



Investor Presentation
September 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.

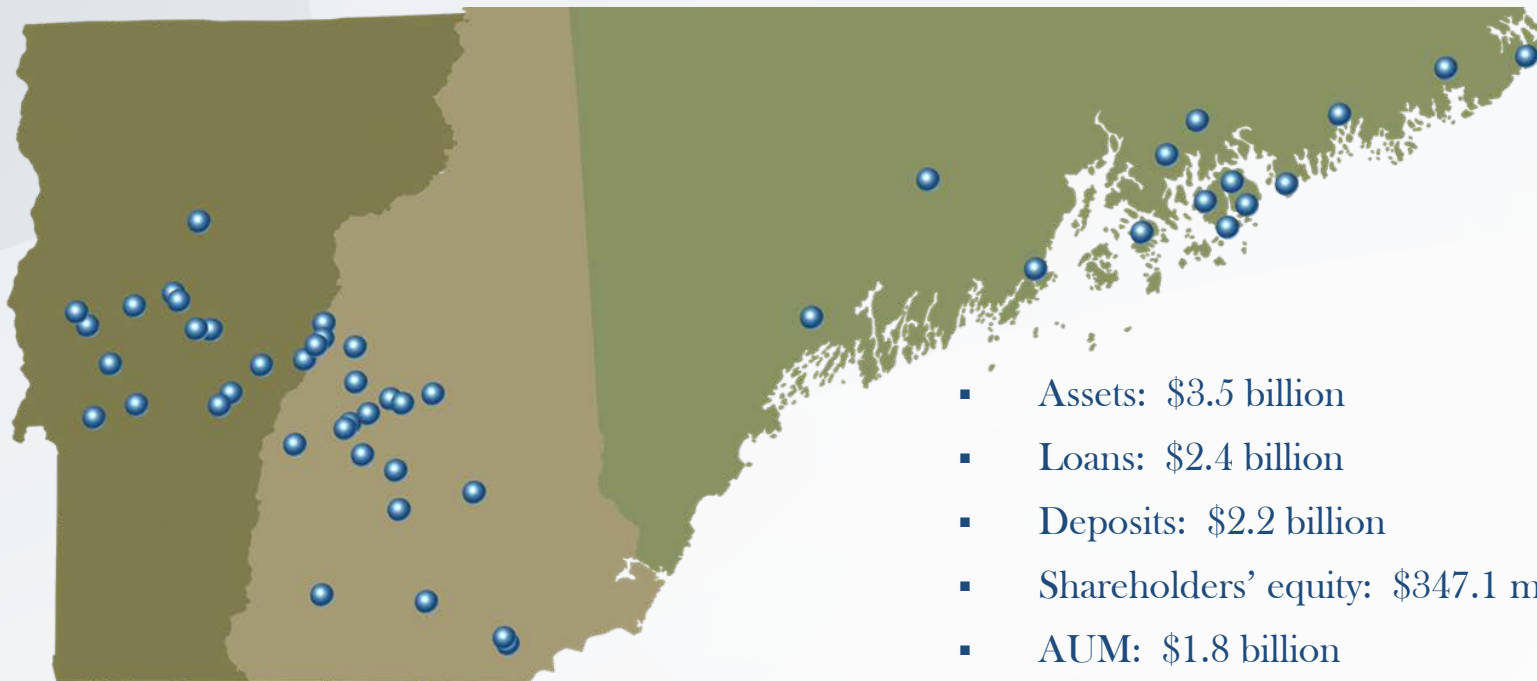
Non-GAAP Financial Statements

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 second 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.



Company Overview



- 53 branches
- Listed on NYSE: BHB
- Russell 2000 and 3000 indices
- Assets: \$3.5 billion
- Loans: \$2.4 billion
- Deposits: \$2.2 billion
- Shareholders' equity: \$347.1 million
- AUM: \$1.8 billion
- Market capitalization: \$458.8 million
- Price / TBV: 192.7%
- Price / LTM core EPS: 17.5x
- Dividend yield: 2.5%

Only community bank headquartered in Northern New England with a branch presence in Maine, New Hampshire and Vermont



Deep and Talented Management Team



Curtis C. Simard
President and CEO

Josephine Iannelli
Executive Vice President, Chief Financial Officer and Treasurer

Richard B. Maltz
Executive Vice President, Chief Operating Officer and Chief Risk Officer

John Mercier
Executive Vice President - Commercial Banking

Gregory W. Dalton
Executive Vice President - Commercial Banking

William J. McIver
Executive Vice President - Regional President, New Hampshire and Vermont Markets

Marsha C. Sawyer
Executive Vice President - Human Resources

Joseph M. Pratt
President Bar Harbor Trust Services



Our Business Model



- Employee and customer experience is the foundation of superior performance, which leads to significant financial benefit to our shareholders
- We value geography, heritage and performance while balancing growth and earnings
 - Risk management and earnings sustainability while remaining true to our culture
 - Created a service and sales driven culture with focus on core business growth
- Significant investment in recent years in processes, products, technology, training, leadership and infrastructure
- Look to expand our brand and business model and deepen our market presence
- Create opportunity and growth for existing employees, while adding catalyst recruits across all levels of the company with broad experience and depth that value our culture
- Maintain our strong commitment to compliance and to risk management given the evolving environment within the industry



Corporate Goals

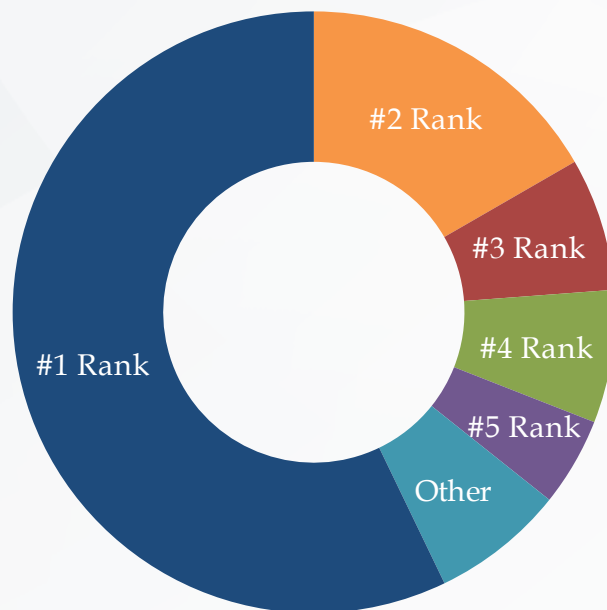


- Our corporate goal is to be among the most profitable banks in New England
 - Targeting a return on average assets in the top quartile amongst our peers and a strong double-digit return on average equity
 - Growing fee income as a percentage of total revenue
 - Focusing on core commercial banking cross sell activities
 - Less reliance on wholesale funding
 - Expanding cash management product offerings;
 - Recently added senior leadership in this area



Strong Market Share with Growth Opportunity

- In the top 5 deposit market share position for 39 of the 42 communities we serve



- Number 1 or 2 deposit market share position in 31 of the 42 communities we serve

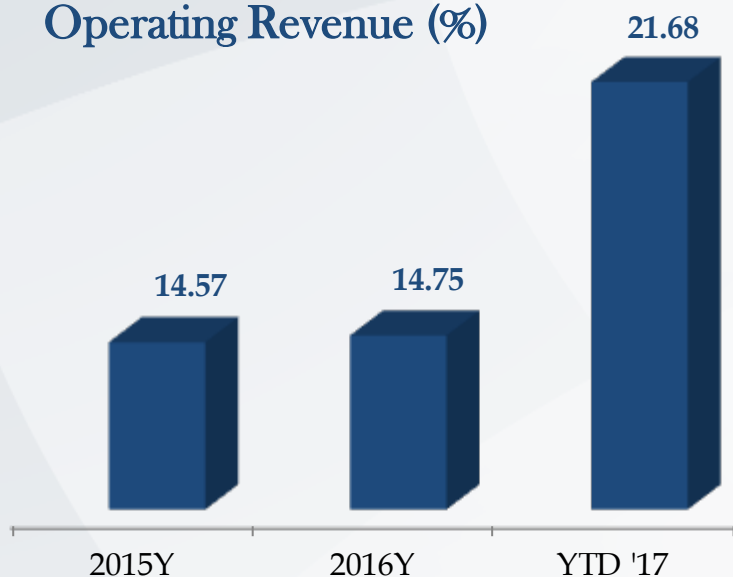
- Solid market share foundation with new client growth opportunity and cross-sell potential

Financial Performance

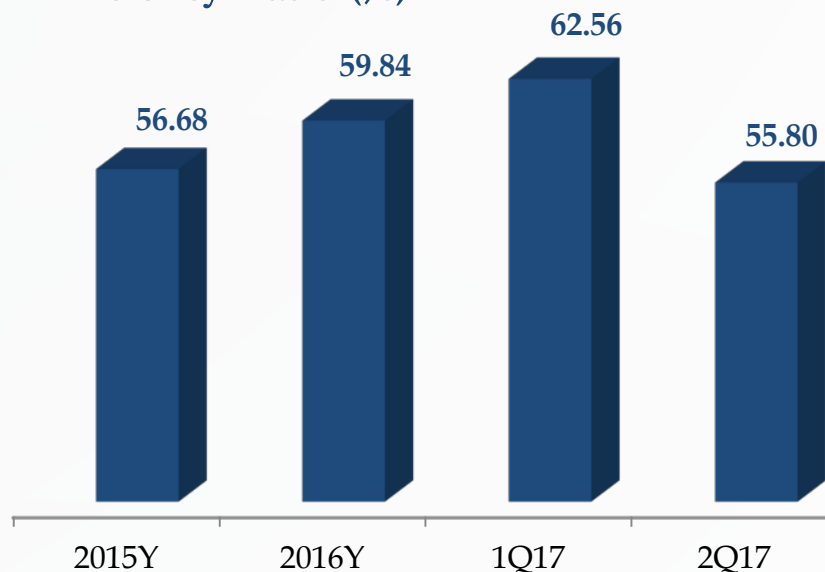
Improved Fee Income and Continued Operating Efficiency



Non-Interest Income /
Operating Revenue (%)



Efficiency Ratio (%)



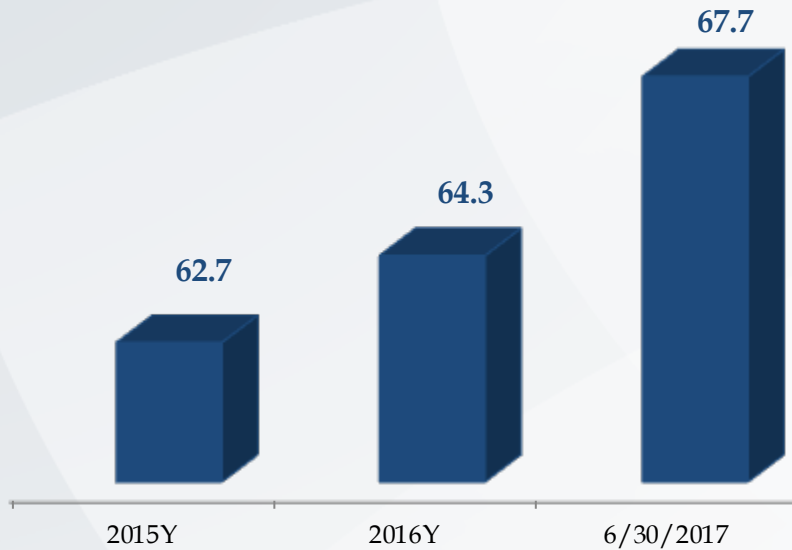
A reconciliation of non-GAAP financial measures to GAAP measures are included in the second quarter earnings release and Form 10-Q which can be found at www.bhbt.com. As necessary for comparative purposes, amounts are restated to reflect 3-for-2 stock split completed in the first quarter of 2017.

Strengthened Balance Sheet Mix

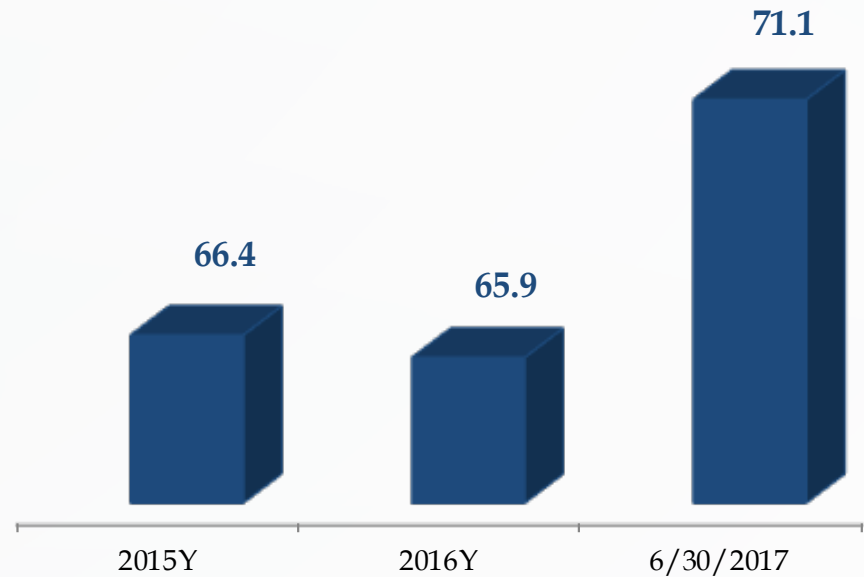
Less reliance on wholesale funding



Loans / Assets (%)



Deposits / Liabilities (%)

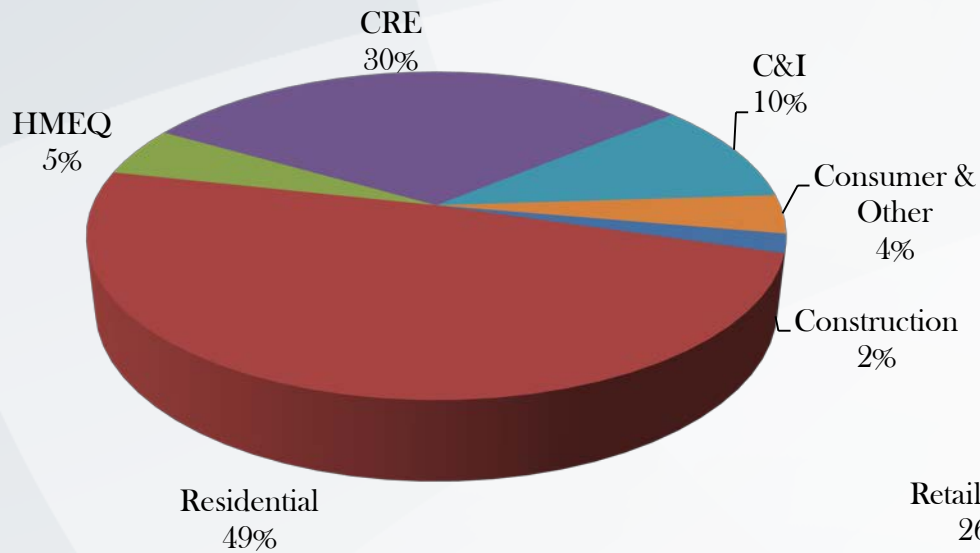


Liabilities exclude subordinated debt and trust preferred debt.

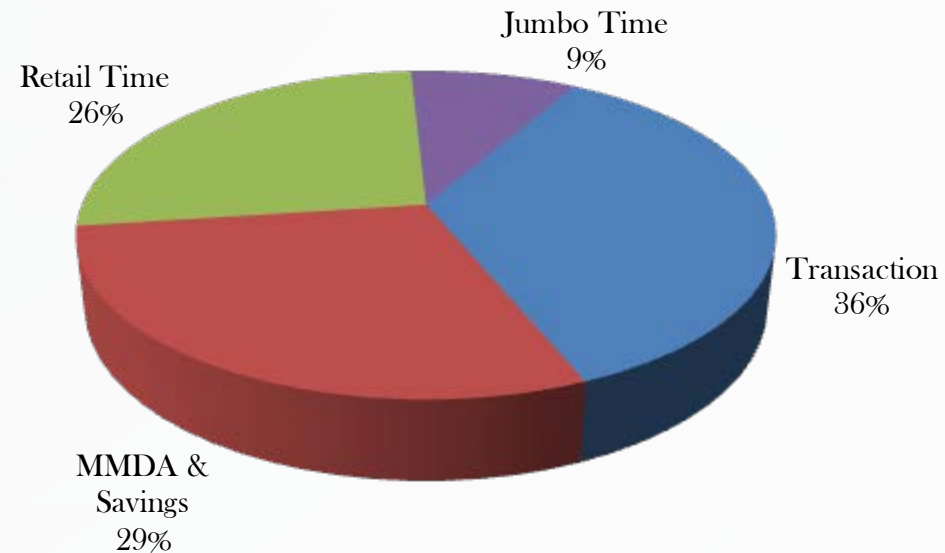


Loan and Deposit Composition

Loans



Deposits



Superior Credit Quality

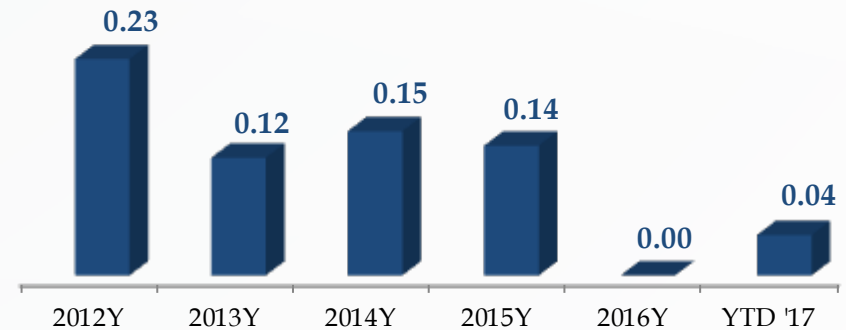
Essential to our risk management culture



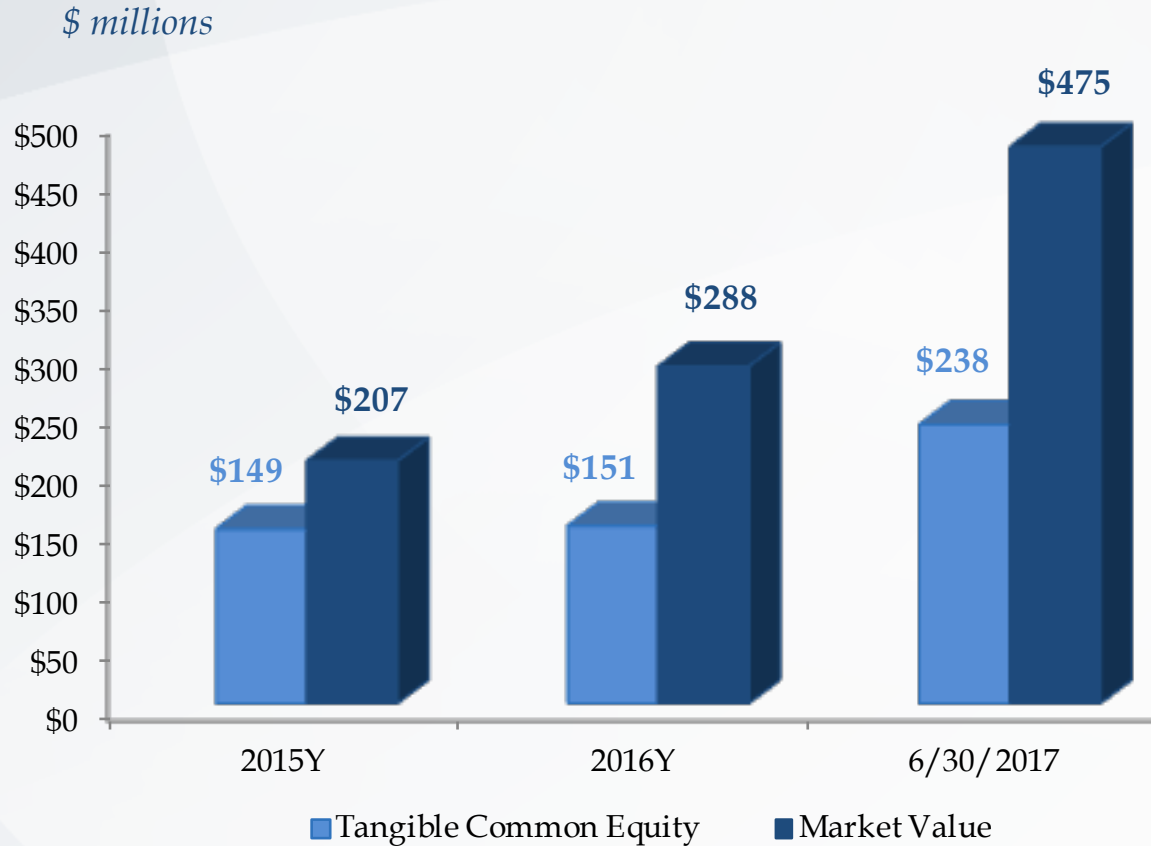
NPAs / Assets (%)



Net Charge-Offs / Average Loans (%)

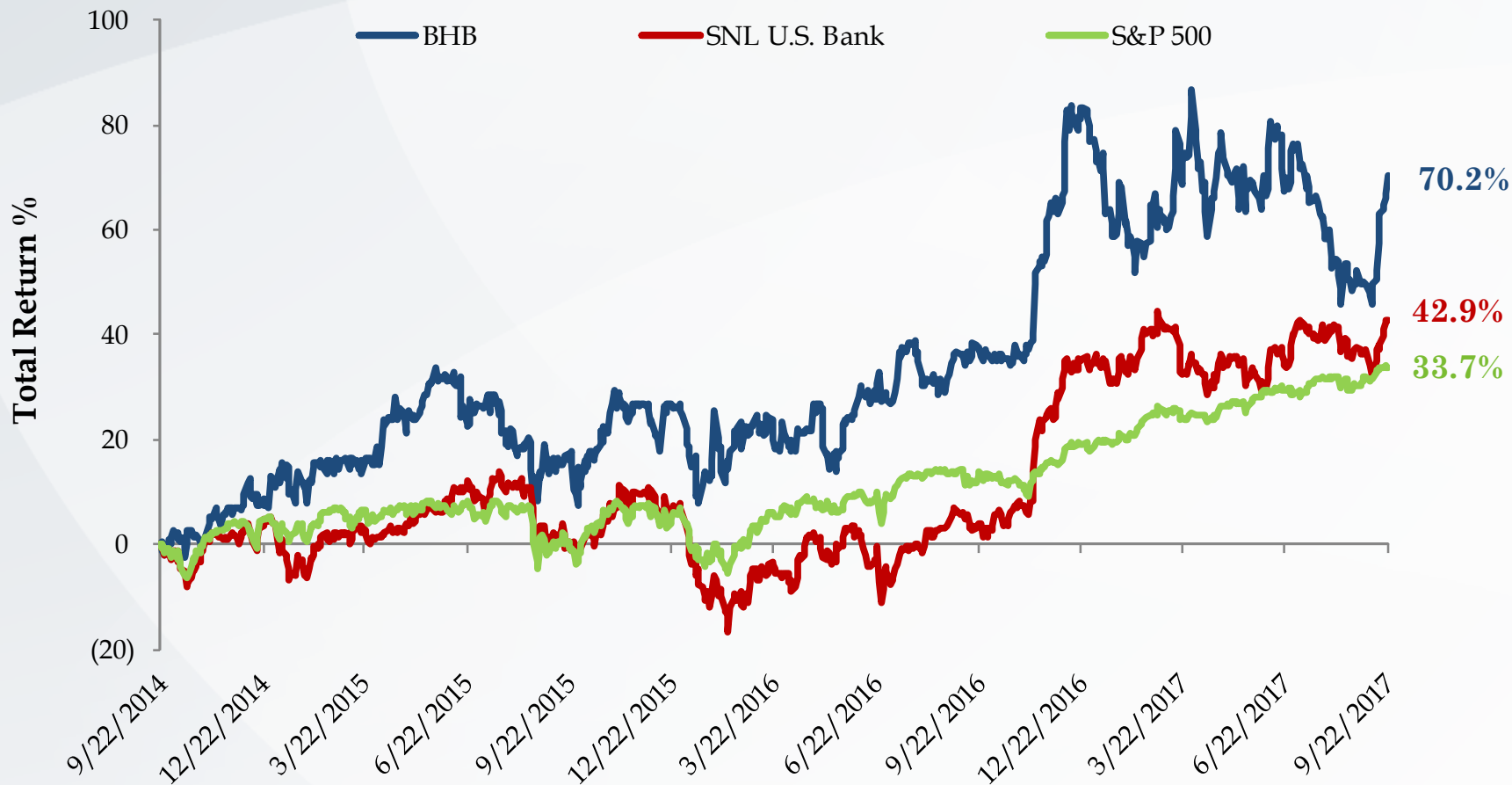


Increasing Capital and Market Value



Attractive Stock Performance

Three Year Total Return



Total return reflects stock price performance and shareholder dividends; performance for three year period ended September 22, 2017

The Path Forward



- Leverage our size and expanded footprint while maintaining our community, customer, and employee focus as our most important asset. This is what we mean by *A True Community Bank*
- Maintain our traditionally strong performance metrics
 - Continually becoming more core and less wholesale with an improving product suite
 - Execute our traditional credit discipline in the face of heightening competition
- Navigate a rising rate environment for the first time in almost ten years and its impact on deposit growth and pricing
- Keep pace with evolving risk in the sector, including cyber security and other enterprise wide risks
- Focus on operating leverage - top line revenue, disciplined expense management and balance sheet growth

