



Relationships *that*
connect
Our Communities

2012 SUMMARY ANNUAL REPORT

Founded in 1887, Bar Harbor Bank & Trust (the “Bank”) is a community bank with 15 locations from Lubec to Topsham, Maine that offers a full range of financial products and services for families, businesses, municipalities, and non-profit organizations. Bar Harbor Trust Services, a subsidiary of the Bank, and Bar Harbor Financial Services, a branch of Infinex Investments, Inc., an independent third party broker, provide retirement planning, investment management, brokerage, and insurance services to a wide variety of individual, non-profit, and municipal clients. Bar Harbor Bankshares (“BHB” or the “Company”) is the parent company of Bar Harbor Bank & Trust (BHBT).

Year-Over-Year Financial Highlights



(Dollars in thousands)

	2012	2011	% Change
Net Income	\$ 12,466	\$ 11,043	12.9%
Diluted Earnings Per Share	\$ 3.18	\$ 2.85	11.6%
Net Interest Income	\$ 36,971	\$ 34,389	7.5%
Non-interest Income	\$ 7,709	\$ 6,792	13.5%
Non-interest Expense	\$ 25,618	\$ 23,281	10.0%
Total Assets	\$1,302,935	\$1,167,466	11.6%
Total Securities	\$ 418,040	\$ 381,880	9.5%
Total Loans	\$ 815,004	\$ 729,003	11.8%
Total Deposits	\$ 795,012	\$ 722,890	10.0%
Total Shareholders' Equity	\$ 128,046	\$ 118,250	8.3%



Dear fellow shareholders:

In 2012, we celebrated our 125th anniversary year as a banking institution and our seventh consecutive year of record earnings. Net income for 2012 was \$12.5 million, up 12.9% from 2011.

In addition to strong earnings growth, we are pleased to report a variety of other components that contributed to our strong 2012 results. For example:

- During 2012, diluted earnings per share rose 11.6% to \$3.18, another all-time performance record for the Company.
- During 2012, BHB's assets grew by \$135.5 million or 11.6% to \$1.30 billion.
- Total loans ended the year at \$815.0 million, up \$86.0 million or 11.8% compared to December 31, 2011.
- During 2012, we increased our trust and financial services revenues by 7.1% over 2011 to \$3.3 million. Assets under management at December 31, 2012 stood at \$355.5 million, up \$21.6 million or 6.5% compared to year-end 2011.
- We ended 2012 in a position of strength with a Total Risk-Based capital ratio of 15.78%, well above the regulatory standard of 10% for a "well-capitalized" financial institution.
- Because of the Company's balance sheet strength and consistent earnings growth, we have been able to raise the quarterly dividend six times over the past two years while also allowing for new capital formation. We were pleased to increase the dividend again in the first quarter of 2013.

2012 Highlights

Border Trust Acquisition

On August 10, 2012, the Bank acquired substantially all the assets and assumed selected liabilities, including all deposits, of Border Trust Company. This transaction provided the Bank with three additional branches in Kennebec and Sagadahoc counties located to the south and west of our primary market area. For several years, the Bank had been building its business banking portfolio in southern Maine. By mid-2012, we had built a portfolio of high-quality commercial loans in excess of \$60 million within a twenty-mile radius of the Topsham/Brunswick border, which became a logical location for a branch presence. The Border Trust transaction allowed us to accelerate our business plan in that area, providing an excellent platform to enhance our participation in this important region of economic activity. Through our three acquired locations, we believe we will be able to nurture a new source of low cost core deposits, provide convenient service to our portfolio of southern and central Maine commercial loan customers, and develop a new and promising market for our trust and financial services businesses.

Residential Lending

Residential and other consumer loans grew by \$55.2 million or 17.6% to \$369.4 million, with contributions from the Border Trust acquisition and the additional acquisition of a New England-based portfolio of residential loans earlier in the year. This year, we have observed some recovery in demand for mortgages for first-time homebuyers as well as for buyers of higher value vacation and retirement homes along the Maine coast. What has been less frequent for several years has been demand among mid-range customers who are moving up into a larger home or one with more amenities. Despite the attractive low rate mortgages that are available today, these potential buyers are often stymied by the need to sell their existing home as a prerequisite to purchasing the new one. We observe that, nationally, this segment appears to be gaining some renewed strength and we are optimistic that our market will benefit from this emerging trend in the future. Locally, while most residential transactions continue to be refinances, we have noted an increasing proportion of purchase transactions. These are encouraging signs.

Business Banking

In 2012, we achieved moderate year-over-year growth in commercial loans, with the portfolio ending the year at \$430.9 million, for an increase of \$26.3 million, or 6.5% over year end 2011. Despite the recessionary atmosphere throughout the nation and our region over the past several years, we continue to realize growth in this important segment. We attribute this success to our effective business banking team, consistent underwriting and service standards, and a resilient local economy. Competitive business banking has become a recognized hallmark of the Bank throughout our traditional service footprint and precedes us into our new branch platforms in central and southern Maine, where we can already claim a substantial book of high quality business. These new locations have already contributed modest growth in loans and we are confident that these contributions will continue.

Again...A Best Place to Work

Bar Harbor Bank & Trust was recognized for the second year in a row as one of the "Best Places to Work in Maine." We qualified for this award in the 250-or-fewer-employees category. Our selection was based upon candid feedback from our employees in an anonymous survey reflecting their view of the Bank's work environment and their levels of job satisfaction. As before, our team members reported that they have a clear understanding of their job role, feel performance expectations are realistic, and expressed a willingness to give extra effort to



Executive Management

(From left to right): Stephen M. Leackfeldt, Joseph M. Murphy, Marsha C. Sawyer, Daniel A. Hurley, III, Marcia T. Bender, Gregory W. Dalton, Cheryl L. Mullen, Gerald Shencavitz, Michael W. Bonsey

help the Bank succeed. We are pleased that our employees would willingly recommend the Bank as a provider of financial services to family and friends and as an excellent employer. We know that satisfied employees tend to become loyal, longer-term employees and that their job satisfaction translates to customer satisfaction and loyalty. The strongest component of the community banking ethic, we believe, is the bond that forms between our employees and their customers, a bond based upon mutual respect and trust that stands the test of time. In the small coastal towns of Maine, such mutual trust is priceless.

Banking Industry Outlook

Rate Environment

As financial intermediaries, banks are charged with managing interest rate risk by analyzing economic developments and market trends and adjusting investment and loan and deposit pricing decisions in response to those trends. During the past few years, the Federal Reserve Bank's monetary policies have been orchestrated to keep interest rates low in an attempt to stimulate the general economy and accelerate the financial recovery. The result has been a dramatic decline in both loan rates and deposit rates compared to years past. In order to attract high quality earning assets in the form of business loans and residential mortgages, banks are compelled to compete for new business at rates that represent historical lows. On the deposit side, rates have fallen to be roughly competitive to the wholesale borrowing rates available to banks. As short-term deposit rates continue to fall and approach zero, further declines are increasingly impractical. These factors have combined to compress bank net interest margins over time, including ours, and require constant diligence to manage both product pricing and risk underwriting. These challenges appear to be with us throughout 2013 and possibly beyond.

These circumstances are obviously favorable to qualified borrowers, who benefit from low rates and competing banks. Customers who are both borrowers and depositors can rationalize that the financial products they use are priced reasonably as a bundle of services. Customers who are depositors only, particularly those many depositors who are retired and who formerly depended upon long-term deposits to provide meaningful household income, are profoundly disappointed with today's low deposit yields. For these customers, in particular, the obligation for banks to provide impeccable service, genuine patience and helpful advice has never been more compelling. In this challenging environment, we are particularly grateful for the many caring professionals among our branch service staff, trust officers and financial consultants who provide these essential services to our customers every day.

Regulatory Compliance

For several years, annual reports of community banks throughout the nation, including ours, have commented upon the cascade of new and pending banking regulations that have compelled banks to incur growing compliance management costs. We have always believed that the new legislation and regulation targets abuses which have played no part in our own banking practices. However, going forward, our shareholders should know that we have embraced the spirit and the letter of known regulatory expectations and have invested significant resources, management focus, and many hundreds of staff training hours to make sure that our team is well-versed in regulatory compliance, which will remain one of our major accountabilities. We believe efficient mastery of regulatory expectations will be one of the factors which will distinguish successful community banks in the years ahead.

The Key to Our Success—Customer Loyalty

Across all of our lines of business and branch locations, we have taken note of how much of our success is the result of the loyalty and stability of our customer base. Whether serving the needs of individual households, small businesses or larger enterprises, the Bank has enjoyed the opportunity to serve multiple generations within families and multiple generations of leadership among business clients, large and small. We know that the hallmark of community banks is the ability to maintain the loyalty of customers over time. This loyalty may begin with the convenience of locations but is sustained by familiar and trusted staff members who deliver outstanding service over many years and who have built lasting connections of trust and confidence. Throughout this annual report, we present several examples of relationships which have stood the tests of time, changing business conditions, generations of customers and the development of new communities. These are relationships which we treasure as bankers, neighbors and friends.

On behalf of the Company's Board of Directors and all the Bar Harbor Bankshares team members, it is our privilege and pleasure to thank you, our shareholders, for your confidence and loyalty.



Joseph M. Murphy
President and Chief Executive Officer



Peter Dodge
Chairman



Board of Directors

(From left to right): Scott G. Toothaker, Kenneth E. Smith, Constance C. Shea, Peter Dodge, Joseph M. Murphy, Gregg S. Hannah, Clyde H. Lewis, Thomas A. Colwell, Robert C. Carter, Lauri E. Fernald, Robert M. Phillips, Martha T. Dudman, David B. Woodside

Relationships that
connect
Our Communities

Maine is our home, and each year in our annual report, we acknowledge how fortunate we are to live and work here in this matchless place where small towns, safe communities, breathtaking scenery, and creative businesses abound. This year we are grateful to the Witham family, Wyman's, Friend & Friend, and John Wasileski for allowing us to tell their stories of loyalty, entrepreneurship, longevity, and innovation. Through many years, multiple generations, and an undying commitment to community, these customers represent Maine business at its finest.



Witham Fishing Family

Green Island, Maine

Bert Witham's family has been fishing family-owned Big Green Island since the late 1800's. Bert's grandfather was one of the owners of Rackcliff and Witham's wholesale lobster company until the 1960's. They did business with President Roosevelt and were the first to air freight lobsters, delivering them all over the country. The Witham family owned Witham's Lobster Pound restaurant in Rockport. Bert's father lobstered as a young man, and later ran a sardine factory, Green Island Packing, with his brother. There are nine relatives still working the waters today.

While "it's in the blood" usually indicates a strong genetic propensity toward something, you might instead wonder if the Withams have salt water coursing through their veins. Bert's wife, Donni, jokes that she dreads family gatherings because all they talk about is fishing—rules, regulations, and new products, with a dash of gossip mixed in for good measure. Despite the 3:00 a.m. wakeup time and the sometimes brutal weather, Bert feels blessed in his water-based profession, where enormous sea turtles, breaching whales, and breathtaking sunrises are all in a day's work. He enjoys being his own boss and the freedom that it allows.

Carrying on the family tradition, Bert's sons Jason and Taylor are also lobstermen. It's too early to know if grandson Bodie will follow suit, but it certainly won't be a surprise if he pulls on Grundens when he's a bit older. Bert says, "We chose Bar Harbor Bank & Trust because they're family-oriented. They take the time to have one-on-one conversations and get to know us. They understand us and our business. We switched from a bigger bank, and the difference is undeniable."

our success comes from honest
work



(Left to right) Jason Witham holding son, Bodie, Taylor Witham, Bert Witham



Jasper Wyman & Son

Milbridge, Maine

Wyman's®, family owned and headquartered in Milbridge, Maine, has been in business since 1874 and a Bar Harbor Bank & Trust customer for longer than anyone can remember.

Wyman's owns and leases more than 10,000 acres of the world's most productive blueberry barrens both in Maine and Canada, and produces approximately 20%–25% of the world's wild blueberry crop. Wild blueberries, nature's No. 1 antioxidant fruit, differ from cultivated blueberries in several ways. Smaller, with a tart but sweet flavor, they are not planted but grow naturally in rocky open fields ("barrens") in northeastern North America. Wild blueberries grow low to the ground in clusters on the stems, and are harvested through a combination of mechanical harvesters and traditional hand raking crews.

Wyman's three state-of-the-art processing, packing, and storage facilities run 24/7 during the season, quick-freezing the berries within 24 hours of harvest to lock in fresh fruit flavor and character. In recent years, Wyman's has begun sourcing other fruits, including cranberries, strawberries, blackberries and raspberries. They sell their products on a non-branded commodity, private label, and company-branded basis to major manufacturers and marketers of consumer food products, foodservice distributors, and retail consumers.

Bob Mancini, Wyman's VP and Chief Financial Officer, says "Bar Harbor Bank & Trust's people are wonderful to work with. From management to the branch team, they are very proactive and have a great appreciation for what Wyman's does. BHBT has stood with Wyman's through the best and worst of times, and I expect this relationship to endure for generations to come."

where *local businesses*

grow



(Left to right) Edward R. Flanagan—President & CEO, Robert J. Mancini—VP & Chief Financial Officer



Friend & Friend, “The Boys with the Toys”

Ellsworth and Orono, Maine

Cooper Friend's grandfather and great-grandfather began selling cars in 1916 at Friend & Friend in Newport, Maine. The rest is family history. Cooper's dad added motorcycles to the mix in 1964 and Cooper opened the Ellsworth shop in 1976 after finishing college. Since then, the business has grown to include two massive stores chock full of dependable and fun toys—motorcycles, ATV's, snowmobiles, and all the trimmings. Cooper also owns Harley-Davidson stores in Lewiston, Maine and New Rochelle, New York, and sold another in Burlington, Vermont.

His son, Coop, a 2006 University of Maine graduate, recently joined the business, making it a five-generation enterprise. After a competitive soccer career and working in the ski industry, Coop brings a new generation of leadership with high energy and fresh thinking. With service as their focus, the “Boys with the Toys” ride, race, and own what they sell and are zealous about matching every customer with the best vehicle for his or her needs and experience level.

After all these years, they're still shifting gears. Cooper says, “We've been in business for nearly 100 years, and we fully expect to be around for at least 100 more. Bar Harbor Bank & Trust has been beside me since my early years and has helped me out at every turn. I've been around a lot of banks and I've never seen anything like the care and sincerity they show. They are genuinely interested in me and I honestly feel they are almost as passionate about my business as I am.”



where our *relationships*
last

(Left to right) Cooper F. Friend, with son, “Coop” Cooper Friend, Jr.



John Wasileski, Sea Coast Management Company

The Highlands of Topsham | Highland Green | OceanView at Falmouth

Convenience, connections, conservation, and choice...words that best describe John Wasileski's Maine retirement communities. Wasileski, Maine resident and founder/owner of Sea Coast Management Company, operates Highland Green and the Highlands in Topsham and OceanView at Falmouth. Whether seeking an active adult neighborhood, carefree apartment living, assisted living, or memory care, seniors can satisfy any life-style preference at his one-of-a-kind communities.

A visionary passionate about environmental responsibility and historic preservation, Wasileski recently earned the Governor's Award for Business Excellence. His latest project, in the works for over five years, is the purchase of two schools adjacent to OceanView at Falmouth. He plans to build 36 luxury apartments and 35 highly energy-efficient homes on the 20-acre property as well as a medical arts space and adult day care facility. A new auditorium and a community center in the former school buildings are being designed in cooperation with the town of Falmouth.

A hands-on leader, John makes a point to know every resident by name. That's a tall order given that he owns three retirement communities with over 1,000 residents. His belief that "our residents want to be part of the community, not apart from it," drives the development of communities that offer nearby access to shopping, recreation, nature, all senior services, colleges, and cultural attractions.

Wasileski says, "I'm pleased to partner with Bar Harbor Bank & Trust, a Maine community bank, where our residents can utilize services. In turn, these deposits generate capital BHB can lend to businesses that create jobs in Maine. The money originates, stays, and circulates within the Maine economy."

and our *communities*
thrive



John B. Wasileski—Owner, Developer, and Manager

5-Year Selected Financial Data

The following table sets forth selected financial data for the last five years.

(in thousands, except per share data):	As of and for the Years Ended December 31st				
	2012	2011	2010	2009	2008
Balance Sheet Data:					
Total assets	\$1,302,935	\$1,167,466	\$1,117,933	\$1,072,381	\$972,288
Total securities	418,040	381,880	357,882	347,026	290,502
Total loans	815,004	729,003	700,670	669,492	633,603
Allowance for loan losses	(8,097)	(8,221)	(8,500)	(7,814)	(5,446)
Total deposits	795,012	722,890	708,328	641,173	578,193
Total borrowings	371,567	320,283	300,014	311,629	323,903
Total shareholders' equity	128,046	118,250	103,608	113,514	65,445
Average assets	1,252,390	1,151,163	1,087,327	1,052,496	926,357
Average shareholders' equity	125,600	111,135	105,911	88,846	65,139
Results Of Operations:					
Interest and dividend income	\$ 50,838	\$ 50,907	\$ 51,141	\$ 54,367	\$ 53,594
Interest expense	13,867	16,518	19,432	21,086	26,403
Net interest income	36,971	34,389	31,709	33,281	27,191
Provision for loan losses	1,652	2,395	2,327	3,207	1,995
Net interest income after provision for loan losses	35,319	31,994	29,382	30,074	25,196
Non-interest income	7,709	6,792	7,458	6,022	6,432
Non-interest expense	25,618	23,281	22,046	21,754	20,513
Income before income taxes	17,410	15,505	14,794	14,342	11,115
Income taxes	4,944	4,462	4,132	3,992	3,384
Net income	\$ 12,466	\$ 11,043	\$ 10,662	\$ 10,350	\$ 7,731
Preferred stock dividends and accretion of discount	—	—	653	1,034	—
Net income available to common shareholders	\$ 12,466	\$ 11,043	\$ 10,009	\$ 9,316	\$ 7,731
Per Common Share Data:					
Basic earnings per share	\$ 3.20	\$ 2.86	\$ 2.65	\$ 3.19	\$ 2.63
Diluted earnings per share	\$ 3.18	\$ 2.85	\$ 2.61	\$ 3.12	\$ 2.57
Cash dividends per share	\$ 1.17	\$ 1.10	\$ 1.05	\$ 1.04	\$ 1.02
Dividend payout ratio	36.62%	38.29%	39.43%	32.60%	38.78%
Selected Financial Ratios:					
Return on total average assets	1.00%	0.96%	0.98%	0.98%	0.83%
Return on total average equity	9.93%	9.94%	10.07%	11.65%	11.87%
Tax-equivalent net interest margin	3.23%	3.23%	3.18%	3.40%	3.13%
Capital Ratios:					
Tier 1 leverage capital ratio	8.87%	9.32%	9.01%	10.35%	6.61%
Tier 1 risk-based capital ratio	14.15%	14.29%	13.57%	15.34%	9.95%
Total risk-based capital ratio	15.78%	16.06%	15.41%	17.14%	11.60%
Asset Quality Ratios:					
Net charge-offs to average loans	0.23%	0.37%	0.24%	0.13%	0.21%
Allowance for loan losses to total loans	0.99%	1.13%	1.21%	1.17%	0.86%
Allowance for loan losses to non-performing loans	82.1%	63.7%	62.1%	85.2%	123.7%
Non-performing loans to total loans	1.21%	1.77%	1.95%	1.37%	0.70%

Refer to the Bar Harbor Bankshares 2012 Annual Report on Form 10-K for a complete set of consolidated audited financial statements and accompanying notes.

Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders of Bar Harbor Bankshares:

We have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of Bar Harbor Bankshares and subsidiaries as of December 31, 2012 and 2011, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity, and cash flows for each of the years in the three-year period ended December 31, 2012 (not presented herein); and in our report dated March 18, 2013, we expressed an unqualified opinion on those consolidated financial statements.

In our opinion, the information set forth in the accompanying condensed consolidated financial statements is fairly stated, in all material respects, in relation to the consolidated financial statements from which it has been derived.

KPMG LLP

Boston, Massachusetts
March 18, 2013



Consolidated Balance Sheets

<i>(in thousands, except share and per share data)</i>	December 31, 2012	December 31, 2011
Assets		
Cash and cash equivalents	\$ 14,992	\$ 8,720
Securities available for sale, at fair value (cost of \$405,769 and \$371,211, respectively)	418,040	381,880
Federal Home Loan Bank stock	18,189	16,068
Loans	815,004	729,003
Allowance for loan losses	(8,097)	(8,221)
Loans, net of allowance for loan losses	806,907	720,782
Premises and equipment, net	19,255	16,090
Goodwill	4,935	3,158
Bank owned life insurance	7,633	7,377
Other assets	12,984	13,391
TOTAL ASSETS	\$1,302,935	\$1,167,466
Liabilities		
Deposits:		
Demand and other non-interest bearing deposits	\$ 71,865	\$ 62,648
NOW accounts	122,750	99,120
Savings and money market deposits	229,986	206,704
Time deposits	370,411	354,418
Total deposits	795,012	722,890
Short-term borrowings	224,077	175,813
Long-term advances from Federal Home Loan Bank	142,490	139,470
Junior subordinated debentures	5,000	5,000
Other liabilities	8,310	6,043
TOTAL LIABILITIES	1,174,889	1,049,216
Shareholders' equity		
Capital stock, par value \$2.00; authorized 10,000,000 shares; issued 4,525,635 shares at December 31, 2012 and December 31, 2011	9,051	9,051
Surplus	26,693	26,512
Retained earnings	93,900	86,198
Accumulated other comprehensive income:		
Prior service cost and unamortized net actuarial losses on employee benefit plans, net of tax of (\$207) and (\$9), at December 31, 2012 and December 31, 2011, respectively	(401)	(17)
Net unrealized appreciation on securities available for sale, net of tax of \$4,099 and \$3,845, at December 31, 2012 and December 31, 2011, respectively	7,954	7,464
Portion of OTTI attributable to non-credit gains (losses), net of tax of \$74 and (\$218), at December 31, 2012 and December 31, 2011, respectively	144	(423)
Total accumulated other comprehensive income	7,697	7,024
Less: cost of 605,591 and 646,742 shares of treasury stock at December 31, 2012 and December 31, 2011, respectively	(9,295)	(10,535)
TOTAL SHAREHOLDERS' EQUITY	128,046	118,250
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$1,302,935	\$1,167,466

Refer to the Bar Harbor Bankshares 2012 Annual Report on Form 10-K for a complete set of consolidated audited financial statements and accompanying notes.

Consolidated Statements of Income

<i>(in thousands, except share and per share data)</i>	Years Ended December 31,		
	2012	2011	2010
Interest and dividend income:			
Interest and fees on loans	\$36,579	\$34,854	\$34,867
Interest on securities	14,173	16,006	16,274
Dividends on FHLB stock	86	47	—
Total interest and dividend income	50,838	50,907	51,141
Interest expense:			
Deposits	7,707	8,765	9,906
Short-term borrowings	436	260	284
Long-term debt	5,724	7,493	9,242
Total interest expense	13,867	16,518	19,432
Net interest income	36,971	34,389	31,709
Provision for loan losses	1,652	2,395	2,327
Net interest income after provision for loan losses	35,319	31,994	29,382
Non-interest income:			
Trust and other financial services	3,278	3,061	2,984
Service charges on deposit accounts	1,196	1,284	1,359
Credit and debit card service charges and fees	1,462	1,277	1,160
Net securities gains	1,938	2,689	2,127
Total other-than-temporary impairment (“OTTI”) losses	(1,170)	(2,796)	(898)
Non-credit portion of OTTI losses (before taxes) ⁽¹⁾	317	577	—
Net OTTI losses recognized in earnings	(853)	(2,219)	(898)
Other operating income	688	700	726
Total non-interest income	7,709	6,792	7,458
Non-interest expense:			
Salaries and employee benefits	14,027	12,814	12,193
Occupancy expense	1,682	1,514	1,357
Furniture and equipment expense	1,778	1,660	1,602
Credit and debit card expenses	367	310	295
FDIC insurance assessments	853	1,099	1,066
Other operating expense	6,911	5,884	5,533
Total non-interest expense	25,618	23,281	22,046
Income before income taxes	17,410	15,505	14,794
Income taxes	4,944	4,462	4,132
Net income	\$12,466	\$11,043	\$10,662
Preferred stock dividends and accretion of discount	—	—	653
Net income available to common shareholders	\$12,466	\$11,043	\$10,009
Computation of Earnings Per Share:			
Weighted average number of capital stock shares outstanding			
Basic	3,901,118	3,860,474	3,782,881
Effect of dilutive employee stock options	18,651	18,140	45,821
Diluted	3,919,769	3,878,614	3,828,702
Per Common Share Data:			
Basic Earnings Per Share	\$ 3.20	\$ 2.86	\$ 2.65
Diluted Earnings Per Share	\$ 3.18	\$ 2.85	\$ 2.61

⁽¹⁾Included in other comprehensive income, net of taxes

Refer to the Bar Harbor Bankshares 2012 Annual Report on Form 10-K for a complete set of consolidated audited financial statements and accompanying notes.

2012 Financial Overview

BUSINESS STRATEGY

As a diversified financial services provider, Bar Harbor Bankshares pursues a strategy of achieving long-term sustainable growth, profitability, and shareholder value, without sacrificing its soundness. The Company works toward achieving these goals by focusing on increasing its loan and deposit market share in downeast, midcoast and central Maine. The Company believes one of its more unique strengths is an understanding of the financial needs of coastal communities and the businesses vital to Maine's coastal economy, namely: tourism, hospitality, retail establishments, restaurants, seasonal lodging and campgrounds, fishing, lobstering, boat building, and marine services.

Operating under a community banking philosophy, the Company's key strategic focus is vigorous financial stewardship, deploying investor capital safely yet efficiently for the best possible returns. The Company strives to provide unmatched service to its customers, while maintaining strong asset quality and a focus toward improving operating efficiencies. In managing its earning asset portfolios, the Company seeks to utilize funding and capital resources within well-defined credit, investment, interest-rate and liquidity guidelines. In managing its balance sheet, the Company seeks to preserve the sensitivity of net interest income to changes in interest rates, and to enhance profitability through strategies that promise sufficient reward for understood and controlled risk. The Company is deliberate in its efforts to maintain adequate liquidity under prevailing and expected conditions, and strives to maintain a balanced and appropriate mix of loans, securities, core deposits, and borrowed funds.

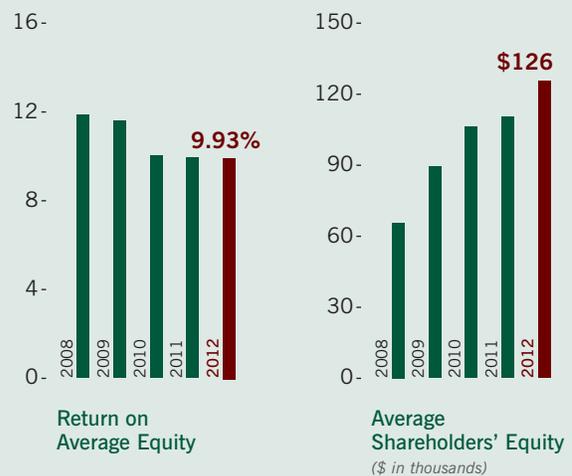
BUSINESS COMBINATIONS

On August 10, 2012 the Bank acquired substantially all assets and assumed certain liabilities of Border Trust Company ("Border Trust"), a subsidiary of Border Bancshares, Inc., headquartered in Augusta, Maine. The Bank acquired \$38.5 million of deposits and \$33.6 million in loans, as well as three branch offices located in Kennebec and Sagadahoc counties. The Bank paid a core deposit premium of 3.85%, or \$1.1 million, and purchased the loan portfolio, excluding selected non-performing loans, at a discount of 2.16%, or \$749 thousand. In connection with this transaction, the Bank recorded goodwill of \$1.8 million and a core deposit intangible of \$783 thousand, or 2.7% of core deposits. The Bank recorded \$863 thousand in non-recurring expenses in 2012 related to this transaction, including professional fees, employee severance and other conversion and integration related expenses.



RESULTS OF OPERATIONS

Earnings and Earnings per Share: For the year ended December 31, 2012, the Company reported record net income of \$12.5 million, representing an increase of \$1.4 million, or 12.9%, compared with 2011. The Company also reported record diluted earnings per share of \$3.18 for 2012, representing an increase of \$0.33, or 11.6%, compared with 2011. The Company's 2012 earnings performance was highlighted by a \$2.7 million or 7.6% increase in tax-equivalent net interest income, which was driven by a stable net interest margin and strong earning asset growth.



Return on Average Equity and Average Assets: At December 31, 2012, the Company's total shareholders' equity stood at \$128.0 million, compared with \$118.3 million at year end 2011, representing an increase of \$9.8 million, or

8.3%. The Company's return on average shareholders' equity amounted to 9.93% in 2012, compared with 9.94% in 2011. The Company's 2012 return on average assets amounted to 1.00%, up from 0.96% in 2011.



Net Interest Income: Net interest income is the principal component of the Company's income stream and represents the difference or spread between interest generated from earning assets and the interest expense paid on deposits and borrowed funds. Fluctuations in market interest rates, as well as volume and mix changes in earning assets and interest bearing liabilities, can materially impact net interest income.

For the year ended December 31, 2012, net interest income on a tax-equivalent basis amounted to \$38.6 million, compared with \$35.9 million in 2011, representing an increase of \$2.7 million, or 7.6%. The increase in net interest income was principally attributed to average earning asset growth of \$87.0 million, or 7.8%, combined with a stable net interest margin. The tax-equivalent net interest margin amounted to 3.23% in 2012, unchanged compared with 2011. During 2012 the Bank managed to offset a decline in its weighted average earning asset yields by lowering the weighted average interest rate paid on total interest bearing liabilities.

Non-interest Income: In addition to net interest income, non-interest income is a significant source of revenue for the Company and an important factor in its results of operations. Non-interest income is principally derived from financial services including trust, investment management and brokerage activities, as well as service charges on deposit accounts, credit and debit card processing fees, net securities gains, and a variety of other product and service fees.

Trust and other financial services fees amounted to \$3.3 million in 2012, compared with \$3.1 million in 2011, representing an increase of \$217 thousand or 7.1%. This increase was principally attributed to increases in the value of assets under management and higher levels of fee income from retail brokerage activities. Reflecting new client relationships and some stability in the equity markets, at December 31, 2012, assets under management stood at \$355.5 million, up \$21.6 million or 6.5% compared with year-end 2011.



For the year ended December 31, 2012, income generated from service charges on deposit accounts amounted to \$1.2 million, compared with \$1.3 million in 2011, representing a decline of \$88 thousand, or 6.9%. The decline in service charges on deposit accounts was principally attributed to declines in deposit account overdraft fees, reflecting reduced overdraft activity and the impact of new regulations that limit the ability of a bank to offer overdraft protection to customers without their specific consent and to derive fees from overdraft protection programs in general.

For the year ended December 31, 2012, credit and debit card service charges and fees amounted to \$1.5 million compared with \$1.3 million in 2011, representing an increase of \$185 thousand or 14.5%. This increase was principally attributed to continued growth of the Bank's retail deposit base, higher levels of merchant credit card processing volumes, and continued success with a program that offers rewards for certain debit card transactions.

Total securities gains, net of other-than-temporary impairment losses, amounted to \$1.1 million in 2012, compared with \$470 thousand in 2011, representing an increase of \$615 thousand, or 130.9%. Net 2012 securities gains were

comprised of realized gains on the sale of securities amounting to \$1.9 million, offset in part by other-than-temporary impairment losses of \$853 thousand on certain available-for-sale, private label residential mortgage-backed securities.



Non-interest Expense: For the year ended December 31, 2012, total non-interest expense amounted to \$25.6 million, representing an increase of \$2.3 million, or 10.0%, compared with 2011. The increase in non-interest expense was largely attributed to a \$1.2 million or 9.5% increase in salaries and employee benefits, reflecting higher levels of employee severance payments including \$263 thousand incurred in connection with the Border Trust transaction, higher levels of employee incentive compensation, as well as normal increases in base salaries and changes in staffing levels and mix. The year-over-year increase in salaries and employee benefits also reflected the recording of \$130 thousand in employee health insurance credits, based on favorable claims experience, in 2011.

The increase in 2012 non-interest expense was also attributed to a \$1.0 million or 17.5% increase in other operating expenses, principally reflecting \$600 thousand in non-recurring expenses associated with the Border Trust transaction, including fees for professional services and a wide variety of conversion and integration related expenses. The increase in 2012 other operating expenses was additionally attributed to a \$304 thousand or 132.7% increase in loan collection and other real estate owned expenses compared with 2011, largely reflecting higher levels of loan collection and foreclosure activity, as well as losses on the sale or write-down of owned properties.

Efficiency Ratio: The Company's efficiency ratio, or non-interest operating expenses divided by the sum of tax-equivalent net interest income and non-interest income other than net securities gains and other-than-temporary

impairments, and significant non-recurring expenses, measures the relationship of operating expenses to revenues. Low efficiency ratios are typically a key factor for high performing financial institutions. For the year ended December 31, 2012, the Company's efficiency ratio amounted to 54.6%, representing a modest improvement compared with the 55.0% reported in 2011. These ratios compared favorably to peer and industry averages.

Income Taxes: For the year ended December 31, 2012, total income taxes amounted to \$4.9 million, representing an increase of \$482 thousand, or 10.8%, compared with 2011. The Company's effective tax rate amounted to 28.4% in 2012, compared with 28.8% in 2011. Fluctuations in the Company's effective tax rate are generally attributed to increases in the level of non-taxable income in relation to taxable income.

FINANCIAL CONDITION

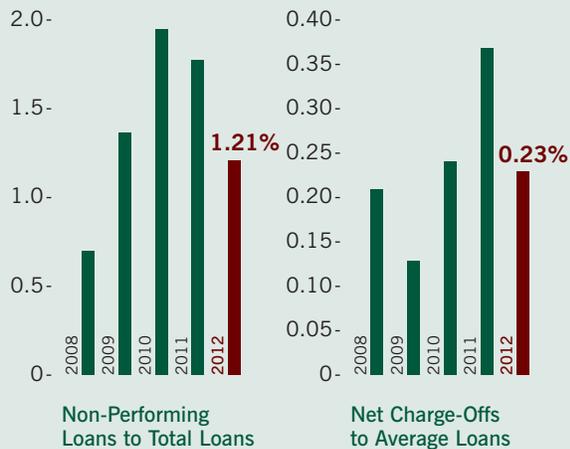
Assets: The Company's total assets increased \$135.5 million or 11.6% during 2012, ending the year at \$1.30 billion. The increase in total assets was led by loan growth and, to a lesser extent, an increase in the securities portfolio.

Loans: Consumer loans, which principally consisted of residential real estate mortgage loans and home equity loans, comprised 45.3% of the Bank's total loan portfolio at December 31, 2012. The Bank also serves the small business market throughout downeast, midcoast and central Maine. It offers business loans to individuals, partnerships, corporations, and other business entities for capital construction, real estate purchases, working capital, real estate development, and a broad range of other business purposes. At December 31, 2012, commercial business loans represented 52.9% of the Bank's total loan portfolio.



Total loans ended the year at \$815.0 million, representing an increase of \$86.0 million, or 11.8%, compared with December 31, 2011. Consumer loans, which principally consist of residential real estate mortgages, were up \$55.2 million or 17.6% compared with December 31, 2011, largely reflecting the purchase of loans from Border Trust as well as the purchase of a New England-based portfolio of residential mortgage loans. The Bank's commercial loan portfolio increased \$26.3 million, or 6.5%, compared with December 31, 2011, of which approximately \$9.3 million was attributed to the Border Trust transaction. Tax-exempt loans also showed meaningful growth, posting an increase of \$5.5 million, compared with year end 2011. Commercial loan growth has been generally challenged by economic and political uncertainty, a struggling economy and vigorous competition for quality loans. Bank management attributes the continued growth of its commercial loan portfolio to an effective business banking team, deep local market knowledge, sustained new business development efforts, and a resilient local economy that has been faring better than the nation as a whole.

Credit Quality: Total non-performing loans ended the year at \$9.9 million, representing a decline of \$3.0 million or 23.6% compared with year-end 2011. One commercial real estate development loan to a local, non-profit housing authority in support of an affordable housing project accounted for \$2.0 million or 20.6% of total non-performing loans, down from \$2.8 million at December 31, 2011. At December 31, 2012, total non-performing loans represented 1.21% of total loans, down from 1.77% at year end 2011. Total net loan charge-offs amounted to \$1.8 million in 2012, or 0.23% of total average loans outstanding, down from \$2.7 million and 0.37% in 2011, respectively.



For the year ended December 31, 2012, the Bank recorded a provision for loan losses (the "provision") of \$1.7 million, representing a decline of \$743 thousand or 31.0% compared with 2011. The provision recorded in 2012 was largely driven by the Bank's charge-off experience, growth in the loan portfolio and still-depressed real estate values. The decline in the provision largely reflected improved credit quality metrics which continued to stabilize during 2012. In addition to improved charge-off experience, delinquent loans and potential problem loans expressed as a percentage of total loans were down slightly compared with December 31, 2011, while non-performing loans declined 23.6%.

The Bank maintains an allowance for loan losses (the "allowance") which is available to absorb probable losses on loans. The allowance is maintained at a level that, in management's judgment, is appropriate for the amount of risk inherent in the current loan portfolio and adequate to provide for estimated probable losses. At December 31, 2012, the allowance stood at \$8.1 million, representing a decline of \$124 thousand or 1.5% compared with December 31, 2011. The small decline in the allowance was principally attributed to improved credit quality metrics, as well as the elimination of certain loan-specific loss allowances for loans that were charged-off during the year.



Investment Securities: During 2012 the securities portfolio continued to serve as a key source of earning assets and liquidity for the Bank. Total securities ended the year at \$418.0 million, up \$36.2 million, or 9.5%, compared with December 31, 2011. Bank management considers securities as a relatively attractive means to effectively leverage the Bank's strong capital position, as securities are typically assigned a significantly lower risk weighting for the purpose of calculating the Bank's and the Company's risk-based capital ratios. The overall objectives of the Bank's strategy

for the securities portfolio include maintaining appropriate liquidity reserves, diversifying earning assets, managing interest rate risk, leveraging the Bank's strong capital position, generating acceptable levels of net interest income and, when appropriate, generating realized gains on the sale of securities. The securities portfolio is comprised of mortgage-backed securities issued by U.S. Government agencies, U.S. Government-sponsored enterprises, and other non-agency, private-label issuers. The securities portfolio also includes tax-exempt obligations of states and political subdivisions thereof.



Deposits: During 2012, the most significant funding source for the Bank's earning assets continued to be retail deposits, gathered through its network of fifteen banking offices throughout downeast, midcoast and central Maine. Total deposits ended the year at \$795.0 million, up \$72.1 million, or 10.0%, compared with December 31, 2011. The deposits acquired in connection with the Border Trust transaction accounted for approximately \$38.5 million or 53.4% of the growth in total deposits. Demand, NOW and money market accounts combined were up \$56.1 million or 15.2% compared with December 31, 2011, while time deposits were up \$16.0 million, or 4.5%.

Borrowings: Borrowed funds principally consist of advances from the Federal Home Loan Bank of Boston. The Bank utilizes borrowed funds in leveraging its strong capital position and supporting its earning asset portfolios. Total borrowings ended the year at \$371.6 million, representing an increase of \$51.3 million, or 16.0%, compared with December 31, 2011. The increase in borrowings was utilized to help support the Bank's 2012 earning asset growth, while lowering its dependence on brokered deposits obtained from the national market.

Capital: Consistent with its long-term strategy of operating a sound and profitable organization, at December 31, 2012, the Company and the Bank continued to exceed regulatory requirements for "well-capitalized" financial institutions. Company management considers this to be vital in promoting depositor and investor confidence and providing a solid foundation for future growth. Under the capital adequacy guidelines administered by the Bank's principal regulators, "well-capitalized" institutions are those with Tier I leverage, Tier I Risk-based, and Total Risk-based ratios of at least 5%, 6% and 10%, respectively. At December 31, 2012, the Company's Tier I Leverage, Tier I Risk-based, and Total Risk-based capital ratios were 8.87%, 14.15% and 15.78%, respectively.

Shareholder Dividends: During 2012 the Company paid regular cash dividends on its common stock in the aggregate amount of \$4.57 million, compared with \$4.23 million in 2011. The Company's 2012 dividend payout ratio amounted to 36.6%, compared with 38.3% in 2011. The total regular cash dividends paid in 2012 amounted to \$1.17 per share of common stock, compared with \$1.095 per share in 2011, representing an increase of \$0.075 per share, or 6.9%.

As previously announced, the Company's Board of Directors recently declared a first quarter 2013 regular cash dividend of \$0.305 per share of common stock, representing an increase of \$0.02 or 7.0% compared with the first quarter of 2012. Based on the year-end 2012 price of BHB's common stock of \$33.65 per share, the dividend yield amounted to 3.63%.

Management and Staff

BAR HARBOR BANKSHARES MANAGEMENT

Joseph M. Murphy*
President & Chief Executive Officer

Gerald Shencavitz*
*Executive Vice President, Chief
Financial Officer & Treasurer*

BAR HARBOR BANK & TRUST MANAGEMENT

Joseph M. Murphy*
President & Chief Executive Officer

Gerald Shencavitz*
*Executive Vice President,
Chief Financial Officer &
Chief Operating Officer*

Michael W. Bonsey*
*Executive Vice President &
Chief Risk Officer*

Gregory W. Dalton*
*Executive Vice President,
Business Banking*

Stephen M. Leackfeldt*
*Executive Vice President,
Retail Banking & Operations*

SENIOR VICE PRESIDENTS

Daniel A. Hurley, III
Bar Harbor Trust Services

Cheryl L. Mullen
Sales & Marketing

Marsha C. Sawyer
Human Resources

VICE PRESIDENT & SENIOR OPERATIONS OFFICER

Marcia T. Bender

REGIONAL VICE PRESIDENTS

Samuel S. McGee
*Business Banking
Greater Ellsworth*

Adam L. Robertson
*Business Banking
Central Region*

R. Todd Starbird
*Business Banking,
Knox County*

VICE PRESIDENTS

Judi L. Anderson
Credit Administration

Karri A. Bailey
*Managed Assets & Credit
Administration*

Michelle R. Bannister
Staff Development & Training

Steven W. Blackett
Credit Administration

David S. Cohen
Controller & Assistant Treasurer

Dawn L. Crabtree
Operations

Jacqueline M. Curtis
Administrative Officer

Audrey H. Eaton
Retail & Residential Lending

Joseph E. Hackett
Business Banking

Vicki L. Hall
Business Banking

Lisa A. Holmes
*Retail & Residential Lending
Branch Relationship Manager,
Machias*

James W. Lacasse
Business Banking

Robert J. Lavoie
Information Systems

Maureen T. Lord
*Regional Branch
Relationship Manager,
Machias & Lubec*

Carolyn R. Lynch
Internal Audit

Elena M. Martin
Electronic Banking

Shawn R. Megathlin
Corporate Compliance

J. Paul Michaud
*Application Support &
Project Management*

Lisa L. Parsons
*Regional Market Manager,
Mount Desert Island*

Russell A. Patton
Risk & Information Security

Chris P. Perry
*Regional Market Manager,
Augusta, South China & Topsham*

Lester L. Porter
Assistant Controller

Carol J. Pye
Retail & Residential Lending

Lottie B. Stevens
Retail Lending Support

Lisa F. Veazie
*Regional Market Manager,
Blue Hill & Deer Isle*

J. Christopher Young
*Regional Market Manager,
Ellsworth, Milbridge, Winter Harbor
& Customer Service Center*

Roger S. White
Special Projects

Kim W. Wright
Finance

Leita K. Zeugner
Deposit Services

ASSISTANT VICE PRESIDENTS

Stacie J. Alley
Managed Assets

Rebecca H. Emerson
*Branch Relationship Manager,
Deer Isle*

Marjorie E. Gray
Product Development & Research

Donna B. Hutton
Customer Service Center

Gregory S. Jones
*Branch Relationship Manager,
Rockland*

Colleen E. Maynard
*Branch Relationship Manager,
Southwest Harbor*

Debra S. Mitchell-Dow
*Branch Relationship Manager,
Bar Harbor*

Lucas G. Morris
Credit Administration

Judith L. Newenham
Retail Lending Support

Catherine M. Planchart
*Corporate Communications &
Community Relations*

Bonnie A. Poland
Retail Lending Support

Terry E. Tracy
Retail Banking Operations

Ann G. Upham
Retail & Residential Lending

Jody C. Warren
*Branch Relationship Manager,
Ellsworth*

*Named Executive Officers

OFFICERS**Faye M. Allen***Deposit Services***Holly J. Archer***Retail & Residential Lending***Judith W. Fuller***Corporate Secretary***Xin Liang***Credit Administration***Deborah A. Maffucci***Finance***Sara H. O'Connell***Human Resources***Lindsey W. Troxell***Retail & Residential Lending***MANAGERS****Susan L. Albee***Customer Service Manager,
Machias***Laura A. Bridges***Servicing & Quality Assurance***Brenda B. Colwell***Human Resources***Brenda J. Condon***Customer Service Manager,
Deer Isle***Michelle E. Curtis***Branch Relationship Manager,
Topsham & South China***Katheryn R. Fournier-Decoste***Human Resources Operations***Shelley E. Gray***Customer Service Manager,
Milbridge***Krystal E. Jordan***Branch Relationship Manager,
Milbridge***Virginia L. MacLeod***Customer Service Manager,
Southwest Harbor***Dylan A. Mooney***Assistant Manager
Finance***Debbie B. Norwood***Regional Customer Service Manager,
Northeast Harbor & Somesville***Andrea L. Parker***Accounts & Transaction Processing***Christine R. Perry***Customer Service Manager,
Augusta & South China***Andrew L. Somes***Branch Relationship Manager,
Winter Harbor***Diane B. Thompson***Customer Service Manager,
Blue Hill***BAR HARBOR TRUST SERVICES****Daniel A. Hurley, III***President***Gerald Shencavitz***Chief Financial Officer***Joshua A. Radel***Chief Investment Officer***Joseph M. Pratt***Managing Director & Trust Officer***VICE PRESIDENTS****Melanie J. Bowden***Trust Officer***Faye A. Geel***Trust Officer***Lara K. Horner***Trust Operations***Peter C. Nicholson***Trust Investment Officer***Sarah C. Robinson***Trust Officer***OFFICER****Julie B. Zimmerman***Trust Officer***SUPERVISOR****Pamela L. Curativo***Trust Operations***BAR HARBOR
FINANCIAL SERVICES******Sonya L. Mitchell***Program Manager,
Vice President & Financial Consultant***Ronald L. Hamilton***Vice President & Financial Consultant***Dennis M. Kinghorn***Vice President & Financial Consultant***EMPLOYEES (AS OF 3/1/2013)**

Abbott, Gwen M.
Abbott, Jennifer C.
Allen, Andrea L.
Allen, Deena M.
Andrews, Holly M.
Atherton, June G.
Austin, Vicki J.
Barnes, Virginia H.
Barton, Hannah R.
Bates-Mitchell, Kristi L.
Baudanza, Erin F.
Beal, Charleen L.
Beal, Jenna M.
Beal, Karen C.
Blanchard, Amy H.
Boudreau, Alain R.
Brady, Penny S.
Brown, Heather L.
Bryer, Katy A.
Card, Amy L.
Caouette, Marian R.
Capristo, Kim R.
Carter, Hillary A.
Colson, Theresa L.
Conner, Erin S.
Coombs, April E.
Coombs, Jessica L.
Cormier, Sarah A.
Crandall, Kevin J.
Crosby, Lisa L.
Culshaw, Geneva E.
Curtis, Cheryl D.
Danielson, Laura H.
Davis, Sharon J.
Douglass, Joanne M.
Dupuy, Mia B.
Durand, Catherine A.
Dyndiuk, Brittany N.
Eaton, Julie M.
Farnsworth, Pamela J.
Fernandez, Rebecca R.
Foskett, Amy N.
Gatcomb, Dena M.
Griffin, Susanne M.
Haley, Andrew J.
Hall, Kelli M.
Hamilton, Kirsten M.
Hanscom, Betsy B.
Harding, Christine L.
Hastings, Nancy B.
Hawes, Bethany A.
Hays, Mary D.
Heal, Ivy M.
Hepburn, Barbara F.
Higgins, Cathy A.
Hinckley, Melissa S.
Hinkel, Nicole S.
Hodgkin, Samuel C.
Howie, Jeanette L.
Huffman, Lynn L.
Hunt, Marianne
Hutchinson, Margaret L.
Jackson, Cathy M.
Jipson, Bruce W.

Kane, Hildie L.
Kane, Maureen E.
Kent, Rebecca H.
Kief, Kathryn M.
Lachance, Janice E.
Lambert, Jane E.
Lamoureux, Paula M.
Leblanc, Bonnie S.
Lee, Nichole J.
Lewis, Stephanie M.
Lloyd, Marlene A.
Lovely, Norma K.
Mackenzie, Bailey E.
Magee, Gabriella M.
Mahoney, Sharon I.
Marshall, Carol M.
Matthews, Ashley S.
McIntosh, Lucy A.
Millett, Marcia L.
Mitchell, J. Aaron
Mockler, Julie E.
Mora, Angela R.
Morrison, Michele L.
Nason, Dawn B.
Norton, Jennifer I.
Norwood, Nichole D.
Ohmeis, Amanda R.
Ohmeis, Claire C.
Orcutt, Alexandra
Pagan, Joseph F.
Parker, Jane M.
Parlee, Deborah I.
Patton, Ebony A.
Pendleton, Candy A.
Ratner, Mary C.
Redman, Julie A.
Richards, Judy A.
Riitano, Zachary J.
Robbins, Amanda L.
Robinson, Jane M.
Rogers, Jennifer A.
Saunders, Jennifer M.
Schaefer, Frank J.
Schoppee, Rhonda L.
Schwartz, Edith E.
Scott-Henderson, Debra L.
Sinclair, Jacklyn M.
Smith, Samantha A.
Smyth, David J.
Snow, Andrea L.
Stanley, Angela M.
Stover, Teri A.
Swanberg, Peter M.
Swett, Andrea D.
Timmons, Bristol N.
Tucker, Jennifer M.
Tucker, Jyl E.
Urquhart, Kirstie A.
Vanskike, Corey M.
Wallace, Allyson M.
Wasson, Krystal E.
Webster, Paula R.
Weeks, Jeanne L.
Wiberg, Katie G.
Wood, Crystal N.

**Bar Harbor Financial Services is a branch of Infinex Investments, Inc., an independent registered broker-dealer which is not affiliated with the Company or the Bank.

Board of Directors

Peter Dodge

Blue Hill, ME—Chairman of the Board

President and Insurance Agent,
Peter Dodge Agency d/b/a Merle B. Grindle
Agency, John R. Crooker Agency, and
The Endicott Agency

Thomas A. Colwell

Deer Isle, ME—Vice Chairman of the Board

Retired President, Colwell Bros., Inc.

Robert C. Carter

Machias, ME

Owner of Carter Enterprises (rental manage-
ment) and Retired Owner of Machias Motor Inn

Martha T. Dudman

Northeast Harbor, ME

Fundraising Consultant and Author,
Former President of Dudman Communications

Lauri E. Fernald

Mt. Desert, ME

Funeral Director and an Owner in
Jordan-Fernald Funeral Home

Gregg S. Hannah

Surry, ME

Chartered Financial Analyst,
Past Associate Professor of Business
Management at Nichols College

Clyde H. Lewis

Sullivan, ME

Retired Vice President and General Manager,
Morrison Chevrolet, Inc.

Joseph M. Murphy

Mt. Desert, ME

President and Chief Executive Officer
of the Company and the Bank

Robert M. Phillips

Sullivan, ME

Consultant to the Wild Blueberry Industry

Constance C. Shea

Mt. Desert, ME

Real Estate Broker and Former Owner of
Lynam Real Estate

Kenneth E. Smith

Bar Harbor, ME

Owner and Innkeeper of Manor House Inn

Scott G. Toothaker

Ellsworth, ME

Principal and Vice President of
Melanson Heath & Co.

David B. Woodside

Bar Harbor, ME

President and General Manager of
Acadia Corporation

Corporate Information

Annual Meeting

The Annual Meeting of shareholders of
Bar Harbor Bankshares will be held at
11:00 a.m. on Tuesday May 21, 2013
at the Bar Harbor Club located on
West Street in Bar Harbor, Maine.

Financial Information

Shareholders, analysts and other investors
seeking financial information about Bar Harbor
Bankshares should contact Gerald Shencavitz,
Executive Vice President, Chief Financial
Officer and Treasurer, at 207-288-3314.

Internet

Bar Harbor Bank & Trust information, as well as
Bar Harbor Bankshares Form 10-K, is available
at www.BHBT.com.

Shareholder Assistance

Questions concerning your shareholder account,
including change of address forms, records or
information about lost certificates or dividend
checks, should be directed to our transfer agent:
American Stock Transfer & Trust Company, LLC
6201 15th Avenue
Brooklyn, New York 11219
800-937-5449 / www.amstock.com

Stock Exchange Listing

Bar Harbor Bankshares common stock is
traded on the NYSE MKT, LLC (www.nyse.com),
under the symbol BHB.

Form 10-K Annual Report

The Company refers you to its Annual Report on
Form 10-K for fiscal year ended December 31,
2012 for detailed financial data, management's
discussion and analysis of financial condition
and results of operations, disclosures about
market risk, market information including stock
graphs, descriptions of the business of the
Company and its products and services, and
a listing of its executive officers.

Mailing Address

If you need to contact our corporate head-
quarters office, write:
Bar Harbor Bankshares
Post Office Box 400
82 Main Street
Bar Harbor, Maine 04609-0400
207-288-3314 • 888-853-7100

Printed Financial Information

We will provide, without charge, and upon
written request, a copy of the Bar Harbor
Bankshares Annual Report to the Securities
and Exchange Commission on Form 10-K. The
Bank will also provide, upon request, Annual
Disclosure Statements for Bar Harbor Bank &
Trust as of December 31, 2012. Please contact
Marsha C. Sawyer, Bar Harbor Bankshares
Clerk, at 207-288-3314 or the above address.

Our Locations

15 *Branches*
220 *Employees*

Augusta

227 Water Street
Augusta, ME 04330

Bar Harbor

82 Main Street
Bar Harbor, ME 04609

Blue Hill

21 Main Street
Blue Hill, ME 04614

Deer Isle

25 Church Street
Deer Isle, ME 04627

Ellsworth

125 High Street
Ellsworth, ME 04605

Lubec

68 Washington Street
Lubec, ME 04652

Machias

41 Main Street
Machias, ME 04654

Milbridge

2 Bridge Street
Milbridge, ME 04658

Northeast Harbor

111 Main Street
Northeast Harbor, ME 04662

Rockland

245 Camden Street
Rockland, ME 04841

Somesville

1055 Main Street
Mt. Desert, ME 04660

South China

368 Route 3
China, ME 04358

Southwest Harbor

314 Main Street
Southwest Harbor, ME 04679

Topsham

2 Main Street
Topsham, ME 04086

Winter Harbor

385 Main Street
Winter Harbor, ME 04693

**BUSINESS BANKING, TRUST &
FINANCIAL SERVICES OFFICES**

Bangor

One Cumberland Place
Suite 100
Bangor, ME 04401

Ellsworth

135 High Street
Ellsworth, ME 04605



1-888-853-7100 • www.BHBT.com

