



Annual Shareholders Meeting



Legal Disclaimer



Forward Looking Statements

Certain statements contained in this document that are not historical facts may constitute forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Act of 1934, as amended ("Exchange Act"), and are intended to be covered by the safe harbor provisions of 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, including deterioration in local economies or real estate markets or in the general economy or financial markets, interest rate volatility, loss of deposits or changes in deposit mix, insufficient wholesale funding sources, competition from an ever-increasing array of financial service providers, and challenges from expansion, growth and acquisitions. For additional 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 is not undertaking an obligation to update forward-looking statements, even though its situation may change in the future, except as required under federal securities law.

Non-GAAP Financial Statements

This document contains certain non-GAAP financial measures in addition to results presented in accordance with accounting principles generally accepted in the United States of America ("GAAP"). These non-GAAP measures are intended to provide the reader with additional supplemental perspectives on operating results, performance trends, and financial condition. Non-GAAP financial measures 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 provided in the first quarter of earnings release, which can be found at www.bhbt.com/shareholder-relations. In all cases, it should be understood that non-GAAP measures do not depict amounts that accrue directly to the benefit of shareholders. An item which management excludes when computing non-GAAP adjusted earnings can be of substantial importance to the Company's results for any particular quarter or year. The Company's non-GAAP core earnings information set forth is not necessarily comparable to non-GAAP information which may be presented by other companies. Each non-GAAP measure used by the Company in this report as supplemental financial data should be considered in conjunction with the Company's GAAP financial information.

The Company utilizes the non-GAAP measure of core earnings in evaluating operating trends, including components for core revenue and expense. These measures exclude amounts which the Company views as unrelated to its normalized operations, including securities gains/losses, acquisition costs, restructuring costs, legal settlements, and system conversion costs. Non-GAAP adjustments are presented net of an adjustment for income tax expense.

The Company also calculates core earnings per share based on its measure of core earnings. The Company views these amounts as important to understanding its operating trends, particularly due to the impact of accounting standards related to acquisition activity. Analysts also rely on these measures in estimating and evaluating the Company's performance. Management also believes that the computation of non-GAAP core earnings and core earnings per share may facilitate the comparison of the Company to other companies in the financial services industry. The Company also adjusts certain equity related measures to exclude intangible assets due to the importance of these measures to the investment community.



Customers | Culture | Team



**BAR HARBOR
FINANCIAL SERVICES**

Securities offered through Inifex Investments, Inc., member FINRA/SIPC.



A Bank that Thinks Differently



Bar Harbor Bank & Trust is the only community Bank headquartered in Northern New England with branches in Maine, New Hampshire and Vermont. The Bank is focused on exceptional commercial, retail and wealth management banking services from over 50 locations. Our business model is balancing earnings with growth by focusing on:

- Employee and customer experience is the foundation of superior performance, which leads to significant financial benefit to shareholders
- Geography, heritage and performance are key while being relentlessly committed to a service and sales driven culture with a focus on core business growth
- Strong commitment to risk management
- Fee incomes is fundamental to the Company's profitability through trust and treasury management services, customer derivatives and secondary market mortgage sales
- Investment in process, products, technology, training, leadership and infrastructure
- Expansion of the Company's brand and business to deepen market presence
- Opportunity and growth for existing employees while adding catalyst recruits across all levels of the Company

Our Markets – United Under the Bar Harbor Brand



The Bank serves affluent and growing markets in Maine, New Hampshire and Vermont. Within our markets, tourism, agriculture, and fishing remain strong and continue to drive economic activity. These core markets have also maintained their strength through diversification into various services industries.



14 full-service branches in downeast, midcoast and central Maine.

Primary market areas:
Hancock, Knox, Washington, Kennebec and Sagadahoc counties.



21 full-service branches and two stand-alone drive-up windows in New Hampshire.

Primary market areas:
Lake Sunapee, Merrimack & Upper Valleys including Nashua, Manchester, Concord, Lebanon, Hanover, Claremont, New London and Newport.



13 full service-branches and one stand-alone drive-up window in Vermont.

Primary market areas:
Central Vermont within the counties of Rutland, Windsor and Orange.

An Experienced Team



Curtis C. Simard
*President
Chief Executive Officer*



Josephine Iannelli
*Executive Vice President
Chief Financial Officer
and Treasurer*



Richard B. Maltz
*Executive Vice President
Chief Operating Officer &
Chief Risk Officer*



John M. Mercier
*Executive Vice President
Chief Lending Officer*



Marion Colombo
*Executive Vice President
Retail Delivery*



Joseph M. Pratt
*President, Bar Harbor
Trust Services &
Charter Trust Company*



**Delivering On Our
Strategy**



Securities offered through Infinex Investments, Inc., member FINRA/SIPC.



2018 Achievements – Focusing on the Future



Bar Harbor Bankshares delivered on our strategies and expectations in 2018, and have invested in several areas that will support our future success and growth into 2019 and beyond.

Investing in Commercial

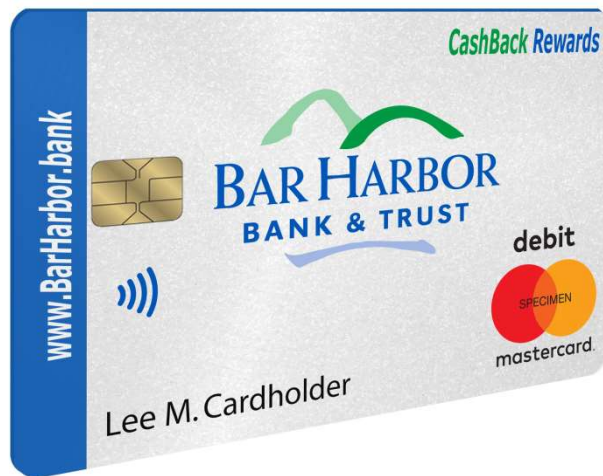
- Portland LPO
- Consolidated leadership
- New talent
- Expansion of treasury management
- Roll out of the commercial derivatives program



Investing in Retail

- Manchester & Bedford branches
- Newport renovation
- Debit card cash back program
- Completed LSBG brand consolidation to BHB

2018 Achievements – Focusing on the Future



Effective Capital Management

- Dividend increase
- Share buybacks
- Employee stock purchase program
- Judicious balance sheet strategies

Enhanced Products & Systems

- Bar Harbor card controls
- Mastercard chip technology – Apple Pay® & Google Pay®¹
- New Asset Liability Management & Accounts Payable systems

¹Apple Pay is a registered trademark of Apple, Google Pay is a registered trademark of Google LLC

2018 Performance



Bar Harbor Bankshares produced record revenue in 2018 due to business expansion and increased operational efficiencies. The team was able to both successfully execute goals for the year, but also complete many strategic objectives that will lay the ground work for future growth.

- Total assets of \$3.61 billion
- 5.6% Total deposit growth of \$131 MM to \$2.48 Bln (Core¹ growth of 4.4%)
- Record earnings in 2018 of \$33 MM, an increase of \$7 MM from 2017 (26.7% increase)
- Earnings per share² also increased to \$2.12 from \$1.70 last year
- C&I Loan growth of 5.4%
- Core ROAE³ 10.01%
- Credit quality remains strong, NCOs/Average Loans 0.05% and NPAs/Assets at 0.57%

¹ Core deposit growth represents total deposits less time deposits

² Income per share is reported on a diluted basis

³ Core ROAE is a Non-GAAP measure, see the appendix for Non-GAAP to GAAP reconciliation

First Quarter 2019 - Highlights & Initiatives



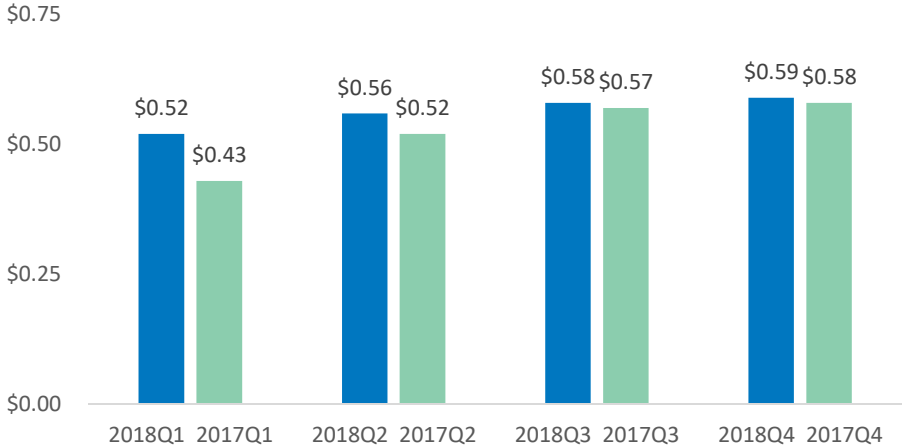
A strong start to 2019 as BHB achieved its revenue and net income expectations in the first quarter. We continue to execute on the commitments made over a year ago in relation to our transformative acquisition. Our focus is on profitable growth through various revenue streams coupled with disciplined expense management.

- 6% growth¹ in total loans
- 11% annualized increase¹ in book value per share
- Increased the dividend by 10% to \$0.22 per share
- Rollout of online deposit account opening program

¹Represents Q1 2019 reported data annualized

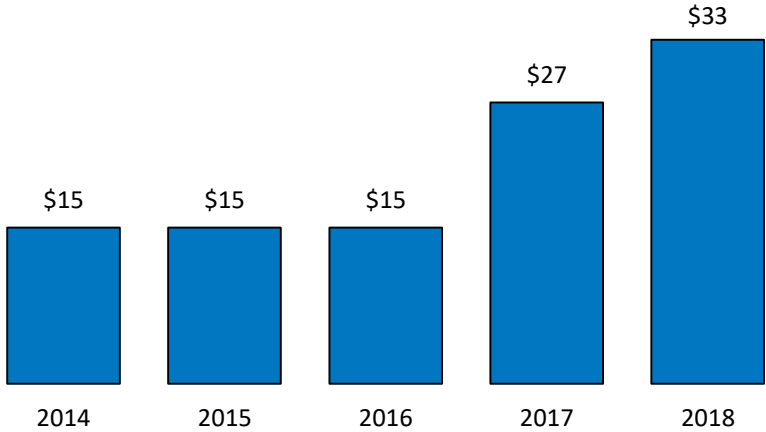
Profitability

Core Earnings¹ Per Share



We strive to be one of the most profitable banks in New England

Net Income²



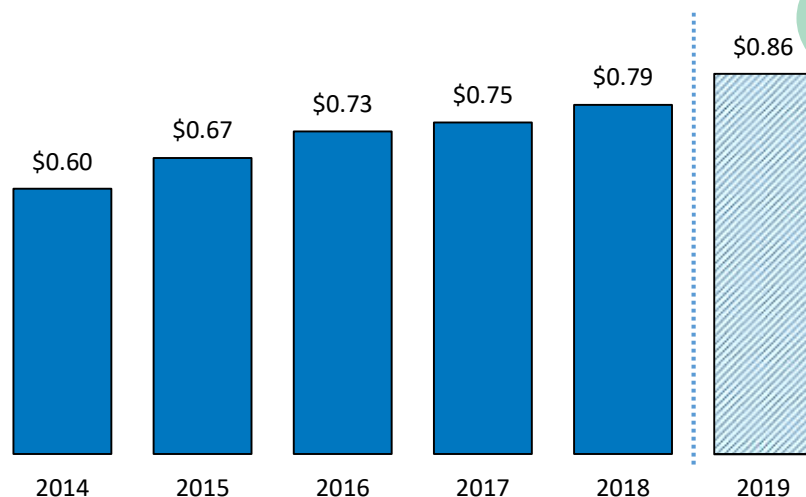
Always focusing on growing core earnings and income

¹Core ROAE is a Non-GAAP measure, see the appendix for Non-GAAP to GAAP reconciliation
²Annual net Income reported in millions

Value For Our Shareholders



Strong Dividend Returns¹

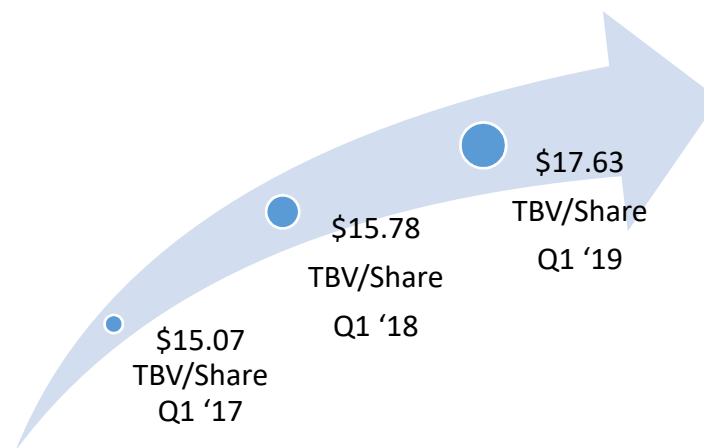


\$0.22 declared in Q2 '19

Always an eye on building shareholder value

Appreciating Tangible Book Value

- Q1 Dividend yield of 3.09%²
- Future dividend yield of 3.40%³
- 2018 Dividend payout ratio of 37%+
- 11.72% YOY TBV/Share accretion



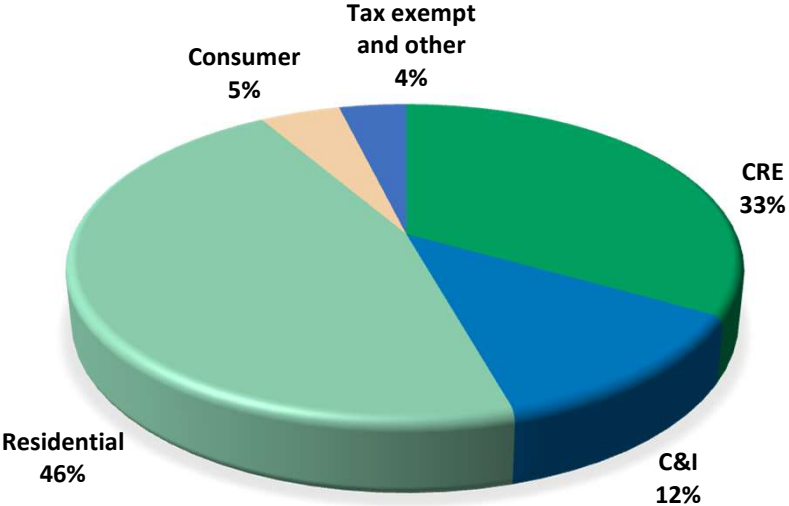
¹ Expected annualized dividend income based on previously announced 2019 Q2 dividend of \$0.22 per share, and assumed 2019 Q3 and 2019 Q4 dividend approval of \$0.22 per share.

² Based on March 29, 2019 stock price of \$25.87 and \$0.20 cent per share pay out.

³ Based on annualized dividend declared starting in Q2 of 2019 of \$0.22 cent per share and a stock price of \$25.87.

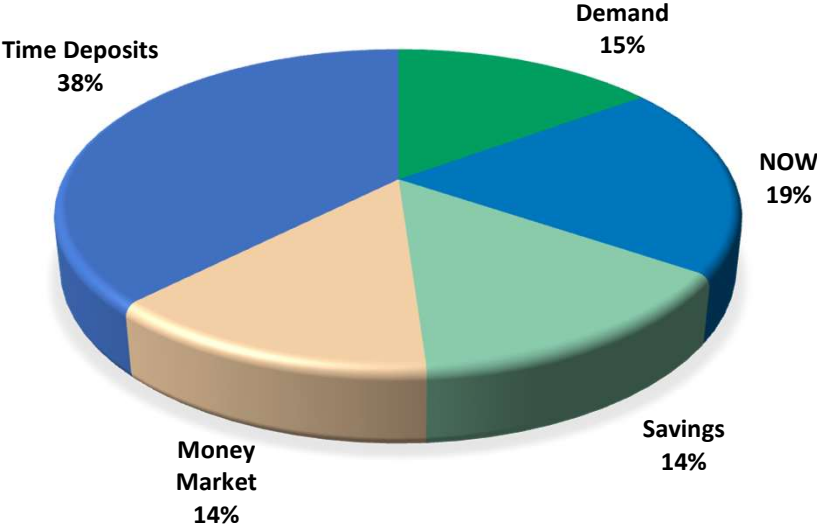
Loans and Deposits

Loan Composition as of 12/31/18



*A focus on the core business:
loans and core deposits,
which translates into core earnings*

Deposit Composition as of 12/31/18

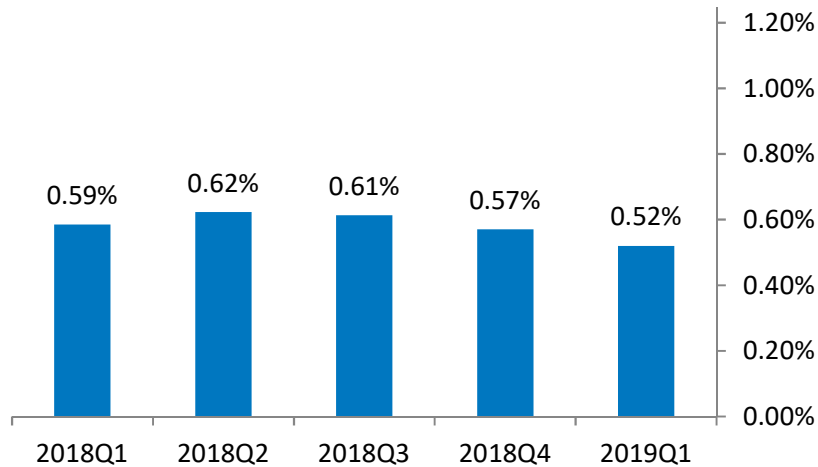


- Net loans of \$2.49 billion
- 7.3% annualized Q4 C&I loan growth
- Total deposits of \$2.48 billion
- Opened 10,400 new deposit accounts

Asset Quality



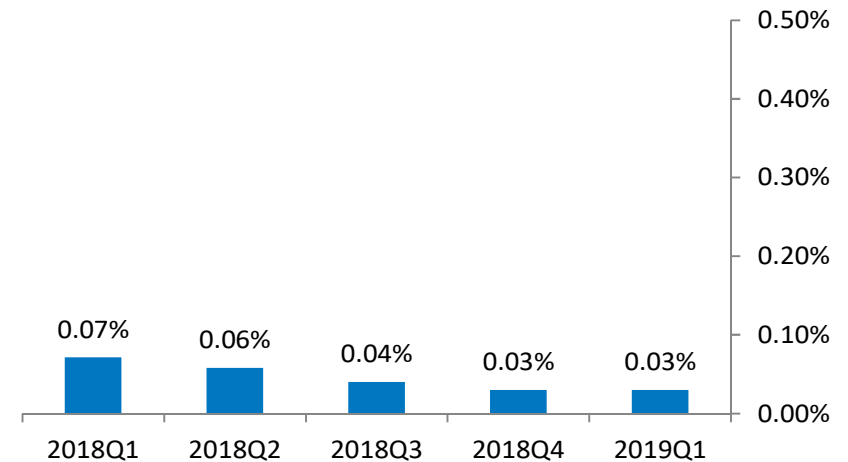
NPAs / Assets



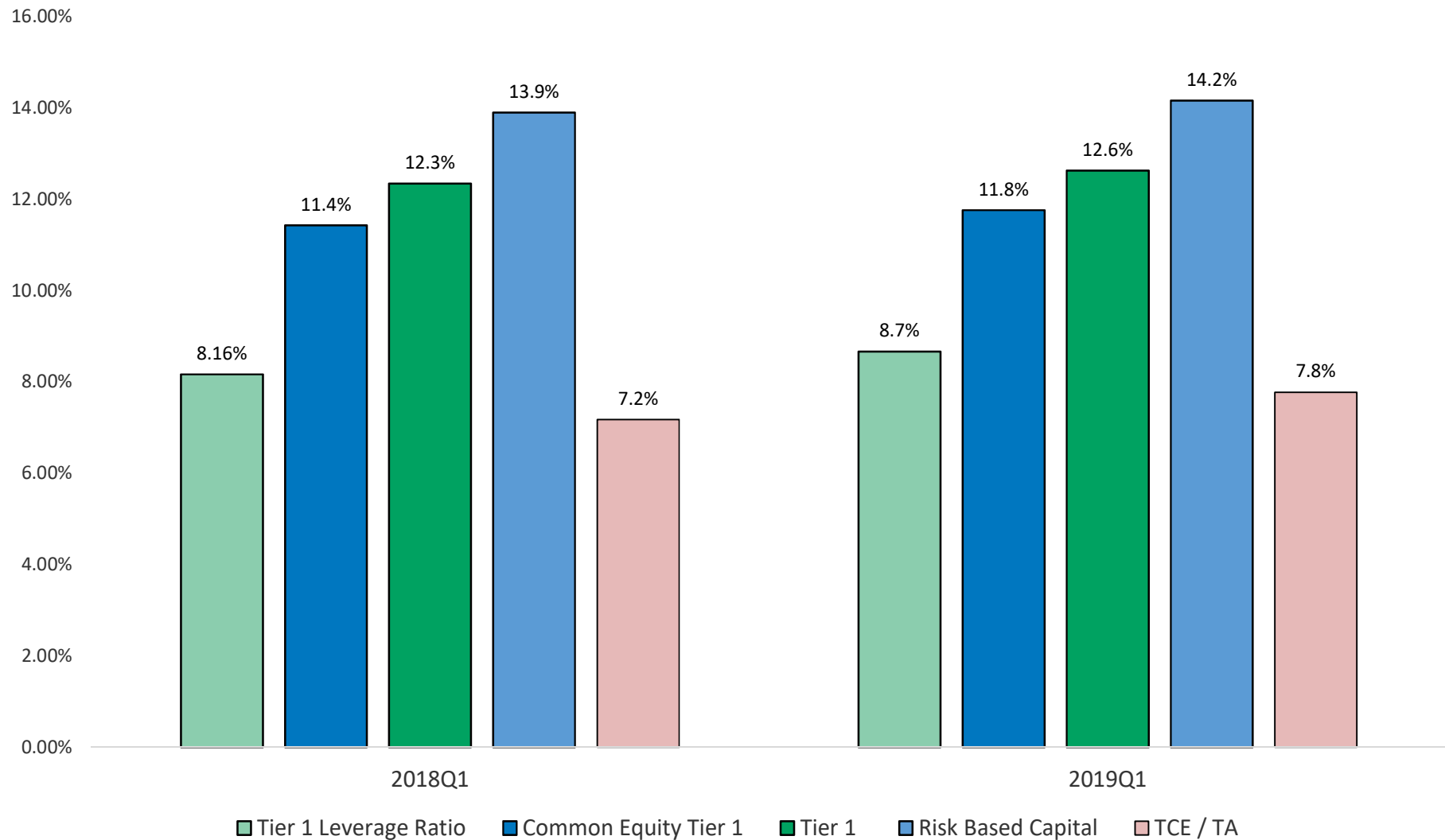
***Continued commitment
to an exceptional
risk management culture***

*Pristine asset quality remains the
bedrock of responsibly growing
the balance sheet*

NCOs / Avg. Loans



Well Capitalized Institution



Community Involvement



Committed to Helping Build Thriving Communities!

**4,625
HOURS**

Volunteer community service hours. Over 1,000 of which was part of BHBT's paid time absence volunteer program.

**\$41,562
RAISED**

Dollars raised by employees for community causes.

**300+
EMPLOYEES**

Number of employees who volunteered their time to local charitable organizations.

**400+
ORGANIZATIONS**

Number of organizations supported by the Bank.





**Positioned for
Success**



**BAR HARBOR
FINANCIAL SERVICES**

Securities offered through Infinex Investments, Inc., member FINRA/SIPC.



2019 Outlook and Priorities



2019 is about continuing to improve performance metrics while fine-tuning the way we operate and conduct our business to realize our greatest potential.

- Debit card instant issue
- Enhanced treasury management & merchant services
- Enhanced consumer internet banking
- Expanded small business market coverage and approval speeds
- Mortgage delivery improvements
- Expanded and improved customer contact management
- Improved enterprise workflow for efficiency

We are committed to our model and believe that we have only begun to realize the potential a united company like ours can achieve.

Investor Relations – Contact Information



Visit our Website

www.barharbor.bank/shareholder-relations



Contact by Email

investorrelations@barharbor.bank



Contact by Phone

(207)288-2637



Write to us at

Bar Harbor Bankshares
Attn: Investor Relations
PO Box 400
Bar Harbor, ME 04609-0400



**Connect with us
on Social Media**



Facebook
[@BHTsocial](https://www.facebook.com/BHTsocial)



LinkedIn
Bar Harbor Bank & Trust



Twitter
[@barharborbank](https://twitter.com/barharborbank)



Appendix

Non-GAAP to GAAP Reconciliations



Dollar values in thousands, except per share amounts or otherwise noted		2018Q1	2018Q2	2018Q3	2018Q4	2019Q1
Net income		7,812	8,535	8,970	7,620	7,281
Adj: Security Gains		-	-	-	924	-
Adj: Loss on sale of fixed assets, net		-	-	-	-	-
Adj: Loss on OREO		-	23	(8)	5	-
Adj: Merger and acquisition expense		335	214	70	1,109	-
Adj: Income taxes (24.15% in 2018, 37.57% in 2017)		(81)	(57)	(12)	(485)	-
Adj: Tax reform charge		-	-	-	-	-
Total Core Income	(A)	\$8,066	\$8,715	\$9,020	\$9,173	\$7,281
Net-interest income	(B)	23,158	22,992	22,469	22,264	21,765
Plus: Non-interest income		6,238	7,121	7,126	7,450	6,167
Total Revenue		\$29,396	\$30,113	\$29,595	\$29,714	\$27,932
Adj: Net security gains		-	-	-	924	-
Total Core Revenue	(C)	\$29,396	\$30,113	\$29,595	\$30,638	\$27,932
Total non-interest expense		18,852	18,685	17,906	20,096	18,624
Less: Loss on sale of fixed assets, net		-	-	-	-	-
Adj: Loss on OREO		-	(23)	8	(5)	-
Less: Acquisition Expenses		(335)	(214)	(70)	(1,109)	-
Core Non-Interest Expense	(D)	\$18,517	\$18,448	\$17,844	\$18,982	\$18,624
Averages (in Millions)						
Total average earning assets	(E)	3,233	3,235	3,238	3,246	3,265
Total average assets	(F)	3,512	3,512	3,533	3,546	3,561
Total average shareholders equity	(G)	351	355	359	364	377
Performance ratios¹						
GAAP return on assets		0.90%	0.97%	1.01%	0.85%	0.83%
Core return on assets	(A/F)	0.93%	1.00%	1.01%	1.03%	0.83%
GAAP return on equity		9.01%	9.65%	9.92%	8.31%	7.83%
Core return on equity	(A/G)	9.31%	9.86%	9.98%	10.01%	7.83%
Efficiency ratio	(D-N-O)/(C+M)	60.44%	58.83%	57.88%	59.91%	63.94%
Net interest margin	(B+O)/E	2.97%	2.91%	2.81%	2.78%	2.77%
Supplementary Data						
Taxable equivalent adjustment for efficiency ratio	(M)	\$645	\$622	\$654	\$633	\$684
Franchise taxes included in non-interest expense	(N)	152	159	129	39	120
Tax equivalent adjustment for net interest margin	(O)	503	502	493	488	515
Intangible amortization	(P)	207	207	207	207	207

¹All performance ratios are annualized and are based on average balance sheet amounts, where applicable