL believes that it has reasonably estimated the likely costs of integrating the operations of SBT and Riverside, and the incremental costs of operating as a combined company. However, it is possible that unexpected transaction costs such as taxes, fees or professional expenses or unexpected future operating expenses such as increased personnel costs or increased taxes, as well as other types of unanticipated adverse developments, could have a material adverse effect on the results of operations and financial condition of the combined company. If unexpected costs are incurred, the merger could have a dilutive effect on the combined company's earnings per share. In other words, if the merger is completed, the earnings per share of SAL common stock could be less than it would have been if the merger had not been completed.

Both Riverside and SAL shareholders will have a reduced ownership and voting percentage interest after the merger and will exercise less influence over management of the combined organization.

Each of Riverside and SAL shareholders currently have the right to vote in the election of their respective boards of directors and on various other matters affecting their respective companies. After the merger, each Riverside shareholder will hold a percentage ownership of the combined organization that is much smaller than such shareholder's current percentage ownership of Riverside. Specifically, Riverside shareholders will hold in the aggregate approximately 37% of the outstanding shares of SAL common stock. Furthermore, because shares of SAL common stock will be issued to existing Riverside shareholders, current SAL shareholders will have their ownership and voting interests diluted to reflect the new ownership of 37% of SAL by the former shareholders of Riverside. In addition, the tangible book value dilution to shareholders of SAL at June 30, 2014 was approximately 7.50%. Accordingly, both Riverside and SAL shareholders will have less influence on the management and policies of the combined company than they now have on the management and policies of their respective companies.

The opinions of the respective financial advisors to Riverside and SAL do not reflect changes in circumstances subsequent to the date of the financial advisors' opinions.

In connection with the proposed merger, KBW, Riverside's financial advisor, delivered an opinion dated March 18, 2014 as to the fairness, from a financial point of view and as of the date of the opinion, of the exchange ratio in the proposed merger. Sterne Agee, SAL's financial advisor also delivered an opinion dated March 18, 2014 in connection with the proposed merger as to the fairness, from a financial point of view, and as of the date of such opinion, of the merger consideration. The opinions do not reflect changes that may occur or may have occurred after the date of the opinions, including changes to the operations and prospects of SAL or Riverside, changes in general market and economic conditions or regulatory or other factors. Any such changes may materially alter or affect the relative values of SAL and Riverside.

Failure to complete the merger could negatively impact the stock prices and future businesses and financial results of SAL and Riverside.

If the merger is not completed, the ongoing businesses of SAL and Riverside may be adversely affected and SAL and Riverside will be subject to several risks, including the following:

- Riverside may be required, under certain circumstances, to pay SAL a termination fee of $1,200,000 and potential reimbursement for certain expenses of up to $500,000 under the merger agreement;
- SAL and Riverside will be required to pay certain costs relating to the merger, whether or not the merger is completed, such as legal, accounting, financial advisor and printing fees;
- under the merger agreement, Riverside is subject to certain restrictions on the conduct of its business prior to completing the merger which may adversely affect its ability to execute certain of its business strategies; and
- matters relating to the merger may require substantial commitments of time and resources by SAL and Riverside management, which could otherwise have been devoted to other opportunities that may have been beneficial to SAL and Riverside as independent companies, as the case may be.

In addition, if the merger is not completed, SAL and/or Riverside may experience negative reactions from the financial markets and from their respective customers and employees. SAL and/or Riverside also could be subject to litigation related to any failure to complete the merger or to enforcement proceedings commenced against SAL or Riverside to perform their respective obligations under the merger agreement. If the merger is not completed, SAL and Riverside cannot assure their shareholders that the risks described above will not materialize and will not materially affect their business, financial results and stock prices.

After the merger is completed, Riverside shareholders will become SAL shareholders and will have different rights that may be less advantageous than their current rights.

Upon completion of the merger, Riverside shareholders will become SAL shareholders. Differences in Riverside's organization certificate and bylaws and SAL's certificate of incorporation and bylaws and the laws governing Riverside and SAL will result in changes to the rights of Riverside shareholders who become SAL shareholders. See the section of this joint proxy statement/prospectus titled "Comparison of Rights of Shareholders of Riverside and SAL," beginning on page 122 for more information.

INFORMATION ABOUT THE COMPANIES

Salisbury Bancorp, Inc. and Salisbury Bank and Trust 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 full service branches in Canaan, Lakeville, Salisbury and Sharon, Connecticut, Dover Plains and Millerton, New York and Great Barrington, South Egremont and Sheffield, Massachusetts. At June 30, 2014, SAL has, on a consolidated basis, assets of $621 million, deposits of $507 million and shareholders' equity of $75 million. SAL's stock trades on the NASDAQ Capital Market under the symbol "SAL". The Bank offers a full complement of consumer and business banking products and services as well as trust and wealth advisory services. Additional information about SAL and its subsidiary, SBT, is included in documents incorporated by reference in this joint proxy statement/prospectus. See "Where You Can Find Additional Information".

SBT is committed to providing high quality community banking services in the geographic markets in which it conducts business. SBT's products and services include a wide array of credit services, such as consumer loans, credit cards, commercial loans, small business loans, automobile loans, real estate mortgages, community development loans, HELOCs, SBA loans, and several other forms of credit; deposit services, such as personal and business checking accounts, savings accounts, money market accounts, certificates of deposit, HSAs, IRAs, SEPs, repurchase agreements, IOLTA accounts, CDARS, holiday and vacation club accounts, school savings programs and other similar deposit services and products; additional services such as safe deposit boxes, debit cards, wire transfers, telephone, on-line and mobile banking, and notary public and signature guarantee services; and, as noted above, trust and wealth advisory services.

Riverside Bank

Riverside Bank is a New York State chartered commercial bank serving small and medium sized businesses, professionals and individuals in the Hudson Valley with branches in Poughkeepsie, Red Oaks Mill, Newburgh and Fishkill, New York. Since opening for business in 1988, Riverside Bank has been committed to providing outstanding products and service to its customers focusing on serving small to medium sized businesses and professionals within its markets.

SPECIAL MEETING OF SHAREHOLDERS OF RIVERSIDE

This joint proxy statement/prospectus is being furnished to holders of Riverside common stock for use at a special meeting of shareholders of Riverside and any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

The special meeting of shareholders of Riverside will be held at The Poughkeepsie Grand Hotel, 40 Civic Center Plaza, Poughkeepsie, New York 12601 on October 29, 2014, at 10:30 a.m., local time.

Purpose of the Special Meeting

At the special meeting, Riverside shareholders as of the record date will be asked to consider and vote on the following proposals (which are discussed in more detail below under "Riverside Proposals" on page 28):

1. to approve the Agreement and Plan of Merger by and among Riverside, SBT and SAL, dated as of March 18, 2014, pursuant to which Riverside will merge with and into SBT with SBT surviving;
2. to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt and approve the merger agreement; and
3. such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

Recommendation of the Board of Directors of Riverside

The Riverside board of directors has approved the merger agreement and unanimously recommends that you vote your shares as follows:

- "**FOR**" adoption and approval of the merger agreement; and
- "**FOR**" the proposal to adjourn the special meeting, if necessary, to permit further solicitation of proxies.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of Riverside common stock at the close of business on the record date of September 5, 2014, are entitled to notice of and to vote at the special meeting of shareholders of Riverside. As of the record date, there were 741,876 shares of Riverside common stock outstanding, held of record by approximately 329 shareholders. Each holder of Riverside common stock is entitled to one vote for each share of Riverside common stock owned as of the record date.

A list of Riverside shareholders as of the record date will be available for review by any Riverside shareholder at Riverside's principal executive offices during regular business hours beginning 10 days prior to the date of the special meeting and continuing through the special meeting.

Quorum; Vote Required

A quorum of Riverside shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of Riverside common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. Riverside will include proxies marked as abstentions in determining the number of shares present at the special meeting.

The affirmative vote of the holders of at least two-thirds of the shares of Riverside common stock outstanding and entitled to vote at the special meeting is required to approve the merger agreement. The affirmative vote of the holders of at least a majority of the shares present and entitled to vote at the special meeting is required to approve the proposal to adjourn the special meeting.

Abstentions and broker non-votes will have the same effect as a vote "**AGAINST**" approval of the merger agreement. Abstentions will have the same effect as a vote "**AGAINST**" the adjournment proposal, but broker non-votes will have no effect on that proposal.

Share Ownership of Management; Voting Agreements

As of the record date, the directors and executive officers of Riverside and their affiliates collectively owned 303,045 shares of Riverside common stock, or approximately 39.52% of Riverside's outstanding shares. Each Riverside director and executive officer has entered into a voting agreement with SAL, which requires each person to vote all of the shares of Riverside common stock beneficially owned by him or her **"FOR"** approval of the merger agreement and the other proposals described in the notice for the special meeting. None of the directors or executive officers were paid any additional consideration in connection with the execution of the voting agreement.

When considering the recommendation of the board of directors of Riverside that you vote in favor of the approval of the merger agreement, you should be aware that the executive officers and directors of Riverside have financial interests in the merger that may be different from, or in addition to, the interests of shareholders of Riverside. See "The Merger - Interests of Riverside's Directors and Executive Officers in the Merger" beginning on page 59.

Voting of Proxies

If you are a Riverside shareholder, the board of directors of Riverside requests that you return the proxy card accompanying this document for use at the special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed postage-paid envelope.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted "FOR" approval of the merger agreement and "FOR" an adjournment of the special meeting to solicit additional proxies, if necessary**.

If you hold your shares of Riverside common stock in "street name," meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of Riverside common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting. If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of Riverside common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote "**AGAINST**" adoption and approval of the merger agreement.

How to Revoke Your Proxy

If you are a Riverside shareholder, you may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

- delivering a written notice bearing a date later than the date of your proxy card to Riverside's President and CEO at the address listed below, stating that you revoke your proxy;
- submitting a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or
- attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation to John M. Davies, President and CEO, at the following address:

Riverside Bank

11 Garden Street

Poughkeepsie, New York 12601

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your vote.

Voting in Person

If you are a Riverside shareholder and plan to attend the special meeting of Riverside shareholders and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from the broker, bank or other nominee in order to vote your shares.

Whether or not you plan to attend the special meeting, Riverside requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope. This will not prevent you from voting in person at the special meeting but will assure that your vote is counted if you are unable to attend.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for approval of the merger agreement, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes “**FOR**” approval of the merger agreement and “**FOR**” approval of the proposal to adjourn the special meeting, if necessary.

Brokers who hold shares of Riverside common stock in street name for a customer who is the beneficial owner of those shares may not exercise voting authority on the customer’s shares with respect to the actions proposed in this document without specific instructions from the customer. Proxies submitted by a broker that do not exercise this voting authority are referred to as broker non-votes. If your broker holds your Riverside common stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, or fill out the voter instruction form, if applicable.

Abstentions will be included in determining the presence of a quorum at the special meeting. Broker non-votes will be counted in determining the presence of a quorum at the special meeting, only if the beneficial owner of such shares has instructed the bank or broker how to vote with respect to at least one matter before the meeting. Abstentions and broker non-votes will have the same effect as a vote “**AGAINST**” approval of the merger agreement. Abstentions will have the same effect as a vote “**AGAINST**” the adjournment proposal, but broker non-votes will have no effect on that proposal.

Proxy Solicitation

If you are a Riverside shareholder, the enclosed proxy is solicited by and on behalf of the board of directors of Riverside. Riverside will pay the expenses of soliciting proxies to be voted at the special meeting. Following the original mailing of the proxies and other soliciting materials, Riverside and its agents also may solicit proxies by mail, telephone, facsimile or in person. No additional compensation will be paid to directors, officers or other employees of Riverside for making these solicitations.

This joint proxy statement/prospectus and the proxy card are first being sent to Riverside shareholders on or about September ___, 2014.

Stock Certificates

If you are a Riverside shareholder, you should not send in any certificates representing Riverside common stock. You will receive separate instructions from the exchange agent for the exchange of your certificates representing Riverside common stock.

RIVERSIDE PROPOSALS

Proposal No. 1 - To Approve the Riverside Merger Proposal

Riverside is asking its shareholders to approve the merger agreement and the transactions contemplated thereby. Holders of Riverside common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A.

After careful consideration, the Riverside board of directors adopted the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger, to be advisable and in the best interest of Riverside and the shareholders of Riverside. See “The Merger—Riverside’s Reasons for the Merger; Recommendation of Riverside’s Board of Directors” included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the Riverside board of directors’ recommendation.

The Riverside board of directors unanimously recommends a vote “FOR” the Riverside Merger Proposal.

Proposal No. 2 - To Approve the Riverside Adjournment Proposal

The Riverside special meeting may be adjourned to another time or place, if necessary or appropriate to solicit additional proxies if there are insufficient votes at the time of the Riverside special meeting to adopt and approve the merger agreement.

If at the Riverside special meeting the number of shares of Riverside common stock present or represented and voting in favor of the Riverside merger proposal is insufficient to approve such proposal, Riverside intends to move to adjourn the Riverside special meeting to solicit additional proxies for approval of the merger agreement. In that event, Riverside will ask its shareholders to vote upon the Riverside adjournment proposal, but not the Riverside merger proposal.

In this proposal, Riverside is asking its shareholders to authorize the holder of any proxy solicited by the Riverside board of directors on a discretionary basis to vote in favor of adjourning the Riverside special meeting to another time and place to solicit additional proxies, including the solicitation of proxies from Riverside shareholders who have previously voted.

The Riverside board of directors unanimously recommends a vote "FOR" the Riverside Adjournment Proposal.

SPECIAL MEETING OF SHAREHOLDERS OF SAL

This joint proxy statement/prospectus is being furnished to holders of SAL common stock for use at a special meeting of shareholders of SAL and any adjournments or postponements thereof.

Date, Time and Place of the Special Meeting

The special meeting of shareholders of SAL will be held at Hotchkiss School (Griswold Science Building, located off Route 41), 11 Interlaken Road, Lakeville, Connecticut 06039, on Wednesday, October 29, 2014, at 4:00 p.m., local time.

Purpose of the Special Meeting

At the special meeting, SAL shareholders as of the record date will be asked to consider and vote on the following proposals (which are discussed in more detail below under "SAL Proposals" on page 32):

- to approve the SAL merger proposal;
- to approve the SAL certificate of amendment proposal;
- to approve one or more adjournments of the special meeting, if necessary, to permit further solicitation of proxies if there are not sufficient votes at the time of the special meeting, or at any adjournment or postponement of that meeting, to adopt and approve the merger agreement; and
- such other matters as may properly come before the special meeting or any adjournment or postponement of that meeting.

Recommendation of the Board of Directors of SAL

The SAL board of directors has approved the merger agreement and the transactions contemplated thereby and unanimously recommends that you vote your shares as follows:

- "**FOR**" approval of the SAL merger proposal;
- "**FOR**" approval of the SAL certificate of amendment proposal; and
- "**FOR**" the SAL adjournment proposal.

Record Date; Outstanding Shares; Shares Entitled to Vote

Only holders of record of SAL common stock at the close of business on the record date of September 5, 2014, are entitled to notice of and to vote at the special meeting of shareholders of SAL. As of the record date, there were 1,713,281 shares of SAL common stock outstanding, held of record by 1,739 shareholders. Each holder of SAL common stock is entitled to one vote for each share of SAL common stock owned as of the record date.

A list of SAL shareholders as of the record date will be available for review by any SAL shareholder at SAL's principal executive offices during regular business hours beginning 10 days prior to the date of the special meeting and continuing through the special meeting.

Quorum; Vote Required

A quorum of SAL shareholders is necessary to hold a valid meeting. If the holders of at least a majority of the total number of the outstanding shares of SAL common stock entitled to vote are represented in person or by proxy at the special meeting, a quorum will exist. SAL will include proxies marked as abstentions in determining the number of shares present at the special meeting.

The affirmative vote of the holders of at least a majority of the shares of SAL common stock outstanding and entitled to vote at the special meeting is required to approve the merger proposal, the SAL certificate of amendment proposal, and the SAL adjournment proposal. Abstentions and broker non-votes are counted "**AGAINST**" the SAL merger proposal, the proposal to amend SAL's certificate of incorporation and the proposal to issue SAL common stock as merger consideration, but will have no effect on the SAL adjournment proposal.

Share Ownership of Management

As of the record date, the directors and executive officers of SAL and their affiliates collectively owned 127,240 shares of SAL common stock, or approximately 7.43% of SAL's outstanding shares.

When considering the recommendation of the board of directors of SAL that you vote in favor of the approval of the merger agreement, including the issuance of SAL common stock as merger consideration, and the approval of the amendment to SAL's certificate of incorporation, you should be aware that the executive officers and directors of SAL have financial interests in the merger that may be different from, or in addition to, the interests of shareholders of SAL. See "The Merger - Interests of SAL's Directors and Executive Officers in the Merger" beginning on page 59.

Voting of Proxies

If you are a SAL shareholder, the board of directors of SAL requests that you return the proxy card accompanying this document for use at the special meeting. Please complete, date and sign the proxy card and promptly return it in the enclosed postage-paid envelope.

All properly signed proxies received prior to the special meeting and not revoked before the vote at the special meeting will be voted at the special meeting according to the instructions indicated on the proxies or, **if no instructions are given, the shares will be voted "FOR" approval of the SAL merger proposal, "FOR" approval of the SAL certificate of amendment proposal, and "FOR" the SAL adjournment proposal, if necessary**.

If you hold your shares of SAL common stock in "street name," meaning in the name of a bank, broker or other nominee who is the record holder, you must either direct the record holder of your shares of SAL common stock how to vote your shares or obtain a proxy from the record holder to vote your shares in person at the special meeting.

If you fail to properly submit your proxy card or to instruct your broker, bank or other nominee to vote your shares of SAL common stock and you do not attend the special meeting and vote your shares in person, your shares will not be voted. This will have the same effect as a vote "**AGAINST**" adoption and approval of the proposals to approve the merger agreement, to amend SAL's certificate of incorporation and to issue shares as consideration for the merger, but will have no effect on the SAL adjournment proposal. However, if you mark "**ABSTAIN**" on your proxy card with respect to any proposal, it will have the same effect as a vote "**AGAINST**" such proposal.

How to Revoke Your Proxy

If you are a SAL shareholder, you may revoke your proxy at any time by taking any of the following actions before your proxy is voted at the special meeting:

- delivering a written notice bearing a date later than the date of your proxy card to SAL's Secretary at the address listed below, stating that you revoke your proxy;
- submitting a new signed proxy card bearing a later date (any earlier proxies will be revoked automatically); or
- attending the special meeting and voting in person, although attendance at the special meeting will not, by itself, revoke a proxy.

You should send any notice of revocation to Shelly L. Humeston, Secretary, at the following address:

Salisbury Bank and Trust Company

5 Bissell Street

P.O. Box 1868

Lakeville, CT 06039-1868

If you have instructed a bank, broker or other nominee to vote your shares, you must follow the directions you receive from your bank, broker or other nominee to change your vote.

Voting in Person

If you are a SAL shareholder and plan to attend the special meeting of SAL shareholders and wish to vote in person, you will be given a ballot at the special meeting. Please note, however, that if your shares are held of record by a broker, bank or other nominee and you wish to vote at the special meeting, you must obtain a proxy from the broker, bank or other nominee in order to vote your shares.

Whether or not you plan to attend the special meeting, SAL requests that you complete, sign, date and return the enclosed proxy card as soon as possible in the enclosed postage-paid envelope. This will not prevent you from voting in person at the special meeting but will assure that your vote is counted if you are unable to attend.

Abstentions and Broker Non-Votes

Only shares affirmatively voted for approval, including shares represented by properly executed proxies that do not contain voting instructions, will be counted as votes "**FOR**" the approval of the SAL merger proposal; "**FOR**" approval of the amendment to SAL's certificate of incorporation to increase SAL's authorized common stock and to increase the number of directors on SAL's board; and "**FOR**" the SAL adjournment proposal, if necessary.

Brokers who hold shares of SAL common stock in street name for a customer who is the beneficial owner of those shares may not exercise voting authority on the customer's shares with respect to the actions proposed in this document without specific instructions from the customer. Proxies submitted by a broker that do not exercise this voting authority are referred to as broker non-votes. If your broker holds your SAL common stock in street name, your broker will vote your shares only if you provide instructions on how to vote by filling out the voter instruction form sent to you by your broker with this joint proxy statement/prospectus.

Accordingly, you are urged to mark and return the enclosed proxy card to indicate your vote, or fill out the voter instruction form, if applicable.

Abstentions will be included in determining the presence of a quorum at the special meeting, but will be counted as a vote "**AGAINST**" any of the proposals for which a shareholder marks "**ABSTAIN**". Broker non-votes will only be included in determining the presence of a quorum at the special meeting, if the beneficial owner of such shares has instructed the bank or broker how to vote with respect to at least one matter before the meeting. Abstentions and broker non-votes will have the same effect as a vote "**AGAINST**" approval of the SAL merger proposal, and the SAL certificate of amendment proposal, except that broker non-votes will have no effect on the SAL adjournment proposal.

Proxy Solicitation

If you are a SAL shareholder, the enclosed proxy is solicited by and on behalf of the board of directors of SAL. SAL will pay the expenses of soliciting proxies to be voted at the special meeting. Following the original mailing of the proxies and other soliciting materials, SAL and its agents also may solicit proxies by mail, telephone, facsimile or in person. No additional compensation will be paid to directors, officers or other employees of SAL for making these solicitations. SAL has retained a proxy solicitation firm, Morrow & Co., LLC to aid in its solicitation process. SAL will pay Morrow & Co., LLC a fee of approximately $5,000, plus reasonable disbursements in connection with the solicitation. SAL intends to reimburse persons who hold SAL common stock of record but not beneficially, such as brokers, custodians, nominees, and fiduciaries, for their reasonable expense in forwarding copies of proxies and other soliciting materials to, and requesting authority for the exercise of proxies from, the persons for whom they hold shares.

This joint proxy statement/prospectus and the proxy card are first being sent to SAL shareholders on or about September ___, 2014.

SAL PROPOSALS

Proposal No. 1 - To Approve the SAL Merger Proposal

SAL is asking its shareholders to approve the merger agreement and the transactions contemplated thereby. Holders of SAL common stock should read this joint proxy statement/prospectus carefully and in its entirety, including the appendices, for more detailed information concerning the merger agreement and the merger. A copy of the merger agreement is attached to this joint proxy statement/prospectus as Appendix A.

In connection with the merger agreement, SAL is also asking its shareholders to approve the issuance of SAL common stock as merger consideration proposal. Pursuant to the merger agreement, upon completion of the merger, holders of Riverside common stock will be entitled to receive, for each share of Riverside common stock that is issued and outstanding, 1.35 shares of SAL common stock.

After careful consideration, the SAL board of directors unanimously adopted the merger agreement and declared the merger agreement and the transactions contemplated thereby, including the merger and the issuance of SAL common stock as merger consideration, to be advisable and in the best interests of SAL and the shareholders of SAL. See "The Merger—SAL's Reasons for the Merger; Recommendation of SAL's Board of Directors" included elsewhere in this joint proxy statement/prospectus for a more detailed discussion of the SAL board of directors' recommendation.

The SAL board of directors unanimously recommends a vote "FOR" the approval of the SAL Merger Proposal, including the issuance of SAL common stock as merger consideration.

Proposal No. 2 - To Approve the SAL Certificate of Amendment Proposal

SAL is asking its shareholders to approve the SAL certificate of amendment proposal. This proposal would increase the number of authorized common shares of SAL from 3,000,000 to 5,000,000 shares. In addition, the certificate of incorporation would be amended to eliminate the minimum and maximum number of directors of SAL to provide that the board of directors may fix the number of directors from time to time. Currently, the certificate of incorporation provides that the SAL board should consist of no more than twelve (12) directors. At the effective time of the merger, pursuant to the merger agreement, SAL's board will consist of fifteen (15) directors (its ten (10) current directors and the five (5) Riverside representatives who will become directors of SAL and SBT). A copy of the form of the SAL certificate of amendment is attached to this joint proxy statement/prospectus as Appendix E. Approval of this proposal is necessary in order for SAL to have sufficient shares to issue to the former Riverside shareholders as consideration in the merger, and, therefore, SAL cannot complete the merger unless this proposal is approved.

After careful consideration, the SAL board of directors, by a unanimous vote of all directors, adopted the SAL certificate amendment proposal. The increase in the number of authorized shares will provide sufficient shares to be issued as merger consideration in connection with the merger and provided sufficient shares for outstanding options, as well as provide shares for future issuance. The larger board size will allow all current SAL directors and the five Riverside representatives to serve on the board of directors of SAL as of the effective time.

The SAL board of directors unanimously recommends a vote “FOR” the SAL Certificate of Amendment Proposal.

Proposal No. 3 - To Approve the SAL Adjournment Proposal

The SAL special meeting may be adjourned to another time or place, if necessary or appropriate, to permit, among other things, further solicitation of proxies if necessary to obtain additional votes in favor of the SAL merger proposal.

If, at the SAL special meeting, the number of shares of SAL common stock present or represented and voting in favor of the SAL merger proposal is insufficient to approve such proposal, SAL intends to move to adjourn the SAL special meeting to solicit additional proxies for the approval of the merger agreement. In that event, SAL will ask its shareholders to vote upon the SAL adjournment proposal, but not the SAL merger proposal.

In this proposal, SAL is asking its shareholders to authorize the holder of any proxy solicited by the SAL board of directors on a discretionary basis to vote in favor of adjourning the SAL special meeting to another time and place to solicit additional proxies, including the solicitation of proxies from SAL shareholders who have previously voted.

The SAL board of directors unanimously recommends a vote "FOR" the SAL Adjournment Proposal.

THE MERGER

The following discussion contains material information about the merger. The discussion is subject, and qualified in its entirety by reference, to the merger agreement and other documents attached as appendices to this joint proxy statement/prospectus. We urge you to read carefully this entire proxy statement/prospectus, including the merger agreement and other documents attached as appendices to this joint proxy statement/prospectus, for a more complete understanding of the merger.

General

On March 18, 2014, the SBT and SAL boards of directors and board of directors of Riverside approved the merger agreement. The merger agreement provides for the merger of Riverside with and into SBT, with SBT as the surviving corporation.

Upon completion of the merger, holders of Riverside common stock (other than stock held by Riverside or SAL) will be entitled to receive, for each share of Riverside common stock that is issued and outstanding, 1.35 shares of SAL common stock.

See "The Merger Agreement" beginning on page 71, for additional and more detailed information regarding the legal documents that govern the merger, including information about the conditions to the merger and the provisions for terminating or amending the merger agreement.

Background of the Merger

The board of Riverside, as part of its ongoing strategic planning, has historically reviewed alternatives available to Riverside on an ongoing basis. The board concluded that in order for Riverside to remain as an independent organization, it would need to raise additional capital. Although Riverside's regulatory capital ratios have consistently exceeded the regulatory minimums required for it to be considered "well capitalized", Riverside's ability to grow its loan portfolio and customer base has been constrained by its relatively low legal lending limit, which is 15% of capital for most loans. This has meant that in order to originate larger credits, and serve the needs of growing or larger customers, Riverside has needed to share the credit with a participating institution. Riverside has therefore run the risk of its customers outgrowing the bank. In addition, the board of Riverside believed that in the current regulatory environment, it has been and would continue to be difficult for a small institution to absorb all of the increasing costs of regulatory compliance. Therefore, to remain independent, the board believed that Riverside would need to continue to grow, and Riverside would, therefore, require additional capital to support that growth.

The Riverside board also concluded that for a number of reasons, including the difficulty incurred by small, illiquid banks in accessing the capital markets, Riverside would have difficulty raising additional capital on terms that would benefit its existing shareholders.

As an outgrowth of these planning sessions, in May of 2012, George Banta, then a director of Riverside, suggested that John Davies, the President and CEO of Riverside, reach out to Richard J. Cantele, Jr., President and CEO of SAL and SBT. Mr. Banta is a shareholder of SAL, and believed that SAL was interested in expanding further in New York.

Mr. Davies met with Mr. Cantele in May of 2012 to discuss whether there was any basis for the two companies to engage in a transaction. No terms were discussed at this meeting. Both Messrs. Davies and Cantele believed that a deal between Riverside and SAL could be beneficial to the shareholders of both and agreed to keep speaking.

Messrs. Davies and Cantele met again in June and in October of 2012 to informally discuss a potential transaction. Economic terms of a transaction were not discussed at either meeting. At the October 2012 meeting, Mr. Davies agreed to provide Mr. Cantele with publicly available financial information for Riverside, including financial results through September 30, 2012. Over the next several weeks, Mr. Davies provided the requested information to Mr. Cantele.

In January 2013, SAL retained Sterne Agee to produce a pro forma model showing a combination of SAL and Riverside, assuming a stock for stock exchange with an exchange ratio of 1.22 shares of SAL common stock for each share of Riverside common stock. In late January 2013, Mr. Davies met with Mr. Cantele, and Mr. Cantele reviewed the Sterne Agee model with Mr. Davies. Both Mr. Davies and Mr. Cantele agreed that the model represented a basis on which to move forward with a possible combination of SBT and Riverside.

The board of directors of Riverside received and reviewed the Sterne Agree model at its February 26, 2013 board meeting, and concluded that the model represented terms on which the board would be willing to negotiate a combination with SAL, and directed the executive committee of the board to meet with representatives of SAL and further explore the terms of a possible transaction.

On March 5, 2013, members of the executive committee of the Riverside board met with Mr. Cantele and a delegation of the board members of SAL. At that meeting, the parties discussed social and structural aspects of the proposed transaction, but did not discuss financial terms. The Riverside executive committee reported the results of that meeting to the full board of Riverside at its meeting on March 26, 2013. As a result, the board authorized the Riverside executive committee to have a second meeting with representatives of SAL, and authorized management to contact KBW about acting as a financial advisor to Riverside. Mr. Davies thereafter contacted a representative of KBW.

On April 8, 2013 members of the executive committee of the Riverside board again met with Mr. Cantele, and a designated board committee of SAL to discuss a potential transaction. In addition, representatives of Sterne Agee attended the meeting, and reviewed their model with the members of Riverside’s executive committee. As a result of that meeting, the Riverside executive committee determined that Riverside should move forward with discussions with SAL.

At approximately the same time in April, Mr. Davies was contacted by a senior executive of another financial institution and asked whether he would have lunch with the executive and the institution’s CEO. Mr. Davies knew both from professional activities, and agreed to meet. He was not told the purpose of the meeting.

Mr. Davies met with the two executives, and they expressed an interest in purchasing Riverside in an all cash transaction. No proposed price was discussed at that meeting.

Mr. Davies then contacted KBW and requested that KBW provide assistance with assessing the financial ability of SAL and the other financial institution to purchase Riverside through a stock for stock exchange in the case of SAL and through an all cash transaction in the case of the other institution. At a meeting held on April 23, 2013, the board authorized Mr. Davies to have further discussions with the other financial institution to ascertain the potential terms of their interest in Riverside.

At the request of the other financial institution, Mr. Davies in late April and early May of 2013 provided the other financial institution with publicly available financial information regarding Riverside.

On May 24, 2013, the other financial institution presented an indication of interest valuing Riverside at $35.00 per share in a proposed all cash purchase. At a meeting on May 28, 2013, the board discussed the indication of interest and determined that the indication inadequately valued Riverside and that the bank should continue with its efforts to negotiate a merger with SAL. Riverside management communicated the board's decision to the other financial institution.

Riverside management and KBW continued to discuss the terms of the proposed transaction with SAL management and Sterne Agee. During these discussions, SAL proposed an exchange ratio of 1.245 SAL shares for each Riverside share. In addition, the other financial institution continued discussions with Riverside management and KBW, and continued to express interest in acquiring Riverside in an all cash transaction.

On June 25, 2013, the Riverside board held a meeting at which representatives of KBW were present to review the current terms of the proposed transaction with SAL and the continued interest of the other financial institution. The board concluded that KBW should reach out to each of SAL and the other institution and direct them to present their best and final indication of interest for a proposed transaction with Riverside.

Both SAL and the other institution presented indications of interest. SAL proposed a stock for stock exchange with an exchange ratio of 1.25 SAL shares for each Riverside share. The other financial institution proposed an all cash transaction valuing Riverside at $43.00 per share.

On July 12, 2013, the board of Riverside held a meeting, which representatives of KBW attended, and which Windels Marx Lane & Mittendorf, Riverside's counsel, also attended, to review the indications. Counsel reviewed with the board its fiduciary duties and the obligations it owed to Riverside's shareholders. The representatives of KBW discussed with the board the financial terms and financial aspects of each indication. After further discussions, the board elected to proceed with the proposed transaction with SAL, and authorized and directed management, working with counsel and KBW, to negotiate a definitive agreement with SAL.

Over the next few days, certain shareholders with knowledge of the two proposed transactions, including emeritus members of the board, expressed reservations about turning down the all-cash deal, based in part on the liquidity it offered. The Riverside board became concerned about Riverside's ability to obtain a two-thirds vote in favor of the SAL transaction in light of the concerns expressed by these shareholders.

On July 19, 2013, the Riverside board met with counsel to again review the two indications of interest and the concerns expressed by the emeritus members of the board. After further discussion, the Riverside board authorized and directed management, working with counsel and KBW, to negotiate a definitive merger agreement providing for an all cash transaction at $43.00 per share with the other financial institution.

During August and September of 2013, the other financial institution undertook a detailed diligence review of Riverside, and during September of 2013, counsel for the other financial institution began to negotiate the definitive agreements with counsel for Riverside. By late September and early October of 2013, several issues had arisen in the negotiations which were proving difficult to resolve. The purchasing financial institution had imposed a condition to the transaction that certain shareholders who were not members of the Riverside board of directors agree to vote in favor of the transaction. One or more of these shareholders were unwilling to so agree. In addition, the purchasing financial institution required senior management of Riverside to waive their current employment and/or change in control agreements and enter into new agreements with the acquirer. However, the parties were unable to come to agreement on the terms of the new agreements.

As a result of these issues, in early October 2013, the other financial institution notified Riverside that is was ending the negotiations to acquire Riverside, and that it would not move forward with the transaction.

The executive committee of the Riverside board then held a meeting also attended by KBW to discuss Riverside's alternatives, and elected to approach SAL to gauge its interest in a possible transaction with Riverside. On or about October 8, 2013, Mr. Davies called Mr. Cantele, who indicated that SAL remained interested in a potential transaction with Riverside. On October 22, 2013, Mr. Davies informed the Riverside board of SAL's continued interest and on October 25, 2013, Mr. Cantele informed the SAL board that discussions with Riverside have been revived.

SAL then provided an updated indication of interest on November 4, 2013. The indication provided for a stock for stock exchange in a merger with an exchange ratio of 1.35 SAL shares for each Riverside share. Mr. Davies presented the new SAL indication of interest to the Riverside board, which concluded that it represented the basis on which the board was willing to negotiate a definitive agreement with SAL.

SAL engaged an independent consultant to assist with due diligence and during December of 2013 and January of 2014, SAL undertook a detailed diligence review of Riverside, and counsel for SAL began to prepare drafts of the definitive transaction documents.

During February and March of 2014, counsel for SAL and counsel for Riverside negotiated the definitive transaction documents, including the merger agreement and employment related agreements for Riverside management. In addition, Riverside undertook a diligence review of SAL.

On March 18, 2014, the respective boards of Riverside and SAL met and approved the definitive merger agreement. At the Riverside board meeting, representatives of Windels Marx Lane & Mittendorf and KBW made presentations prior to the vote being taken by the Riverside board. The presentation by Windels, Marx, Lane & Mittendorf covered the terms of the merger agreement and the fiduciary duties of board members. At this meeting, KBW reviewed the financial aspects of the proposed transaction, and, at the request of the Riverside board of directors, rendered its opinion to the Riverside board of directors as to the fairness, from a financial point of view and as of the date of its opinion, to the holders of Riverside common stock of the exchange ratio in the proposed merger pursuant to the merger agreement. At the SAL meeting, representatives of Cranmore, FitzGerald & Meaney and Sterne Agee made presentations prior to the vote being taken by the SAL board. Sterne Agee reviewed and discussed its financial analyses of the merger and the merger consideration with the SAL board based on materials previously provided to the directors. Sterne Agee delivered its written opinion that, as of March 18, 2014, and subject to the limitations and qualifications set forth in the opinion, the proposed merger consideration was fair to SAL’s shareholders, from a financial point of view.

After the respective meetings were concluded, the merger agreement and various ancillary documents were signed by the parties, after the close of the financial markets for the trading day. Prior to the opening of trading in the financial markets on March 19, a joint press release announcing the execution of the definitive merger agreement was disseminated by the parties.

Riverside's Reasons for the Merger

In the course of its deliberations on the proposed transaction with SAL, the Riverside board consulted with its legal counsel with respect to its legal duties and the terms of the merger agreement. The Riverside board consulted with Riverside's financial advisor with respect to the financial aspects of the transaction and with senior management regarding, among other things, operational and diligence matters.

The following discussion of the information and factors considered by the Riverside board is not intended to be exhaustive; it does, however, include all material factors considered by the board.

In reaching its decision to approve the merger agreement, the Riverside board considered the following:

- the ability to create a combined institution with over $800 million in assets, a higher lending limit and the infrastructure for growth in small and middle-market lending;
- the fact that SAL's stock was traded on the NASDAQ Capital Market, providing liquidity to Riverside shareholders for the first time;
- the benefits of combining Riverside's focus on small business customers with SAL's full suite of consumer products;
- the terms of the merger agreement, including the exchange ratio and the fact that the Riverside shareholders would have substantial representation on the board of directors of the resulting entity;
- the compatibility of the business cultures of the two organizations,
- the financial condition, results of operations and prospects of the two companies, as well as SAL's history of paying cash dividends; and
- the opinion dated March 18, 2014 of KBW provided to the Riverside board of directors as to the fairness, from a financial point of view and as of the date of such opinion, to the holders of Riverside common stock of the exchange ratio in the proposed merger pursuant to the merger agreement.

All business combinations, including the merger, also include certain risks and disadvantages. The material potential risks and disadvantages to Riverside's shareholders identified by Riverside's board and management include the following material matters, the order of which does not necessarily reflect their relative significance:

•

there can be no assurance that the combined company will attain the type of revenue enhancements and cost savings necessary to cause the trading markets to consider the transaction a success, increasing the value of the combined company's stock received by the shareholders of Riverside;

- since the exchange ratio is fixed, Riverside shareholders will receive less value if the SAL common stock price declines prior to the closing;
- although the SAL stock is traded on the NASDAQ Capital Market, it is not highly liquid, and Riverside shareholders looking to sell a large position could be required to sell over a prolonged time period, and
- the fact that the termination fee provided for in the merger agreement and certain other provisions of the merger agreement might discourage third parties from seeking to acquire Riverside, in light of the fact that SAL was unwilling to enter into the merger agreement absent such provisions.

In reaching the determination to approve the merger agreement and the related transactions, the Riverside board of directors did not quantify or otherwise attempt to assign any relative weight to the various factors it considered, and individual directors may have viewed certain factors more positively or negatively than others. In addition, as in any business combination, there can be no assurances that the benefits of the merger perceived by the Riverside board of directors and described above will be realized or will outweigh the risks and uncertainties.

SAL's Reasons for the Merger

In reaching its decision to adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement, and to recommend that its shareholders approve the merger agreement, the SAL board of directors consulted with SAL management, as well as its financial and legal advisors, and considered a number of factors.

The SAL board of directors considered its view that Riverside's business and operations complement those of SAL and that the branch networks are a natural extension of each company's stand-alone footprint. The SAL board considered that the merger would result in a premier community bank franchise in the combined institution's four counties of operation, which would rank #10 in deposit market share in such four counties. In addition, the SAL Board believes that the scale of the combined companies, which would result in over $800 million in assets, would allow for greater size and product breadth to compete effectively. The SAL board also considered that the combined company would have the ability to deliver new and existing customers quality banking products and services and provide them with more locations to do their banking.

The board of directors further considered a number of strategic benefits, including the following:

- Each of SAL's and Riverside's business, operations, financial condition, asset quality, earnings and prospects.
- The significant cross-sale opportunities through SAL's established residential lending and wealth management platform and Riverside's higher commercial/commercial real estate concentration;
- The increased market capitalization and liquidity;
- The complementary nature of the cultures and product mix of the two companies, including with respect to strategic focus, target markets, client service and strong community orientation, which management believes should facilitate integration and implementation of the transaction;
- The expanded possibilities, including organic growth and future acquisitions, that would be available to the combined company, given its larger size, asset base, capital and geographic footprint;
- Its understanding of the current and prospective environment in which SAL and Riverside operate, including national and local economic conditions, the competitive environment for financial institutions generally, and the likely effect of these factors on SAL both with and without the proposed transaction;
- That the transaction is financially compelling. The SAL board, in consultation with its financial advisors considered the following, in addition to other factors, as compelling reasons for the transaction:

  - The EPS accretion for both sets of shareholders;
  - The manageable tangible book value dilution to SAL;
  - The opportunity to improve operating efficiency and grow earnings by spreading costs over a larger asset base; and
  - The upside from revenue synergies identified through increased lending capacity and cross-sales;

•

The continued participation of some of Riverside's board of directors and management in the combined company, which enhances the likelihood that the strategic benefits that SAL expects to achieve as a result of the merger will be realized and that the benefits and talents that Riverside brings to the combined institution will be appropriately valued and effectively utilized; in particular, SAL's board of directors considered the following:

- That John M. Davies, Riverside's current President and Chief Executive Officer, would serve as the President of the New York Region of SBT as the surviving bank;

- That Todd Rubino, Riverside's current Executive Vice President and Senior Lending Officer, would serve as Vice President, Senior Lender of the New York Region of SBT as the surviving bank;

- Its review and discussions with SAL's management concerning the extensive due diligence of Riverside;
- Management's expectation that the combined company will have a strong capital position upon completion of the transaction;
- The opinion of Sterne Agee, dated March 18, 2014, to SAL's board of directors as to the fairness to SAL, from a financial point of view and as of the date of the opinion, of the merger consideration provided for in the merger, as more fully described below in the section entitled "Opinion of Sterne Agee";
- The financial and other terms of the merger agreement, including the fixed exchange ratio, expected tax treatment and deal protection and termination fee provisions, which it reviewed with its outside financial and legal advisors; and
- The expectation that all necessary regulatory approvals will be received in a timely manner and without the imposition of unacceptable conditions.

In addition to the foregoing benefits of the merger, the board of directors of SAL considered a number of risks associated with the merger, including:

- The potential risk of diverting management attention and resources from the operation of SAL's business and towards the completion of the merger; and
- The potential risks associated with achieving anticipated cost synergies and savings and successfully integrating Riverside's business, operations and workforce with those of SAL.

The foregoing discussion of the factors considered by the SAL board of directors is not intended to be exhaustive, but, rather, includes the material factors considered by the SAL board of directors. In reaching its decision to adopt the merger agreement and approve the merger and the other transactions contemplated by the merger agreement, the SAL board of directors did not quantify or assign any relative weights to the factors considered, and individual directors may have given different weights to different factors. The SAL board of directors considered all these factors as a whole, including discussions with, and questioning of, SAL's management and SAL's financial and legal advisors, and overall considered the factors to be favorable to, and to support, its determination. There can be no assurance that the potential synergies or opportunities considered by the SAL board will be achieved through completion of the merger. See the section of this document titled "Risk Factors—Risks Relating to the Merger" beginning on page 20.

Opinion of Keefe, Bruyette & Woods, Inc., Financial Advisor to Riverside

Riverside engaged KBW to render financial advisory and investment banking services to Riverside, including an opinion to the Riverside board of directors as to the fairness, from a financial point of view, to the holders of Riverside common stock, of the exchange ratio in the proposed merger. Riverside selected KBW because KBW is a nationally recognized investment banking firm with substantial experience in transactions similar to the merger. As part of its investment banking business, KBW is continually engaged in the valuation of financial services businesses and their securities in connection with mergers and acquisitions.

At the meeting held on March 18, 2014 at which the Riverside board evaluated the proposed merger, KBW reviewed the financial aspects of the proposed merger and rendered an opinion to the effect that, as of such date and subject to the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW as set forth in such opinion, the exchange ratio in the proposed merger was fair, from a financial point of view, to the holders of Riverside common stock. The Riverside board approved the merger agreement at this meeting.

The description of the opinion set forth herein is qualified in its entirety by reference to the full text of the opinion, which is attached as Appendix C to this document and is incorporated herein by reference, and describes the procedures followed, assumptions made, matters considered, and qualifications and limitations on the review undertaken by KBW in preparing the opinion.

KBW's opinion speaks only as of the date of the opinion. The opinion was for the information of, and was directed to, the Riverside board (in its capacity as such) in connection with its consideration of the financial terms of the merger. The opinion addressed only the fairness, from a financial point of view, of the exchange ratio in the merger to the holders of Riverside common stock. It did not address the underlying business decision of Riverside to engage in the merger or enter into the merger agreement. KBW's opinion did not and does not constitute a recommendation to the Riverside board in connection with the merger, and it did not and does not constitute a recommendation to any Riverside shareholder or any shareholder of any other entity as to how to vote in connection with the merger or any other matter, nor does it constitute a recommendation on whether or not any such shareholder should enter into a voting, shareholders' or affiliates' agreement with respect to the merger or exercise any dissenters' or appraisal rights that may be available to such shareholder.

KBW's opinion was reviewed and approved by KBW's Fairness Opinion Committee in conformity with its policies and procedures established under the requirements of Rule 5150 of the Financial Industry Regulatory Authority.

In connection with the opinion, KBW reviewed, analyzed and relied upon material bearing upon the financial and operating condition of Riverside and SAL and the merger, including, among other things:

- a draft, dated March 15, 2014, of the merger agreement (the most recent draft then made available to KBW);
- the audited financial statements and Annual Reports on Form 10-K for the three years ended December 31, 2012 of SAL;
- the audited financial statements and Annual Reports for the two years ended December 31, 2012 of Riverside;
- the draft financial statements and Annual Reports for the year ended December 31, 2013 for Riverside and SAL;
- the quarterly call reports for the three year period ended December 31, 2013 of Riverside, SAL and SBT;
- the Quarterly Reports on Form 10-Q for the quarters ended March 31, 2013, June 30, 2013 and September 30, 2013 of SAL;
- certain other interim reports and other communications of Riverside and SAL to their respective shareholders; and
- other financial information concerning the businesses and operations of Riverside and SAL furnished to KBW by Riverside and SAL for purposes of KBW's analysis.

KBW's consideration of financial information and other factors that it deemed appropriate under the circumstances or relevant to its analyses included, among others, the following:

- the historical and current financial position and results of operations of Riverside and SAL;
- the assets and liabilities of Riverside and SAL;
- the nature and terms of certain other merger transactions and business combinations in the banking industry;
- a comparison of certain financial information of Riverside and certain financial and stock market information for SAL with similar information for certain other companies the securities of which are publicly traded;
- financial and operating forecasts and projections of Riverside that were prepared by, and provided to and discussed with KBW by, Riverside management and that were relied upon by KBW with the consent of the Riverside board; and
- financial and operating forecasts and projections of SAL and estimates regarding certain pro forma financial effects of the merger on SAL (including, without limitation, the cost savings, revenue enhancements and related expenses expected to result from the merger) that were prepared by, and provided to and discussed with KBW by SAL management and that were used and relied upon by KBW with the consent of the Riverside board.

KBW also performed such other studies and analyses as it considered appropriate and took into account its assessment of general economic, market and financial conditions and its experience in other transactions, as well as its experience in securities valuation and knowledge of the banking industry generally. KBW also held discussions with senior management of Riverside and SAL regarding the past and current business operations, regulatory relations, financial condition and future prospects of their respective companies and such other matters that KBW deemed relevant to its inquiry.

In conducting its review and arriving at its opinion, KBW relied upon and assumed the accuracy and completeness of all of the financial and other information provided to it or publicly available and did not independently verify the accuracy or completeness of any such information or assume any responsibility or liability for such verification, accuracy or completeness. KBW relied upon the respective management teams of Riverside and SAL as to the reasonableness and achievability of the financial and operating forecasts and projections of Riverside and SAL (and the assumptions and bases therefor) that were prepared by such management teams and KBW assumed, at the direction of Riverside, that such forecasts and projections were reasonably prepared on a basis reflecting the best currently available estimates and judgments of such management teams and that such forecasts and projections would be realized in the amounts and time periods estimated by such management teams. KBW further relied upon SAL management as to the reasonableness and achievability of the estimates regarding certain pro forma financial effects of the merger on SAL that were prepared by and provided to KBW by such management, and that were discussed with KBW by such management (and the assumptions and bases therefor, including but not limited to the financial and operating projections of Riverside that were prepared by SAL in connection therewith and used by KBW at the direction of the Riverside board and any potential cost savings and operating synergies and other potential pro forma effects assumed or estimated by SAL with respect to the merger), and KBW assumed, with the consent of Riverside, that all such estimates were reasonably prepared on a basis reflecting the best available estimates and judgments of SAL management and that such estimates would be realized in the amounts and in the time periods estimated.

The forecasts, projections and estimates of Riverside and SAL that were provided to KBW were not prepared with the expectation of public disclosure. All such information was based on numerous variables and assumptions that are inherently uncertain, including, without limitation, factors related to general economic and competitive conditions and that, accordingly, actual results could vary significantly from those set forth in such forecasts, projections and estimates. KBW assumed, based on discussions with the respective management teams of Riverside and SAL, that such forecasts, projections and estimates referred to above, provided a reasonable basis upon which KBW could form its opinion and KBW expressed no view as to any such information or the assumptions or bases therefor. KBW relied on all such information without independent verification or analysis and did not in any respect assume any responsibility or liability for the accuracy or completeness thereof.

KBW assumed that there were no material changes in the assets, liabilities, financial condition, results of operations, business or prospects of either Riverside or SAL since the date of the last financial statements made available to KBW. KBW is not an expert in the independent verification of the adequacy of allowances for loan and lease losses and KBW assumed, without independent verification and with Riverside's consent, that the aggregate allowances for loan and lease losses for Riverside and SAL were adequate to cover such losses. In rendering its opinion, KBW did not make or obtain any evaluations or appraisals or physical inspection of the property, assets or liabilities (contingent or otherwise) of Riverside or SAL, the collateral securing any of such assets or liabilities, or the collectability of any such assets, nor did KBW examine any individual loan or credit files, nor did it evaluate the solvency, financial capability or fair value of Riverside or SAL under any state or federal laws, including those relating to bankruptcy, insolvency or other matters. Estimates of values of companies and assets do not purport to be appraisals or necessarily reflect the prices at which companies or assets may actually be sold. Because such estimates are inherently subject to uncertainty, KBW assumed no responsibility or liability for their accuracy.

KBW assumed that, in all respects material to its analyses:

- the merger would be completed substantially in accordance with the terms set forth in the merger agreement (the final terms of which KBW assumed would not differ in any respect material to KBW's analyses from the latest draft of the merger agreement that had been reviewed by KBW) with no adjustments to the exchange ratio or additional forms of consideration;
- the representations and warranties of each party in the merger agreement and in all related documents and instruments referred to in the merger agreement are true and correct;
- each party to the merger agreement and all related documents would perform all of the covenants and agreements required to be performed by such party under such documents;
- there are no factors that would delay or subject to any adverse conditions, any necessary regulatory or governmental approval for the merger and that all conditions to the completion of the merger would be satisfied without any waivers or modifications to the merger agreement; and
- in the course of obtaining the necessary regulatory, contractual, or other consents or approvals for the merger, no restrictions, including any divestiture requirements, termination or other payments or amendments or modifications, would be imposed that would have a material adverse effect on the future results of operations or financial condition of Riverside, SAL, the combined entity or the contemplated benefits of the merger, including the cost savings, revenue enhancements, and related expenses expected to result from the merger.

KBW assumed that the merger would be consummated in a manner that complied with the applicable provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and all other applicable federal and state statutes, rules and regulations. KBW further assumed that Riverside relied upon the advice of its counsel, independent accountants and other advisors (other than KBW) as to all legal, financial reporting, tax, accounting and regulatory matters with respect to Riverside, SAL, SBT, the merger and any related transaction, and the merger agreement. KBW did not provide and is not providing advice with respect to any such matters.

KBW's opinion addressed only the fairness, from a financial point of view, as of the date of such opinion, of the exchange ratio in the merger to the holders of Riverside common stock. KBW expressed no view or opinion as to any terms or other aspects of the merger or any related transaction, including without limitation, the form or structure of the merger or any related transaction, any consequences of the merger to Riverside, its shareholders, creditors or otherwise, or any terms, aspects or implications of any voting, support, shareholder or other agreements, arrangements or understandings contemplated or entered into in connection with the merger or otherwise. KBW's opinion was necessarily based upon conditions as they existed and could be evaluated on the date of such opinion and the information made available to KBW through such date. Developments subsequent to the date of KBW's opinion may have affected, and may affect, the conclusion reached in KBW's opinion and KBW did not and does not have an obligation to update, revise or reaffirm its opinion. KBW's opinion did not address, and KBW expressed no view or opinion with respect to:

- the underlying business decision of Riverside to engage in the merger or enter into the merger agreement;
- the relative merits of the merger as compared to any strategic alternatives that are, have been or may be available to or contemplated by Riverside or the Riverside board;
- the fairness of the amount or nature of any compensation to any of Riverside's officers, directors or employees, or any class of such persons, relative to any compensation to the holders of Riverside common stock;
- the effect of the merger or any related transaction on, or the fairness of the consideration to be received by, holders of any class of securities of Riverside other than Riverside common stock (solely with respect to the exchange ratio), or of any class of securities of SAL, SBT or any other party to any transaction contemplated by the merger agreement;
- the actual value of the SAL common stock to be issued in the merger;
- the prices, trading range or volume at which the common stock of Riverside or SAL would trade following the public announcement of the merger or the consummation of the merger;
- any advice or opinions provided by any other advisor to any of the parties to the merger or any other transaction contemplated by the merger agreement; or
- any legal, regulatory, accounting, tax or similar matters relating to Riverside, SAL, SBT, their respective shareholders, or relating to or arising out of or as a consequence of the merger or any related transaction, including whether or not the merger would qualify as a tax-free reorganization for United States federal income tax purposes.

In performing its analyses, KBW made numerous assumptions with respect to industry performance, general business, economic, market and financial conditions and other matters, which are beyond the control of KBW, Riverside and SAL. Any estimates contained in the analyses performed by KBW are not necessarily indicative of actual values or future results, which may be significantly more or less favorable than suggested by these analyses. Additionally, estimates of the value of businesses or securities do not purport to be appraisals or to reflect the prices at which such businesses or securities might actually be sold. Accordingly, these analyses and estimates are inherently subject to substantial uncertainty. In addition, the KBW opinion was among several factors taken into consideration by the Riverside board in making its determination to approve the merger agreement and the merger. Consequently, the analyses described below should not be viewed as determinative of the decision of the Riverside board with respect to the fairness of the exchange ratio. The type and amount of consideration payable in the merger were determined through negotiation between Riverside and SAL and the decision to enter into the merger agreement was solely that of the Riverside board.

The following is a summary of the material financial analyses performed by KBW in connection with its opinion. The summary is not a complete description of the financial analyses underlying the opinion, but summarizes the material analyses performed in connection with such opinion. The preparation of a fairness opinion is a complex analytic process involving various determinations as to appropriate and relevant methods of financial analysis and the application of those methods to the particular circumstances. Therefore, a fairness opinion is not readily susceptible to partial analysis or summary description. In arriving at its opinion, KBW did not attribute any particular weight to any analysis or factor that it considered, but rather made qualitative judgments as to the significance and relevance of each analysis and factor. The financial analyses summarized below include information presented in tabular format. Accordingly, KBW believes that its analyses and the summary of its analyses must be considered as a whole and that selecting portions of its analyses and factors or focusing on the information presented below in tabular format, without considering all analyses and factors or the full narrative description of the financial analyses, including the methodologies and assumptions underlying the analyses, could create a misleading or incomplete view of the process underlying its analyses and opinion. The tables alone do not constitute a complete description of the financial analyses.

Selected Companies Analyses. Using publicly available information, KBW compared the financial performance and, financial condition of Riverside to 20 selected publicly traded banks and thrifts headquartered in the New England region (defined as Connecticut Massachusetts, New Hampshire, Rhode Island and Vermont) or the Mid-Atlantic region (defined as Delaware, Maryland, New Jersey, New York and Pennsylvania) of the United States with total assets between $150 million and $300 million, loans / deposits ratios greater than 50% and nonperforming assets / (loans + OREO) ratios less than 4.0%. KBW also reviewed the market performance of the selected companies.

The selected companies included in Riverside's "peer" group were:

Farmers and Merchants Bank	First Suffield Financial, Inc.
PSB Holding Corporation	Fleetwood Bank Corporation
Grand Bank Corporation	Highlands Bancorp, Inc.
Community Bankers' Corporation	Elmer Bancorp, Inc.
Peoples Limited	Rockport National Bancorp, Inc.
Damascus Community Bank	Harmony Bank
First Colebrook Bancorp, Inc.	GNB Financial Services, Inc.
Landmark Bancorp, Inc.	JTNB Bancorp, Inc.
National Bank of Coxsackie	First Resource Bank
Bank of Akron	ES Bancshares, Inc.

To perform this analysis, KBW used last-twelve-months ("LTM") and other financial information as of or for the most recent completed quarter available and market price information as of March 17, 2014. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in Riverside's historical financial statements, or the data prepared by Sterne Agee presented under the section "Opinion of SAL's Financial Advisor," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of Riverside and the selected companies in its "peer" group:

	Riverside	Peer Group 25th Percentile	Average	Median	75th Percentile
LTM Core Return on Average Assets [(1)]	0.83 %	0.48 %	0.65 %	0.61 %	0.84 %
LTM Core Return on Average Equity [(1)]	7.49 %	6.11 %	6.76 %	6.73 %	8.41 %
LTM Net Interest Margin	4.13 %	3.33 %	3.67 %	3.73 %	3.96 %
LTM Fee Income / Revenue Ratio [(2)]	8.2 %	10.9 %	13.4 %	12.7 %	16.5 %
LTM Efficiency Ratio	60.6 %	79.1 %	73.9 %	75.8 %	67.9 %

(1) Core income excludes extraordinary items, gain/loss on sale of securities and nonrecurring revenues/expenses.
(2) Excludes gain/loss on sale of securities.

KBW's analysis also showed the following concerning the financial condition of Riverside and the selected companies in its "peer" group:

	Riverside	Peer Group 25th Percentile	Average	Median	75th Percentile
Tangible Common Equity / Tangible Assets	11.34 %	6.86 %	8.36 %	8.14 %	9.79 %
Total Risk-Based Capital / Risk-Weighted Assets	14.08 %	13.03 %	15.18 %	14.00 %	17.04 %
Loans / Deposits	95.6 %	74.2 %	78.7 %	79.1 %	85.0 %
Loan Loss Reserve / Gross Loans	1.40 %	0.97 %	1.23 %	1.18 %	1.34 %
Nonperforming Assets / Loans + OREO	1.26 %	2.84 %	1.92 %	1.83 %	0.98 %
LTM Net Charge-Offs / Average Loans	0.34 %	0.36 %	0.18 %	0.13 %	0.04 %

In addition, KBW’s analysis showed the following concerning the market performance of the selected companies in Riverside’s “peer” group (excluding the impact of certain selected company LTM earnings per share (“EPS”) multiples considered to be not meaningful because they were negative or greater than 30.0x):

-43-

	Peer Group 25th Percentile		Average		Median		75th Percentile	
One - Year Stock Price Change	0.0	%	5.2	%	2.3	%	10.0	%
One - Year Total Return	1.0	%	7.3	%	5.3	%	11.0	%
YTD Stock Price Change	(1.4	%)	0.2	%	0.0	%	2.2	%
Stock Price / Book Value per Share	0.78	x	0.98	x	0.93	x	1.13	x
Stock Price / Tangible Book Value per Share	0.79	x	0.99	x	0.93	x	1.13	x
Stock Price / LTM EPS	9.3	x	12.3	x	11.9	x	13.0	x
Dividend Yield	0.9	%	2.1	%	2.2	%	3.2	%
LTM Dividend Payout	13.9	%	25.6	%	27.4	%	38.9	%

Using publicly available information, KBW compared the financial performance, financial condition and market performance of SAL to 21 selected banks and thrifts traded on NASDAQ or the New York Stock Exchange and headquartered in the New England region or the Mid-Atlantic region of the United States with total assets between $400 million and $750 million and nonperforming assets / loans + OREO ratios less than 4.0%.

The selected companies included in SAL's "peer" group were:

Oneida Financial Corp.	Union Bankshares, Inc.
1st Constitution Bancorp	Patriot National Bancorp, Inc.
Northeast Bancorp	Emclaire Financial Corp.
Mid Penn Bancorp, Inc.	Prudential Bancorp, Inc.
Norwood Financial Corp.	Elmira Savings Bank
Hampden Bancorp, Inc.	Howard Bancorp, Inc.
DNB Financial Corporation	First Bank
Bancorp of New Jersey, Inc.	Wellesley Bancorp, Inc.
Malvern Bancorp, Inc.	Bay Bancorp, Inc.
Peoples Federal Bancshares, Inc.	Alliance Bancorp, Inc. of Pennsylvania
Chicopee Bancorp, Inc.	

To perform this analysis, KBW used LTM and other financial information as of or for the most recent completed quarter available and market price information as of March 17, 2014. Certain financial data prepared by KBW, as referenced in the tables presented below, may not correspond to the data presented in SAL's historical financial statements, or the data prepared by Sterne Agee presented under the section "Opinion of SAL's Financial Advisor," as a result of the different periods, assumptions and methods used by KBW to compute the financial data presented.

KBW's analysis showed the following concerning the financial performance of SAL and the selected companies in its "peer" group:

	SAL	Peer Group 25th Percentile	Average	Median	75th Percentile
LTM Core Return on Average Assets [1]	0.69 %	0.43 %	0.40 %	0.54 %	0.72 %
LTM Core Return on Average Equity [1]	5.67 %	2.88 %	3.93 %	5.01 %	8.31 %
LTM Net Interest Margin	3.57 %	3.23 %	3.48 %	3.40 %	3.60 %
LTM Fee Income / Revenue Ratio [2]	25.2 %	8.2 %	16.5 %	14.7 %	18.1 %
LTM Efficiency Ratio	71.3 %	81.2 %	75.7 %	72.9 %	68.8 %

(1) Core income excludes extraordinary items, gain/loss on sale of securities and nonrecurring revenues/expenses.

(2) Excludes gain/loss on sale of securities.

KBW's analysis also showed the following concerning the financial condition of SAL and the selected companies in its "peer" group:

	SAL	Peer Group 25th Percentile	Average	Median	75th Percentile
Tangible Common Equity / Tangible Assets	8.04 %	7.45 %	11.20 %	10.20 %	12.56 %
Total Risk-Based Capital / Risk-Weighted Assets	16.46 %	13.88 %	18.50 %	15.97 %	19.43 %
Loans / Deposits	92.8 %	84.5 %	89.6 %	89.0 %	98.1 %
Loan Loss Reserve / Gross Loans	1.06 %	0.92 %	1.04 %	1.09 %	1.22 %
Nonperforming Assets / Loans + OREO	3.62 %	2.32 %	1.84 %	1.69 %	1.48 %
LTM Net Charge-Offs / Average Loans	0.18 %	0.32 %	0.36 %	0.17 %	0.05 %

In addition, KBW's analysis showed the following concerning the market performance of SAL and the selected companies in its peer group (excluding the impact of certain selected company LTM EPS multiples considered to be not meaningful because they were negative or greater than 30.0x):

	SAL	Peer Group 25th Percentile	Average	Median	75th Percentile
One - Year Stock Price Change	7.9 %	0.5 %	9.7 %	7.3 %	20.4 %
One - Year Total Return	12.3 %	2.9 %	11.5 %	11.2 %	21.2 %
YTD Stock Price Change	1.1 %	(3.4 %)	1.1 %	(1.4 %)	1.6 %
Stock Price / Book Value per Share	0.82 x	0.96 x	1.12 x	1.04 x	1.21 x
Stock Price / Tangible Book Value per Share	1.00 x	0.98 x	1.19 x	1.05 x	1.27 x
Stock Price / LTM EPS	11.8 x	14.0 x	16.9 x	15.2 x	19.3 x
Dividend Yield	4.1 %	0.0 %	1.6 %	1.4 %	3.5 %
LTM Dividend Payout	48.7 %	0.0 %	30.6 %	27.6 %	52.6 %

Using publicly available information, KBW reviewed the financial performance, financial condition and market performance of 17 selected banks and thrifts traded on NASDAQ or the New York Stock Exchange and headquartered in the New England region or the Mid-Atlantic region of the United States with total assets between $750 million and $1.25 billion and nonperforming assets / loans + OREO ratios less than 4.0%.

The selected companies included in this third group were:

Citizens & Northern Corporation	ACNB Corporation
Penns Woods Bancorp, Inc.	Community Financial Corporation
Orrstown Financial Services, Inc.	Ocean Shore Holding Co.
Old Line Bancshares, Inc.	Republic First Bancorp, Inc.
Codorus Valley Bancorp, Inc.	Unity Bancorp, Inc.
Fox Chase Bancorp, Inc.	TF Financial Corporation
Cape Bancorp, Inc.	Evans Bancorp, Inc.
AmeriServ Financial, Inc.	Two River Bancorp
BSB Bancorp, Inc.	

To perform this analysis, KBW used LTM and other financial information of the selected companies as of or for the most recent completed quarter available and market price information of the selected companies as of March 17, 2014.

KBW's analysis showed the following concerning the financial performance of the selected companies in the third group and certain corresponding pro forma combined information of SAL and Riverside:

	Pro Forma SAL-Riverside	Peer Group 25th Percentile	Average	Median	75th Percentile
LTM Core Return on Average Assets [1][2]	0.83 %	0.52 %	0.72 %	0.69 %	0.90 %
LTM Core Return on Average Equity [1][2]	6.91 %	4.36 %	6.91 %	7.37 %	9.47 %
LTM Net Interest Margin	—	3.48 %	3.61 %	3.59 %	3.83 %
LTM Fee Income / Revenue Ratio [3]	—	12.4 %	19.1 %	17.0 %	25.8 %
LTM Efficiency Ratio	—	73.3 %	69.8 %	67.5 %	63.2 %

(1) Core income excludes extraordinary items, gain/loss on sale of securities and nonrecurring revenues/expenses.

(2) Pro forma SAL and Riverside ratios based on projected pro forma financial data for the 2015 fiscal year provided by SAL management and include impact of purchase accounting adjustments provided by SAL management.

(3) Excludes gain/loss on sale of securities.

KBW's analysis also showed the following concerning the financial condition of the selected companies in the third group and certain corresponding pro forma combined information of SAL and Riverside:

	Pro Forma SAL-Riverside	Peer Group 25th Percentile	Average	Median	75th Percentile
Tangible Common Equity / Tangible Assets [1]	8.57 %	7.71 %	9.63 %	9.13 %	10.71 %
Total Risk-Based Capital / Risk-Weighted Assets [1]	14.61 %	13.21 %	15.96 %	15.00 %	16.30 %
Loans / Deposits [1]	93.0 %	87.5 %	90.6 %	91.6 %	95.9 %
Loan Loss Reserve / Gross Loans	—	1.06 %	1.39 %	1.28 %	1.57 %
Nonperforming Assets / Loans + OREO	—	2.96 %	2.44 %	2.63 %	1.87 %
LTM Net Charge-Offs / Average Loans	—	0.21 %	0.15 %	0.10 %	0.04 %

(1) Pro forma SAL and Riverside ratios based on pro forma financials as of September 30, 2014 provided by SAL management and include impact of purchase accounting adjustments provided by SAL management.

In addition, KBW's analysis showed the following concerning the market performance of the selected companies in the third group (excluding the impact of certain selected company LTM EPS multiples considered to be not meaningful because they were negative or greater than 30.0x) and certain corresponding pro forma combined information of SAL and Riverside:

	Pro Forma SAL-Riverside	Peer Group 25th Percentile	Average	Median	75th Percentile
One - Year Stock Price Change	—	13.5 %	21.9 %	23.6 %	28.8 %
One - Year Total Return	—	13.5 %	23.9 %	25.1 %	30.5 %
YTD Stock Price Change	—	(0.2 %)	9.8 %	8.4 %	12.2 %
Stock Price / Book Value per Share (1)	0.88 x	1.01 x	1.20 x	1.19 x	1.38 x
Stock Price / Tangible Book Value per Share (1)	1.05 x	1.09 x	1.29 x	1.19 x	1.41 x
Stock Price / LTM EPS (1)	11.6 x	12.8 x	14.8 x	13.5 x	15.5 x
Dividend Yield	4.1 %	1.0 %	1.9 %	1.7 %	2.4 %
LTM Dividend Payout	—	15.1 %	29.6 %	21.3 %	48.7 %

(1) Pro forma SAL and Riverside book value per share and tangible book value per share multiples based on the closing price of SAL common stock on March 17, 2014 and pro forma financials as of September 30, 2014 provided by SAL management and include impact of purchase accounting adjustments provided by SAL management. Pro forma SAL and Riverside LTM EPS multiple based on 2013 reported earnings of Riverside and SAL and include impact of purchase accounting adjustments and other merger adjustments provided by SAL management.

-46-

No company used as a comparison in the above selected companies analyses is identical to Riverside or SAL. Accordingly, an analysis of these results is not mathematical. Rather, it involves complex considerations and judgments concerning differences in financial and operating characteristics of the companies involved.

Selected Transactions Analyses. KBW reviewed publicly available information related to 15 selected bank and thrift transactions announced since June 30, 2012 with acquired companies in the New England region or the Mid-Atlantic region of the United States, transaction values of between $10 million and $50 million. Terminated transactions, mergers of equals and mutual-to-mutual transactions were excluded from the selected transactions. The selected transactions included in the group were:

Acquiror:	Acquired Company:
Southern National Bancorp of Virginia, Inc.	Prince George's Federal Savings Bank
Mascoma Mutual Financial Services Corporation	Connecticut River Bancorp, Inc.
ESSA Bancorp, Inc.	Franklin Security Bancorp, Inc.
1st Constitution Bancorp	Rumson-Fair Haven Bank & Trust Co.
Wilshire Bancorp, Inc.	BankAsiana
Haven Bancorp, MHC	Hilltop Community Bancorp, Inc.
Independent Bank Corp.	Mayflower Bancorp, Inc.
New Hampshire Thrift Bancshares, Inc.	Central Financial Corporation
Riverview Financial Corporation	Union Bancorp, Inc.
Liberty Bank	Southern Connecticut Bancorp, Inc.
TF Financial Corporation	Roebling Financial Corp, Inc.
Penns Woods Bancorp, Inc.	