



Sandler O'Neill + Partners
2017 East Coast Financial Services Conference

November 2017

Forward Looking Statements

This document contains forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. There are several factors that could cause actual results to differ significantly from expectations described in the forward-looking statements. For a discussion of such factors, please see the Company's most recent reports on Forms 10-K and 10-Q filed with the Securities and Exchange Commission and available on the SEC's website at www.sec.gov. The Company does not undertake any obligation to update forward-looking statements.

Non-GAAP Financial Statements

This document contains certain non-GAAP financial measures in addition to results presented in accordance with Generally Accepted Accounting Principles ("GAAP"). These non-GAAP measures provide supplemental perspectives on operating results, performance trends, and financial condition. They are not a substitute for GAAP measures; they should be read and used in conjunction with the Company's GAAP financial information. A reconciliation of non-GAAP financial measures to GAAP measures is included in the third quarter earnings release and Form 10-Q which can be found at www.bhbt.com. In all cases, it should be understood that non-GAAP per share measures do not depict amounts that accrue directly to the benefit of shareholders.

The Company utilizes the non-GAAP measure of core earnings in evaluating operating trends, including components for core revenue and expense. These measures exclude items which the Company does not view as related to its normalized operations. These items include securities gains/losses, merger costs, restructuring costs, and systems conversion costs. Non-core adjustments are presented net of an adjustment for income tax expense. This adjustment is determined as the difference between the GAAP tax rate and the effective tax rate applicable to core income. The efficiency ratio is adjusted for non-core revenue and expense items and for tax preference items. The Company also calculates measures related to tangible equity, which adjust equity (and assets where applicable) to exclude intangible assets due to the importance of these measures to the investment community. Charges related to the acquisition of Lake Sunapee Bank Group consist primarily of severance and retention cost, systems conversion and integration costs, and professional fees. The Company's disclosure of organic growth of loans in 2017 is also adjusted for the acquisition of Lake Sunapee Bank Group.

Corporate Profile



Company Overview¹

- Bar Harbor Bankshares (NYSE: BHB) established in 1887 and headquartered in Bar Harbor, Maine

Market Cap: \$426.0mm Stock Price: \$27.60

Price LTM EPS: 17.8 Price LTM Core EPS: 14.3

Price / TBV: 174.3% Dividend Yield: 2.75

- BHB is the parent company of Bar Harbor Bank & Trust, the only community bank headquartered in Northern New England with branches in Maine, New Hampshire and Vermont
- A true community bank providing exceptional commercial, retail and wealth management banking services via a 53 branch network
- BHB's core focus is on commercial and retail banking as well as trust & wealth management

Financial Highlights²

Balance Sheet (\$ in Millions)

Assets	\$3,475.7
Net Loans	\$2,416.9
Deposits	\$2,275.1
Equity	\$353.5

Asset Quality (%)

NPAs / Assets	0.20%
NPLs / Loans	0.28%
Reserves / NPLs	175%
Reserves / Loans	0.49%
Net Charge Off Ratio	0.01%

Profitability (%)

Core ROAA	1.01%
Core ROAE	9.90%
Net Interest Margin	3.06%
Efficiency Ratio	53.59%

1) Market data as of November 13, 2017

2) As of the three months ended September 30, 2017

Strategic Objectives

We strive to be among the most profitable banks in New England; to provide exceptional service to the people, businesses and communities we serve; and create a corporate culture that develops and rewards existing employees and attracts outside talent.

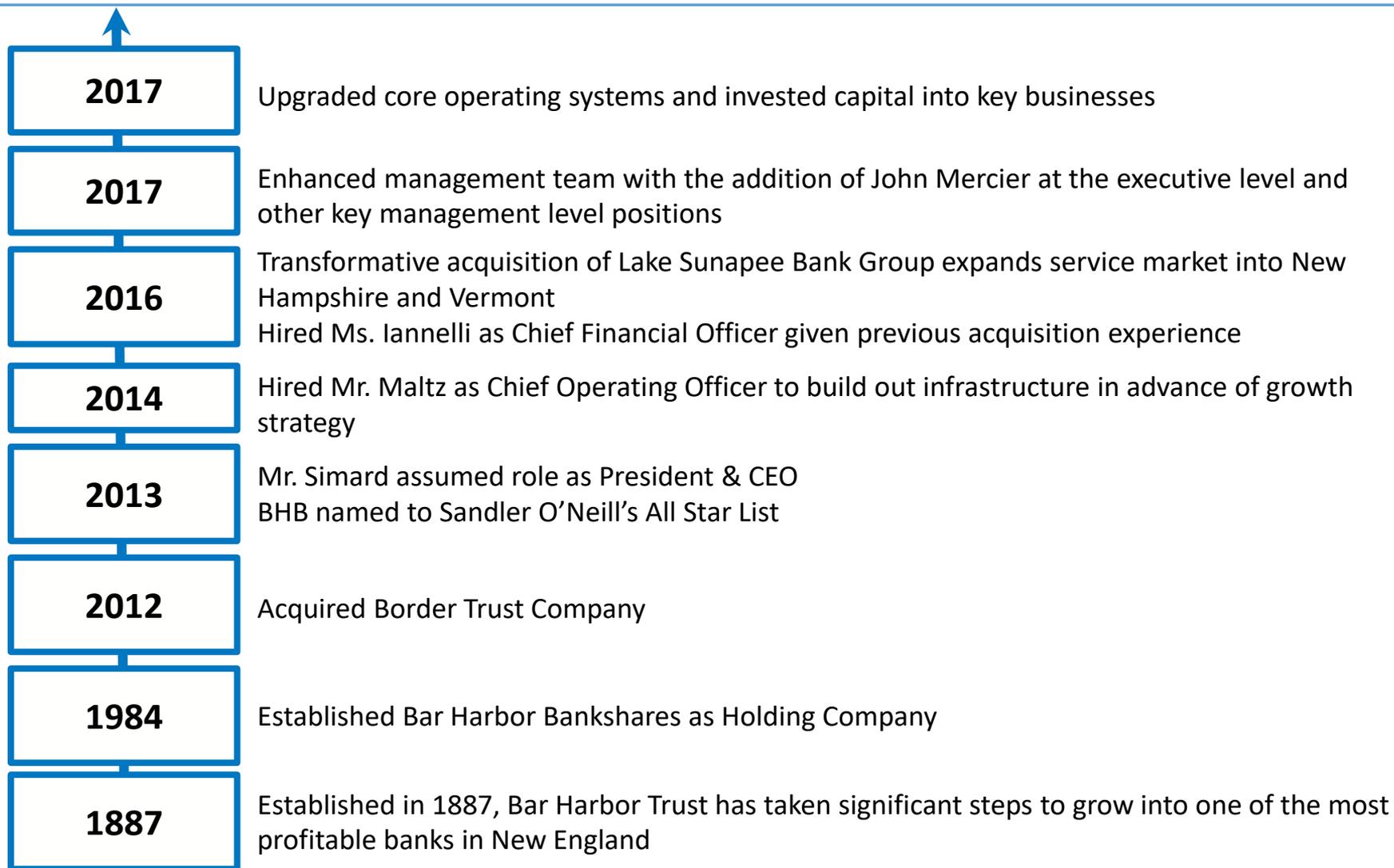


Management Team



Executive	Background
<p>Curtis C. Simard <i>President and CEO</i></p>	<ul style="list-style-type: none"> • Joined President and CEO of Bar Harbor Bankshares and Bar Harbor Bank & Trust in June 2013 • Served as Managing Director of Corporate Banking for TD Bank
<p>Josephine Iannelli <i>EVP, Chief Financial Officer and Treasurer</i></p>	<ul style="list-style-type: none"> • Joined Bar Harbor Bankshares and Bar Harbor Bank & Trust in October 2016 as Executive Vice President, Chief Financial Officer and Treasurer • Served as Senior Executive VP, Chief Financial Officer and Treasurer of Berkshire Hills Bancorp in Pittsfield, Massachusetts and various senior management positions at PNC
<p>Richard B. Maltz <i>EVP, Chief Operating Officer</i></p>	<ul style="list-style-type: none"> • Serves as Bar Harbor Bankshares Executive Vice President, Chief Risk Officer since September 2014, and Chief Operating Officer since September 2016 • Served as Executive Vice President and Chief Risk Officer of Bangor Savings Bank
<p>John Mercier <i>EVP, Commercial Banking</i></p>	<ul style="list-style-type: none"> • Serves as Executive Vice President and Senior lender in New Hampshire and Vermont • Veteran in retail, small business, regional banking, middle market, and large national corporate markets with over 30 years of experience
<p>Gregory W. Dalton <i>EVP, Commercial Banking</i></p>	<ul style="list-style-type: none"> • Serves as Executive Vice President Senior lender in Maine since October 2011 • Previously, was Senior Vice President of Business Banking function from 2000 through October 2011
<p>William J. McIver: <i>EVP, Regional President for NH & VT</i></p>	<ul style="list-style-type: none"> • Joined Bar Harbor Bank & Trust as part of the merger with Lake Sunapee in 2017 • Served as Senior Executive VP and COO of LSBG since 2015
<p>Marsha C. Sawyer <i>EVP, Human Resources</i></p>	<ul style="list-style-type: none"> • Serves as EVP human resources since Jan 2016, served in various HR positions since joining BHB 1972
<p>Joseph M. Pratt <i>President Bar Harbor Trust Services</i></p>	<ul style="list-style-type: none"> • President of Bar Harbor Trust Services, promoted to president in December 2015, served as a Managing Director of Bar Harbor Trust Services since 2004 after joining in 2000

Company Milestones

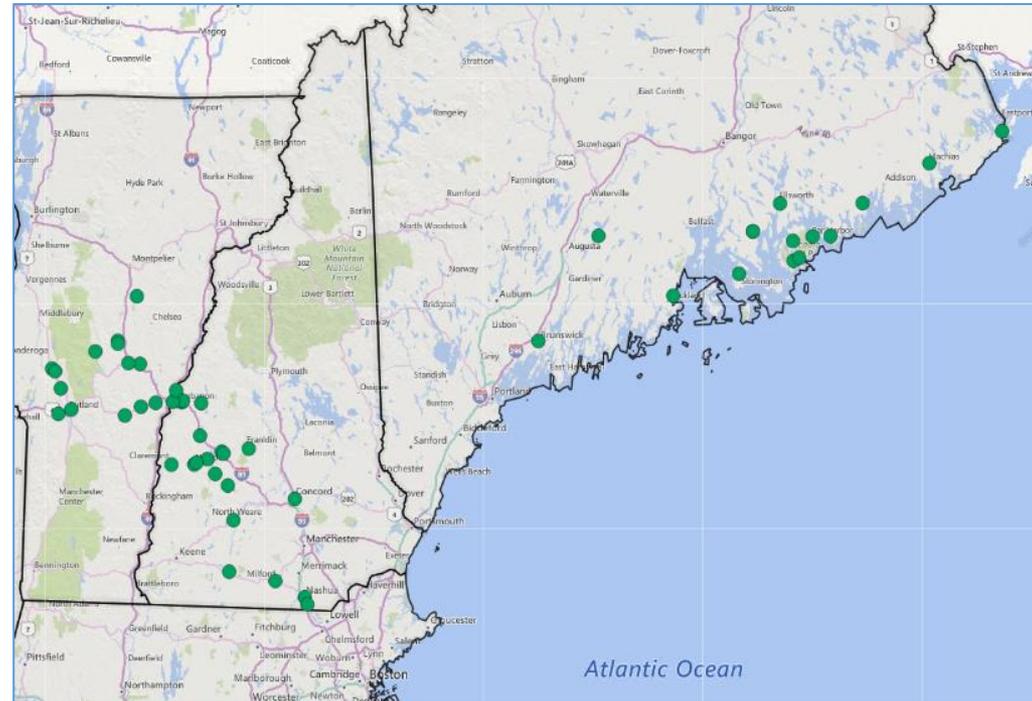


Markets We Serve

Deposit Market Share by State

Rank	State	Branches	Total Deposits (\$000)
8	Maine	14	1,184,755
9	New Hampshire	24	791,810
12	Vermont	15	298,544
Total		53	2,275,109

Median Household Income



- Serving affluent and growing markets in the Northeast
- Strong growth prospects in commercial and consumer markets provide a significant opportunity to leverage BHB's lending and trust and wealth management platforms
- Number 1 or 2 deposit market share position in 31 of the 42 communities we serve
- Top 5 deposit market share position for 39 of the 42 communities we serve
- 53 branch network provides strong geographical presence throughout our markets

Third Quarter 2017 - Highlights & Initiatives

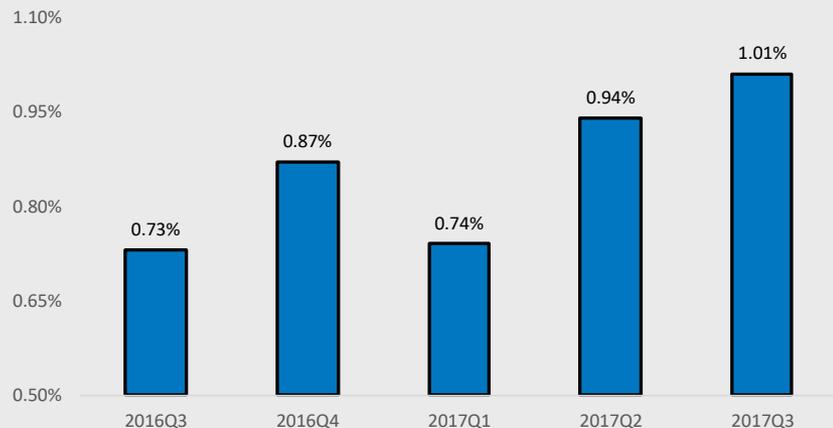


A record quarter for BHB in terms of revenue and earnings, demonstrating the stability of our business model and our platform for generating even stronger organic growth

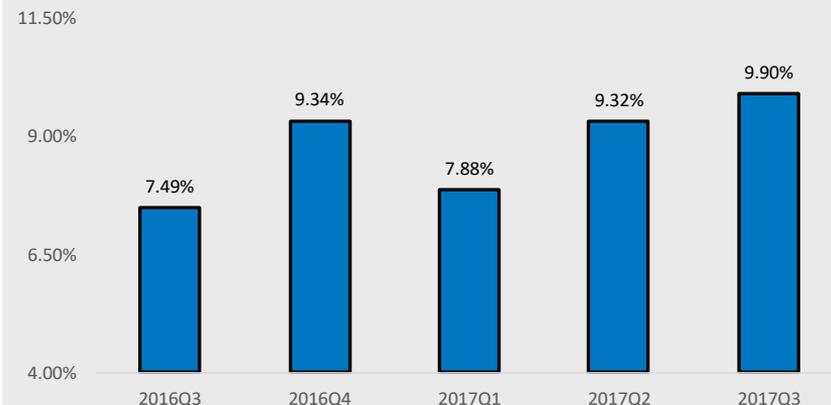
- 9% total loan growth (annualized)
- 22% commercial loan growth (annualized)
- 11% deposit growth (annualized)
- 1.01% core ROA (non-GAAP)
- 9.90% core ROE (non-GAAP)
- 6% increase in non-interest income
- 53.59% efficiency ratio
- Announced sale of insurance business
- Announced expansion of treasury management services

Profitability Metrics

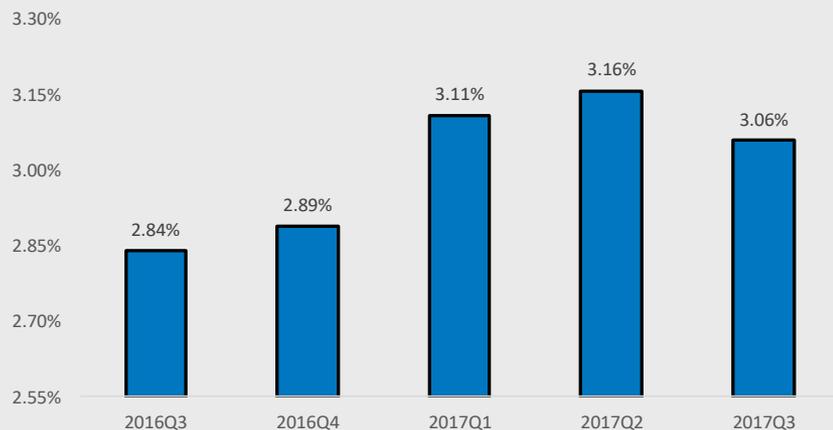
Core ROAA



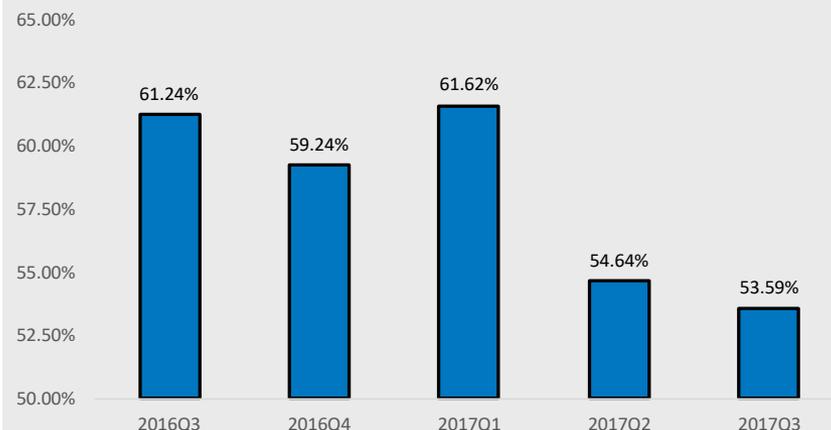
Core ROAE



Net Interest Margin



Efficiency Ratio



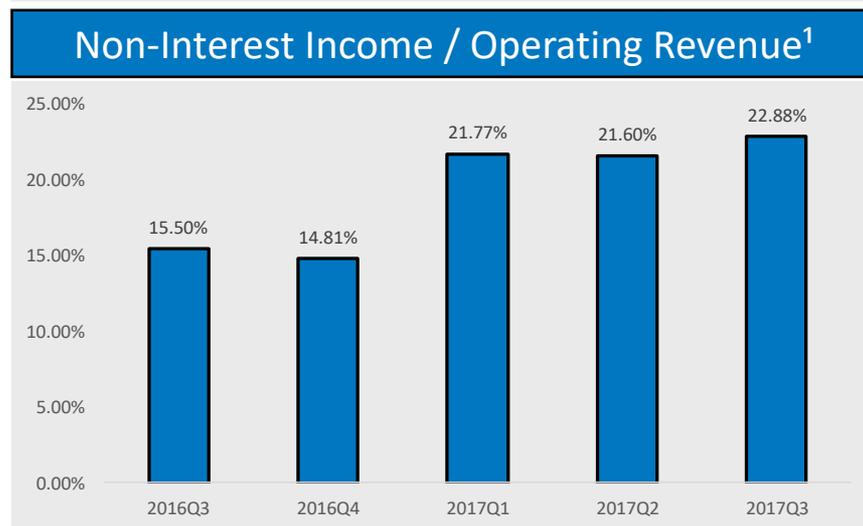
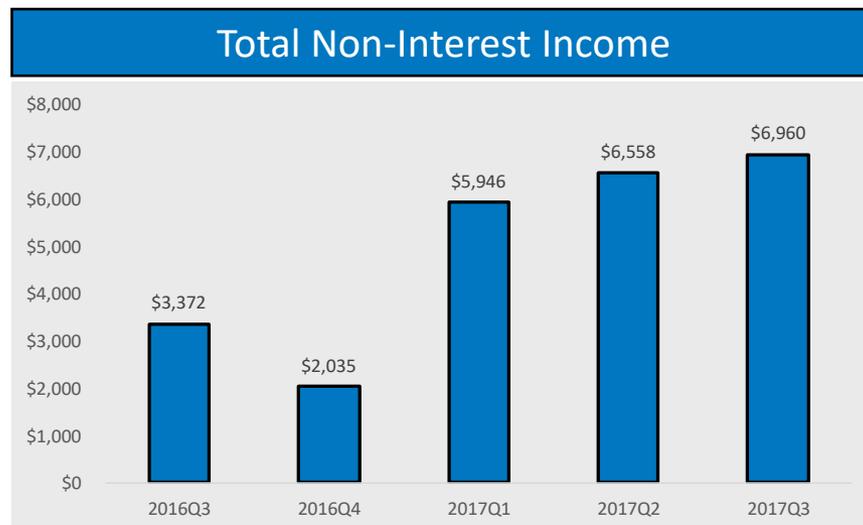
Focus on Non-Interest Income

Maximizing Existing Sources & Developing New Initiatives

- Wealth Management
 - AUM of \$1.8 billion
 - Charter Trust Company, Bar Harbor Trust Services
 - Total Revenue of \$8.4 million for the nine months ending September 30, 2017

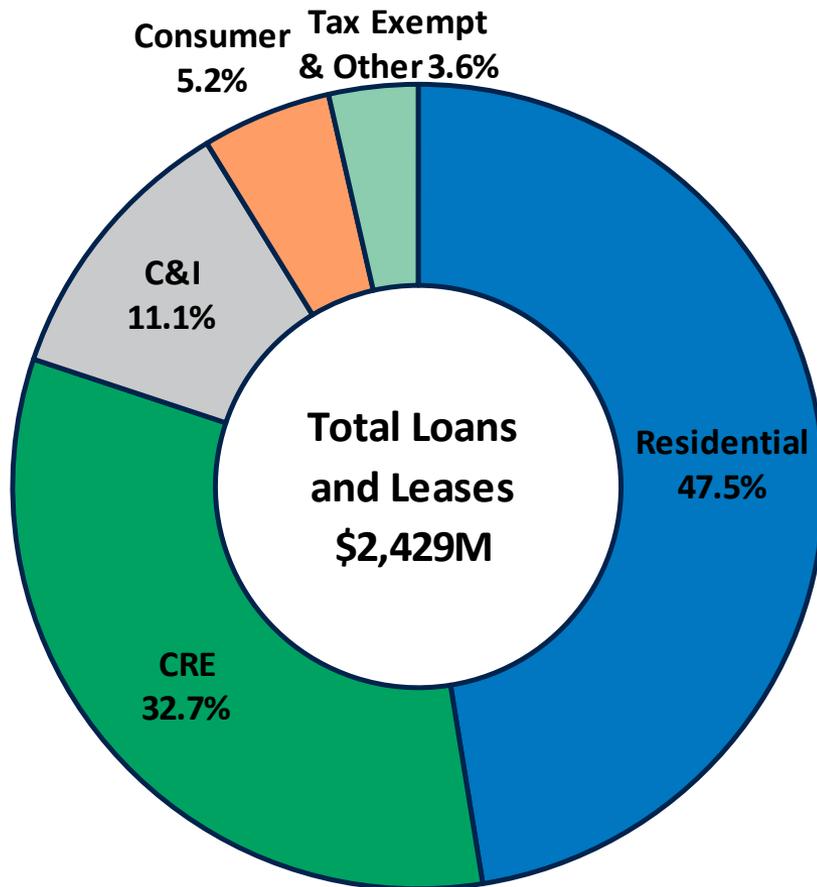
- Mortgage Banking
 - Loans Serviced by BHBT \$494.4 million
 - Total Mortgage Banking Income of \$828 thousand for the nine months ending September 30, 2017

- Cash Management
 - Total Merchant Service Fee Income \$107 thousand for the nine months ending September 30, 2017 and currently in process of building out our expanded Treasury Services



1) Excludes gain-on-sale of securities

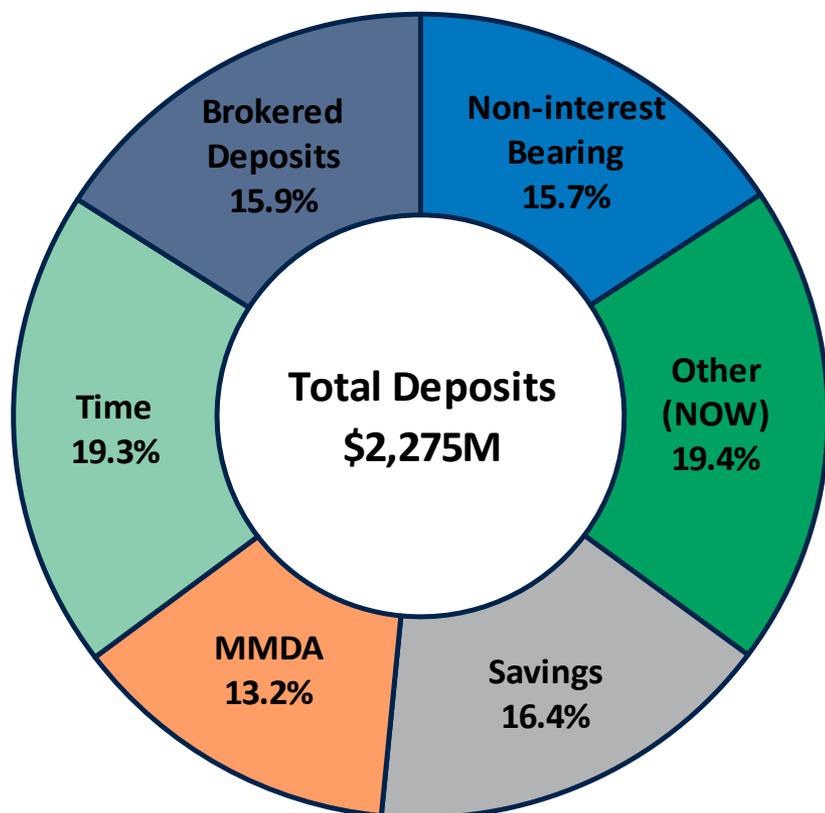
Loan Composition



(Dollar values in millions)

Loan Type	9/30/17 Balance	6/30/17 Balance	Annualized Growth
Residential	\$1,153	\$1,161	(2.8%)
CRE	\$794	\$739	29.8%
C&I	\$271	\$270	1.5%
Consumer	\$126	\$127	(3.1%)
Tax Exempt & Other	\$85	\$80	25.0%
Total	\$2,429	\$2,377	8.8%

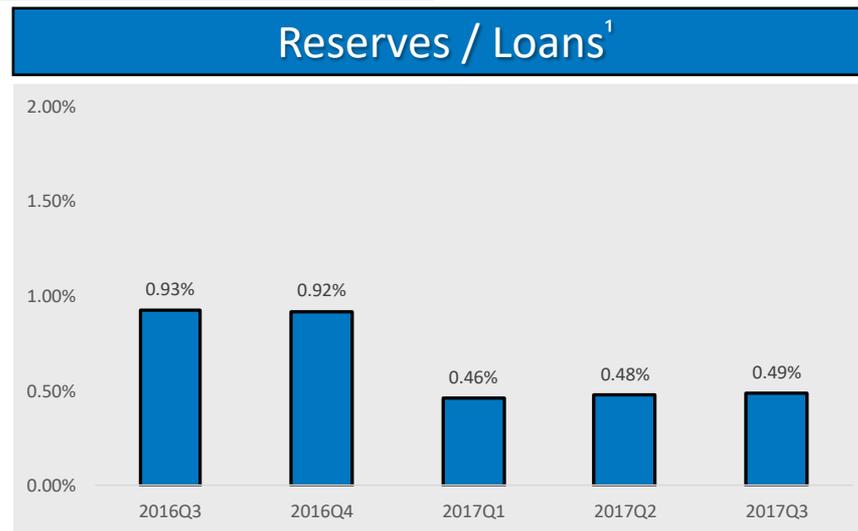
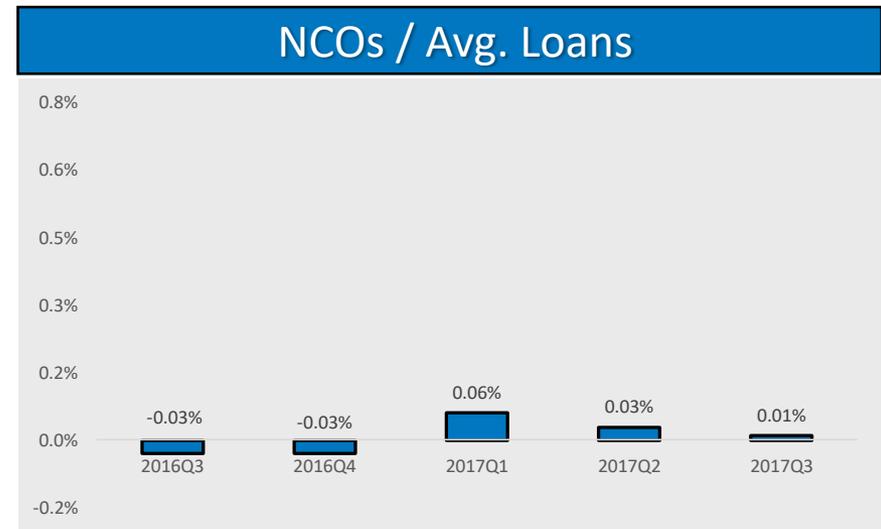
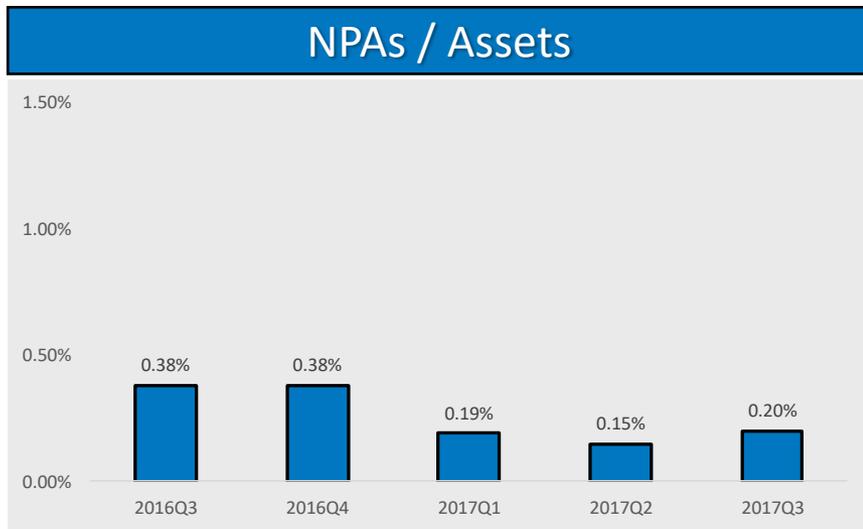
Deposit Composition



(Dollar values in millions)

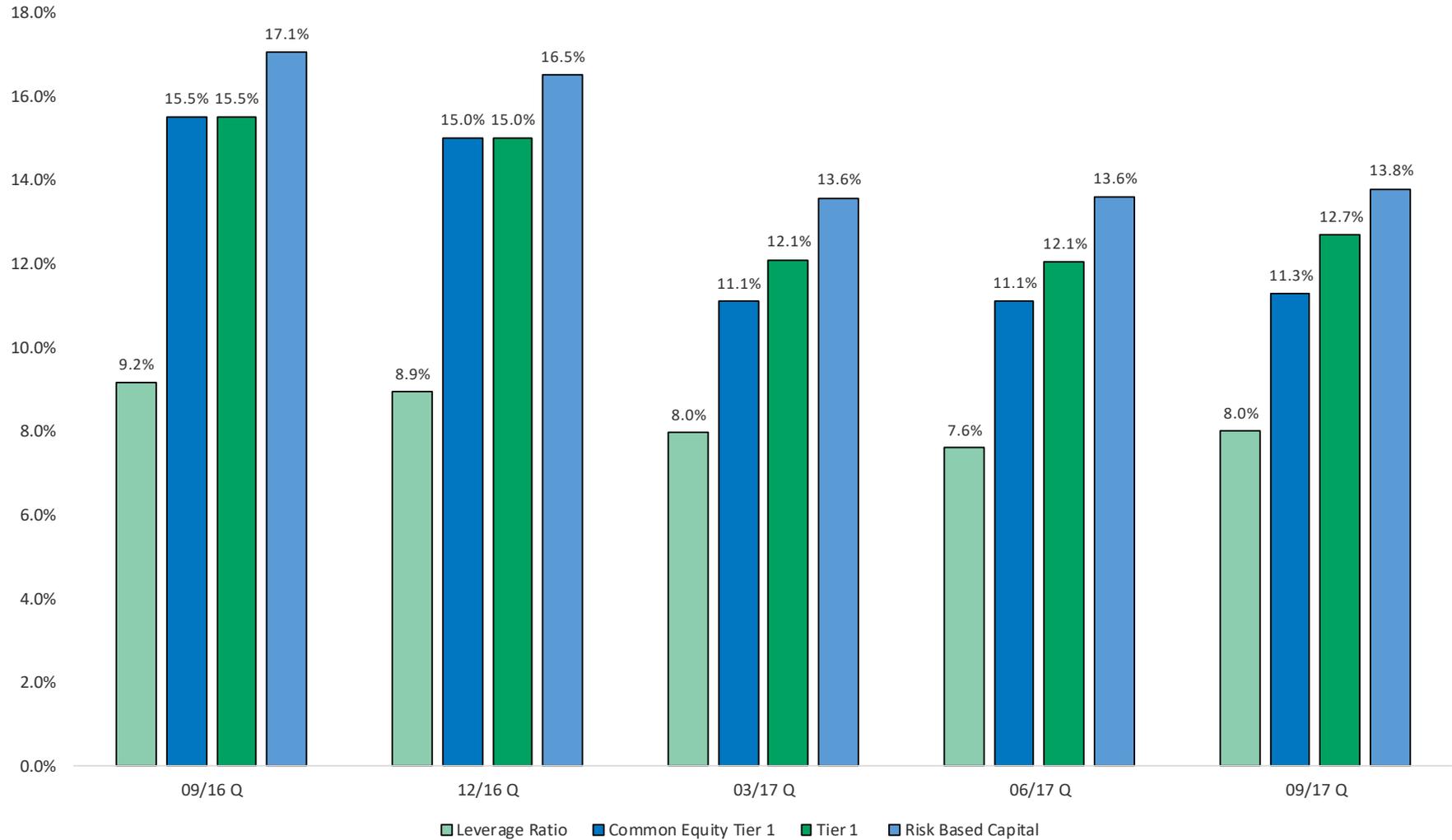
Deposit Type	9/30/17 Balance	6/30/17 Balance	Annualized Growth
Non-interest Bearing	\$357	\$332	30.1%
Other (NOW)	\$442	\$451	(8.0%)
Savings	\$373	\$360	14.4%
MMDA	\$300	\$285	21.0%
Time	\$440	\$388	53.6%
Brokered Deposits	\$363	\$397	(34.3%)
Total	\$2,275	\$2,213	11.21%

Asset Quality



1) Due to GAAP requirements relating to mergers, measure not directly comparable to pre-merger periods
Source: Company filings

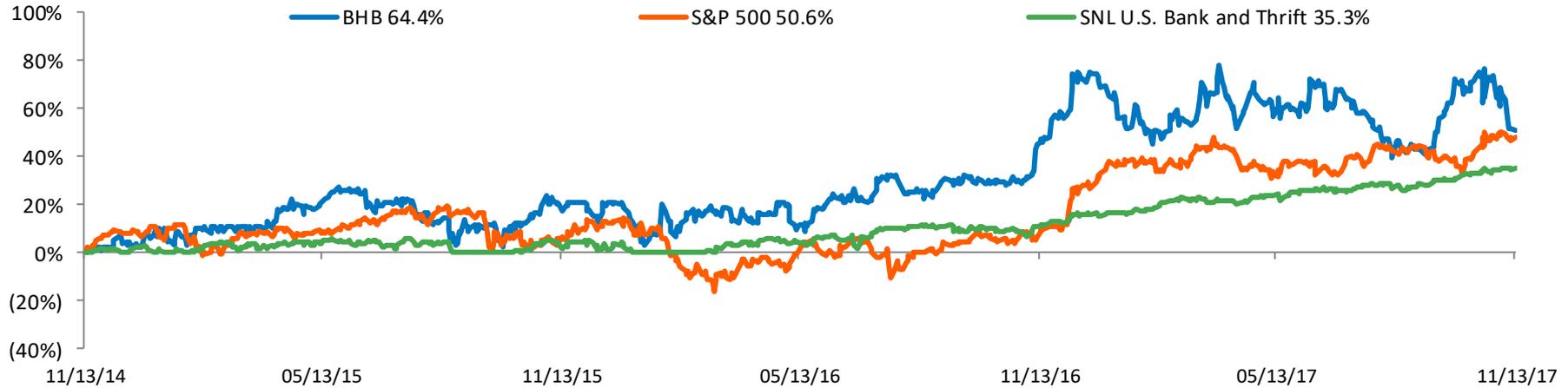
Well Capitalized Institution



Stock Price Performance



Three Year Total Return Analysis (%)



Stock Performance

- Outperformed S&P 500 and SNL U.S. Bank and Thrift over a three year period

Dividend History

- Consistent dividend payments to shareholders
- Current dividend yield of 2.75%¹

Stock Splits

- 3-for-2 stock split paid on March 21, 2017

1) As of November 13, 2017
Source: SNL Financial & Company Filings

Investment Considerations



- Focused on building franchise value
- Deep and talented management team
- Profitable and efficient business model
- Clear vision to grow core loan/deposit business
- Development and expansion of non-interest income revenue
- Proven ability to grow organically and via acquisitions
- Pristine credit quality and culture dedicated to risk management
- Team, platform and strategy in place to generate efficient growth

Appendix

Historical Financial Performance



Dollar values in thousands, except per share amounts or otherwise noted

	2013Y	2014Y	2015Y	2016Y	2016Q4	2017Q1	2017Q2	2017Q3
Balance Sheet								
Total Assets	\$1,373,893	\$1,459,320	\$1,580,055	\$1,755,349	\$1,755,349	\$3,427,483	\$3,503,411	\$3,475,732
Net Loans	844,382	910,055	980,631	1,118,645	1,118,645	2,361,552	2,365,205	2,416,912
Deposits	835,651	858,049	942,787	1,050,300	1,050,300	2,174,253	2,213,004	2,275,109
Loans / Deposits	102%	107%	105%	107%	108%	109%	107%	107%
Capital								
Total Equity	\$121,379	\$146,287	\$154,152	\$156,740	\$156,740	\$341,048	\$347,122	\$353,459
Tier 1 Leverage Ratio	9.01%	9.30%	9.37%	8.94%	8.94%	7.96%	7.60%	8.00%
Total Capital Ratio	16.62%	17.24%	17.12%	16.52%	16.52%	13.58%	13.61%	13.80%
Earnings & Profitability								
Net Income	\$13,183	\$14,613	\$15,153	\$14,933	\$2,584	\$4,211	\$6,556	\$8,617
Core ROAA	0.96%	1.01%	0.93%	0.82%	0.87%	0.74%	0.94%	1.01%
Core ROAE	10.34%	10.54%	9.48%	8.51%	9.34%	7.88%	9.32%	9.90%
Net Interest Margin	3.15%	3.33%	3.19%	2.96%	2.89%	3.11%	3.16%	3.06%
Efficiency Ratio	54.5%	54.7%	56.7%	59.8%	59.24%	61.62%	54.64%	53.59%
Asset Quality								
NPLs / Loans	1.04%	1.34%	0.71%	0.58%	0.58%	0.25%	0.22%	0.28%
NPAs / Assets	0.76%	0.88%	0.46%	0.38%	0.38%	0.19%	0.15%	0.20%
Reserves / Loans	0.99%	0.98%	0.95%	0.92%	0.92%	0.46%	0.48%	0.49%
NCOs / Average Loans	0.12%	0.15%	0.14%	(0.00%)	(0.03%)	0.06%	0.03%	0.01%
Yield and Cost								
Yield on Loans	4.46%	4.31%	4.11%	3.97%	3.94%	4.00%	4.14%	4.13%
Yield on Earning Assets	4.05%	4.05%	3.89%	3.72%	3.65%	3.76%	3.91%	3.89%
Cost of Interest Bearing Deposits	0.86%	0.74%	0.72%	0.75%	0.76%	0.52%	0.56%	0.66%
Cost of Interest Bearing Liabilities	1.02%	0.82%	0.80%	0.86%	0.86%	0.76%	0.85%	0.96%

Non-GAAP to GAAP Reconciliations



Dollar values in thousands, except per share amounts or otherwise noted

		2016Q3	2016Q4	2017Q1	2017Q2	2017Q3
Net income		3,632	2,584	4,211	6,556	8,617
Adj: Security Gains		(1,354)	(9)	-	-	(19)
Adj: Loss on sale of fixed assets, net		216	32	95	-	(1)
Adj: Acquisition expenses		320	1,838	3,112	2,459	346
Adj: Income taxes (37.57% in 2017, 35.0% in 2016)		286	(651)	(1,205)	(924)	(122)
Total Core Income	(A)	\$3,100	\$3,794	\$6,213	\$8,091	\$8,821
Net-interest income	(B)	10,999	11,657	21,372	23,809	23,478
Plus: Non-interest income		3,372	2,035	5,946	6,558	6,960
Total Revenue		14,371	13,692	27,318	30,367	30,438
Adj: Net security gains		(1,354)	(9)	-	-	(19)
Total Core Revenue	(C)	\$13,017	\$13,683	\$27,318	\$30,367	\$30,419
Total non-interest expense		8,750	10,457	20,831	20,046	17,586
Less: Acquisition expenses		(320)	(1,838)	(3,112)	(2,459)	(346)
Core Non-Interest Expense	(D)	\$8,430	\$8,619	\$17,719	\$17,587	\$17,240
Averages						
Total average earning assets	(E)	1,609,709	1,119,065	3,092,993	3,138,687	3,156,621
Total average assets	(F)	1,689,535	1,748,000	3,339,623	3,433,964	3,452,545
Total average shareholders equity	(G)	165,000	163,000	315,449	347,301	353,557
Performance ratios						
GAAP return on assets		0.86%	0.59%	0.50%	0.76%	0.99%
Core return on assets	(A/F)	0.73%	0.87%	0.74%	0.94%	1.01%
GAAP return on equity		8.78%	6.36%	5.34%	7.55%	9.67%
Core return on equity	(A/G)	7.49%	9.34%	7.88%	9.32%	9.90%
Efficiency ratio	(D-N-P)/(C+M)	61.24%	59.24%	61.62%	54.64%	53.59%
Net interest margin	(B+O)/E	2.84%	2.89%	3.11%	3.16%	3.06%
Supplementary data						
Taxable equivalent adjustment for efficiency ratio	(M)	\$434	\$538	\$977	\$1,185	\$1,107
Franchise taxes included in non-interest expense	(N)	36	37	126	158	155
Tax equivalent adjustment for net interest margin	(O)	168	182	754	936	878
Intangible amortization	(P)	157	157	157	188	189