



Third Quarter 2020 Earnings Presentation

November 10, 2020



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



Company Overview (NYSE American: BHB)



Financial Highlights

Market Data¹

Stock Price	\$20.42
Market Cap (MM's)	\$305
Price / LTM Core EPS	9.37x
Price / Tangible Book Value (Non GAAP)	110%
Dividend Yield	4.28%

Balance Sheet (MM)

Total Assets ²	\$3,860
Cash and Securities	\$834
Net Loans ²	\$2,691
Total Deposits	\$2,935
Total Equity	\$404

YTD Performance Ratios and Profitability

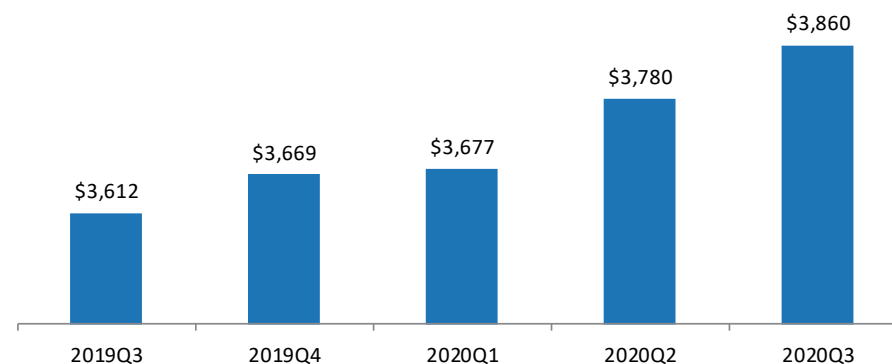
Core Return on Average Assets	0.91%
Core Return on Average Equity	8.41%
Net Interest Margin	3.01%
Efficiency Ratio	61.62%
Core Net Income (000's)	\$25,573

Capital Ratios

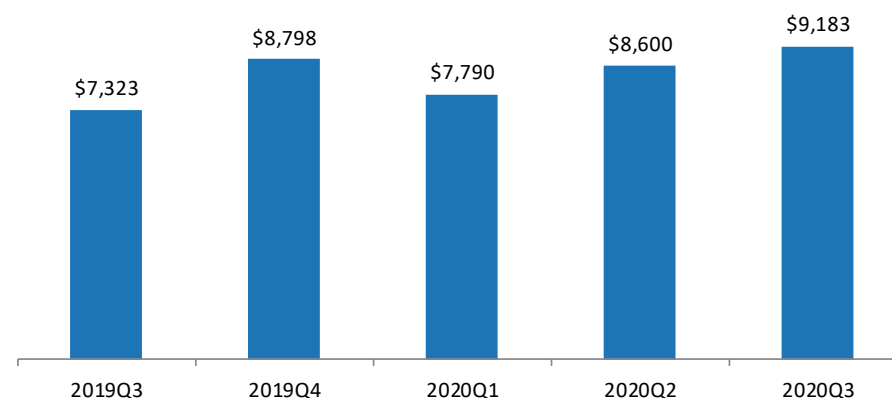
Tang. Common Equity / Tang. Assets	7.42%
Tier 1 Leverage Ratio	8.14%
Common Equity Tier 1 Risk- Based Capital Ratio	10.29%
Tier 1 Risk- Based Capital Ratio	11.08%
Total Risk-Based Capital Ratio	13.32%

Asset and Income Generation

Total Assets (MM's)



Core Net Income (000's)



All financial data as of September 30, 2020 except ¹Market Data, which is as of October 30, 2020.

²Assets and loans include a net \$127.7 MM in Paycheck Protection Program (PPP) loans.

Third Quarter 2020 - Highlights



- 13% annualized growth in total commercial loans
- 36% annualized increase in total deposits
- 92% loan to deposit ratio
- 2.98% NIM, an increase of 23bp from Q3 2019
- 32% increase in non-interest income Y-o-Y
- 0.56% non-accruing loans to total loans, excluding PPP loans, compared to 0.65% in Q3 2019
- 0.96% core ROAA, compared to 0.80% in Q3 2019
- Efficiency ratio of 59.5% down from 65.0% in Q3 2019
- Combining wealth management businesses under one brand, talent, best practices and culture
- \$18.56 tangible book value up from \$18.49 in Q3 2019

Note: Assets and loans include a net \$127.0 MM in Paycheck Protection Program (PPP) loans.
Note: See appendix for GAAP reconciliation.

Strategic Objectives



We strive to be one of 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.

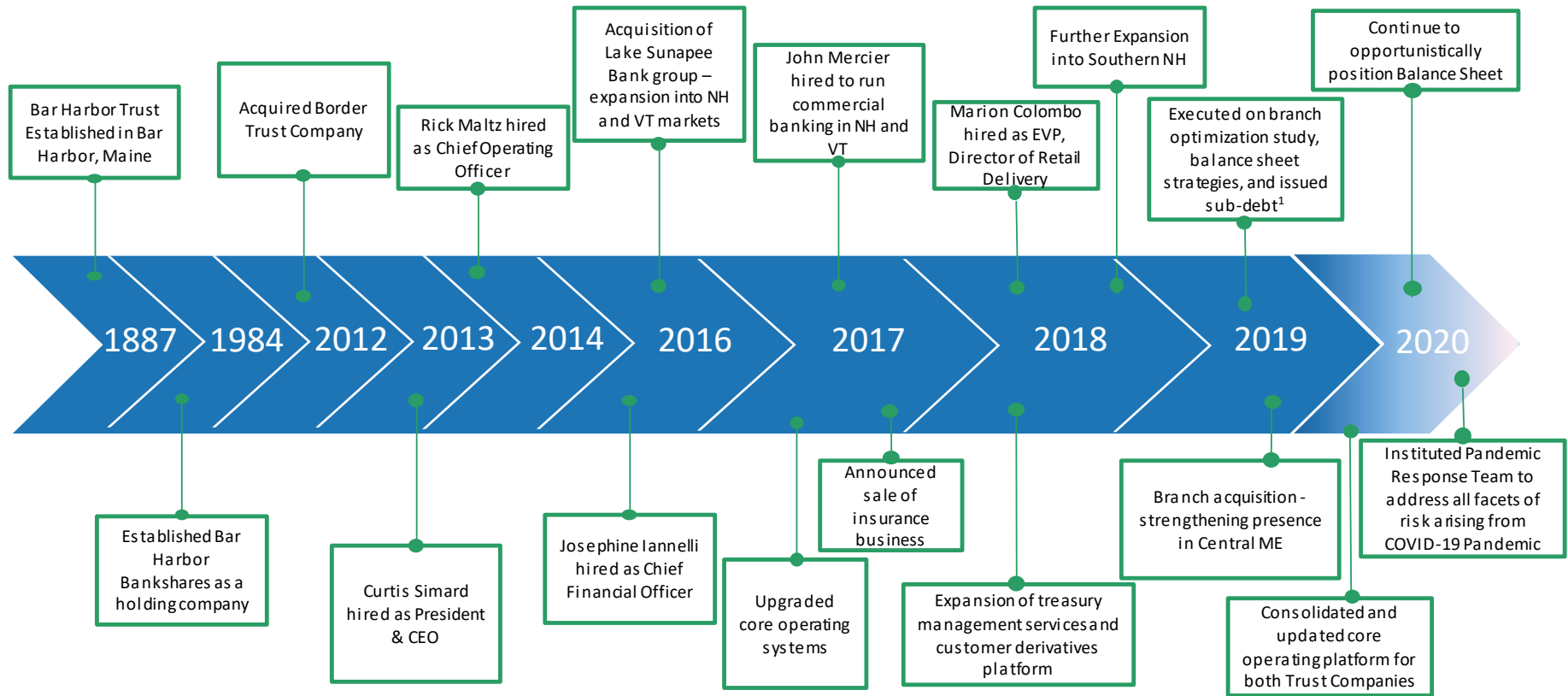
- To be one of the most profitable banks headquartered in New England
- Focus on the core bank: core commercial banking business, core funding, core earnings
- Increase sources of fee income via Trust, Treasury Management and Mortgage Banking
- Continued commitment to an exceptional risk management culture
- Strategically analyzed our northern New England footprint
- Maintain a strong capital base that supports growth opportunities

Management Team



Executive	Background
<p>Curtis C. Simard <i>President and CEO</i></p>	<ul style="list-style-type: none"> • Joined as 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 and various management positions at Citizens Financial Group
<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 management positions at PNC Financial Services Group
<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, Chief Lending Officer</i></p>	<ul style="list-style-type: none"> • Serves as Executive Vice President and Chief Lending Officer since 2018 and joined Bar Harbor Bank & Trust in 2017 • Veteran in retail, small business, regional banking, middle market, and large national corporate markets with over 30 years of experience
<p>Marion Colombo <i>EVP, Director of Retail Delivery</i></p>	<ul style="list-style-type: none"> • Executive Vice President, Director of Retail Delivery of Bar Harbor Bank & Trust since 2018 • 25 years in retail banking, most recently serving as Market President-Retail at TD Bank
<p>Jennifer Svenson <i>SVP, Human Resources</i></p>	<ul style="list-style-type: none"> • Serves as SVP, Chief Human Resources Officer • Most recently served as VP, US Human Resources of Ironshore, Boston MA
<p>Jason P. Edgar <i>President Bar Harbor Trust Services & Charter Trust Company</i></p>	<ul style="list-style-type: none"> • Serves as President of Bar Harbor Trust Services and Charter Trust Company • Most recently served as SVP, Director of Wealth Management of Berkshire Bank, Boston MA

Company History



¹ Part of the Balance Sheet Optimization Strategies executed in 2019 was the refinancing of existing Bar Harbor Bank & Trust debt. Bar Harbor Bank & Trust issued subordinated sub debt to replace these borrowings. Bar Harbor Bank & Trust issued their subordinated debt at a 4.625% coupon, the lowest rate to date for similarly rated issuers and debt structures (source: Piper-Sandler & Company).. The deal was oversubscribed which resulted in a larger issuance than the replacement debt at a net comparable cost.

Markets we Serve: Deposit Market Share



Maine

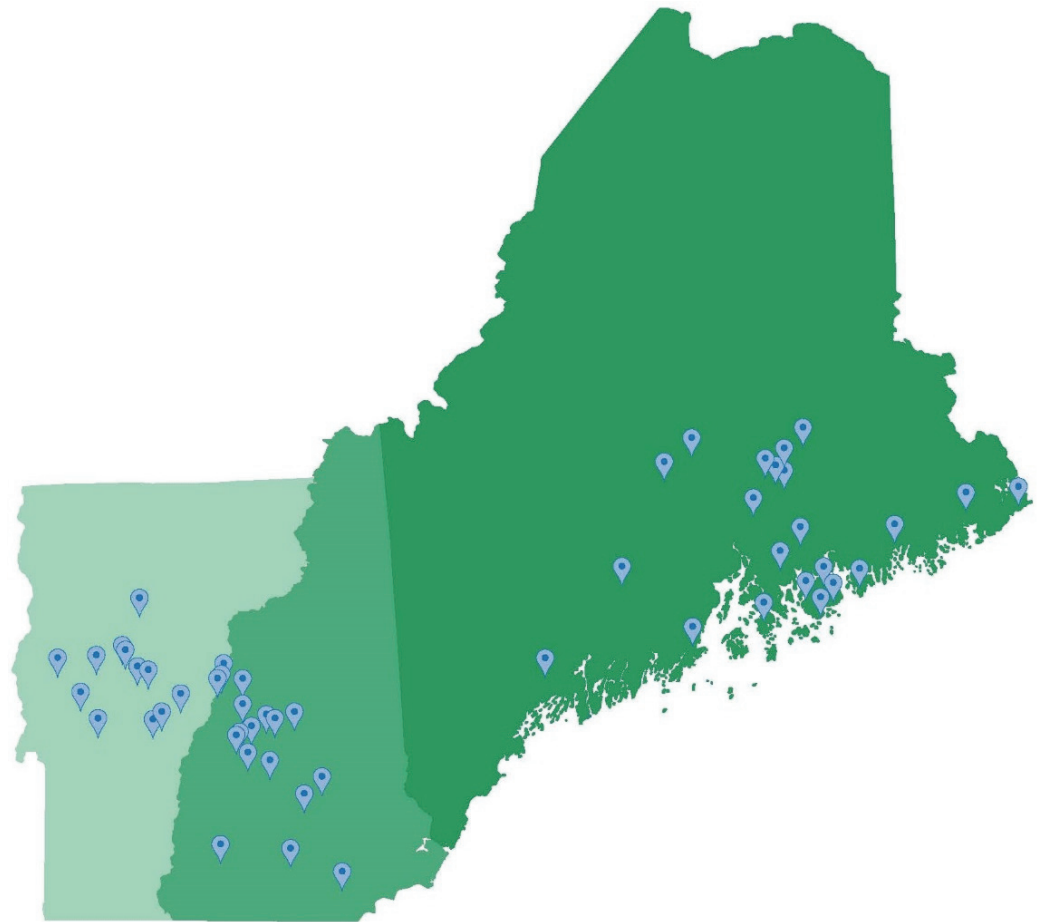
Rank	Financial Institution Name	Total Branches	Total Deposits (000's)	Market Share
1	Toronto-Dominion Bank	42	\$3,867,684	10.1%
2	Camden National Corporation	58	\$3,581,756	9.4%
3	Bangor Bancorp, MHC	59	\$3,488,716	9.1%
4	KeyCorp	42	\$2,833,196	7.4%
5	Bank of America Corporation	12	\$1,916,030	5.0%
6	Bar Harbor Bankshares	22	\$1,740,670	4.6%
Total Market		644	\$38,202,867	100%

New Hampshire

Rank	Financial Institution Name	Total Branches	Total Deposits (000's)	Market Share
1	Toronto-Dominion Bank	58	\$7,643,433	18.2%
2	Citizens Financial Group, Inc.	54	\$7,497,873	17.8%
3	Bank of America Corporation	21	\$4,739,798	11.3%
4	Service Credit Union	36	\$3,021,021	7.2%
5	New Hampshire Mutual Bancorp	27	\$1,837,624	4.4%
13	Bar Harbor Bankshares	20	\$737,255	1.8%
Total Market		508	\$42,022,082	100%

Vermont

Rank	Financial Institution Name	Total Branches	Total Deposits (000's)	Market Share
1	People's United Financial, Inc.	38	\$3,867,684	18.6%
2	Toronto-Dominion Bank	24	\$3,581,756	15.0%
3	Community Bank System, Inc.	31	\$3,488,716	6.7%
4	New England Federal Credit Union	7	\$2,833,196	6.4%
5	KeyCorp	11	\$1,916,030	5.0%
19	Bar Harbor Bankshares	11	\$258,806	1.5%
Total Market		303	\$17,475,574	100%

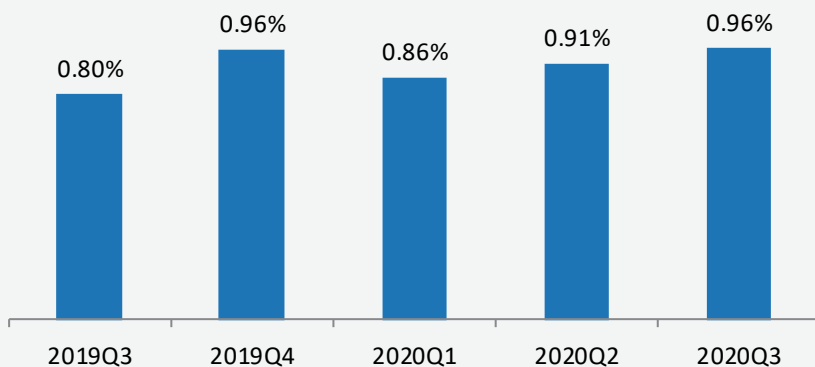


Source: SNL / S&P Market Intelligence.

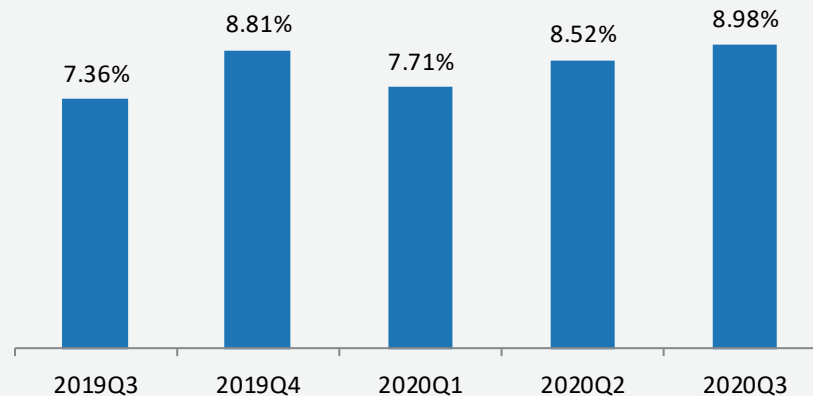
Quarterly Profitability Metrics



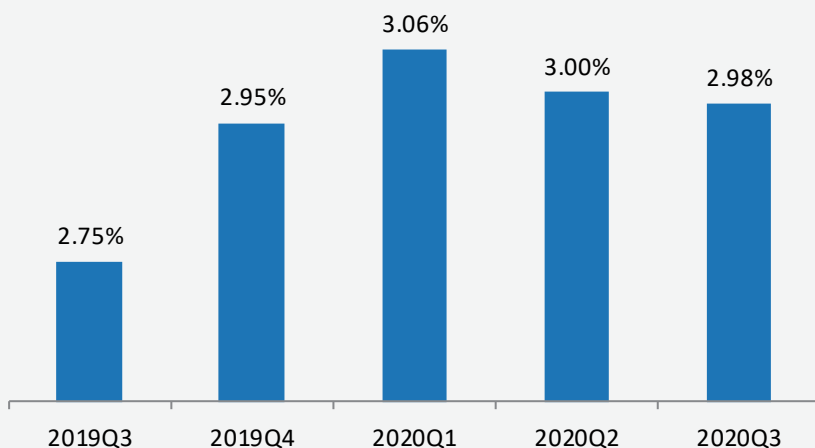
Core ROAA



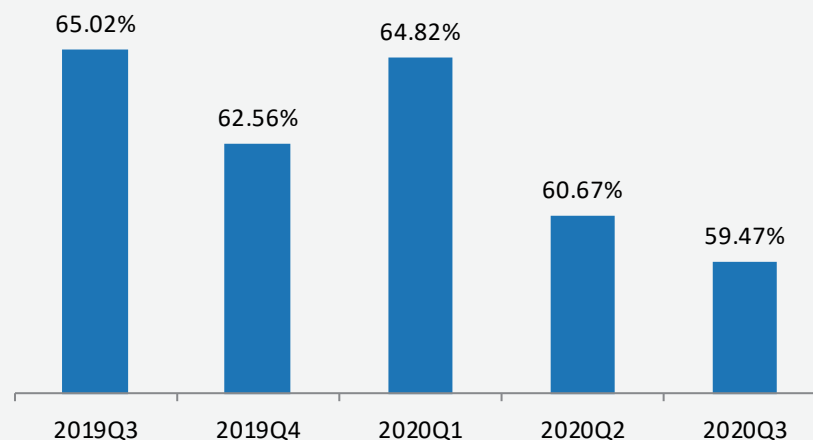
Core ROAE



Net Interest Margin



Efficiency Ratio



Strengthening of the Balance Sheet



Liquidity

- Increased balance sheet liquidity reflecting significant wholesale borrowing capacity (FHLB and Brokered CD Market) as well as restructured investment portfolio
- Continue to maintain and test external lines of credit with FHLB, Federal Reserve Bank, and other correspondent banks

Capital

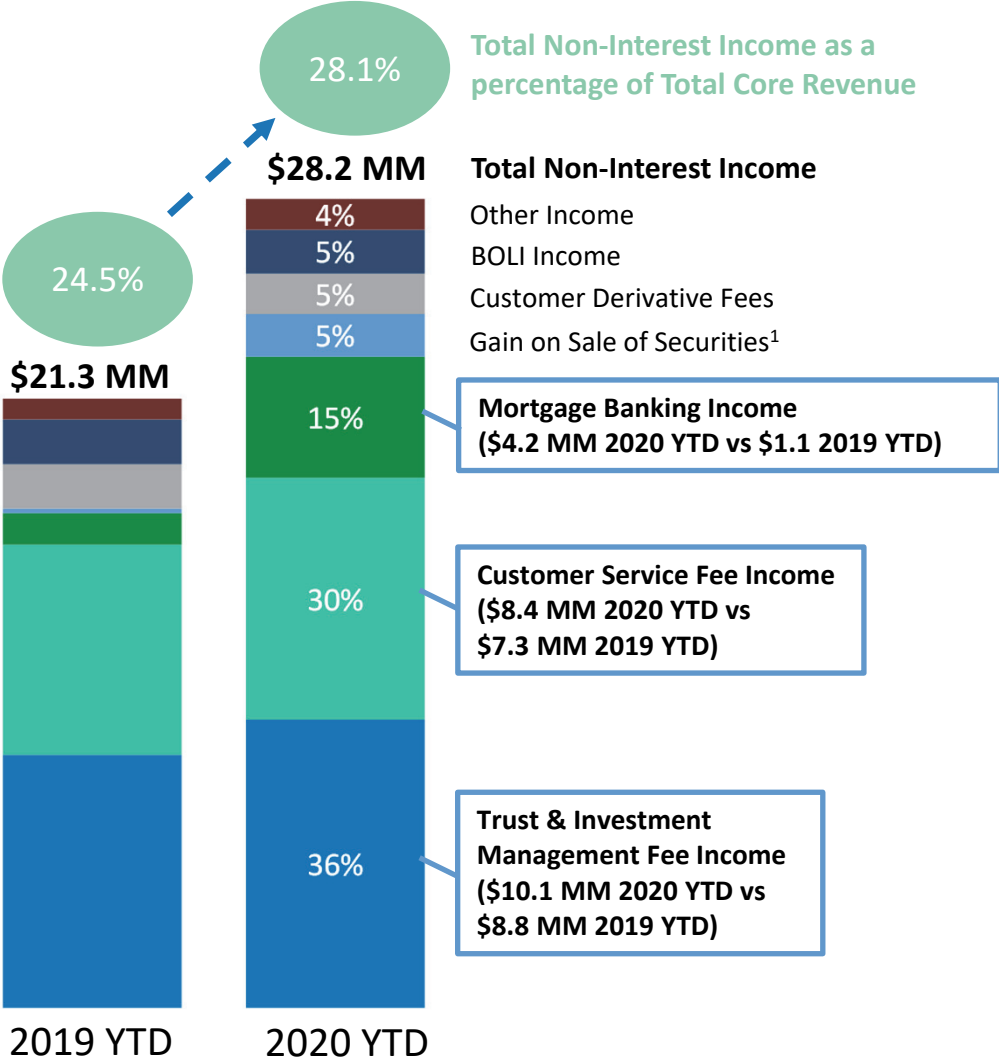
- Well capitalized, reflecting the refinancing and upsizing of subordinated debt in Q4 2019
- Judicious capital and balance sheet management as evidenced by the strategic shift in residential mortgage lending
- Consistent and strong earnings as well as conservative interest rate risk exposures

Interest Rate Risk (IRR) Positioning & Management

- Interest rate risk metrics are largely neutral to expected near-term exposures
- Active liability expense management (deposit betas) relative to market benchmarks

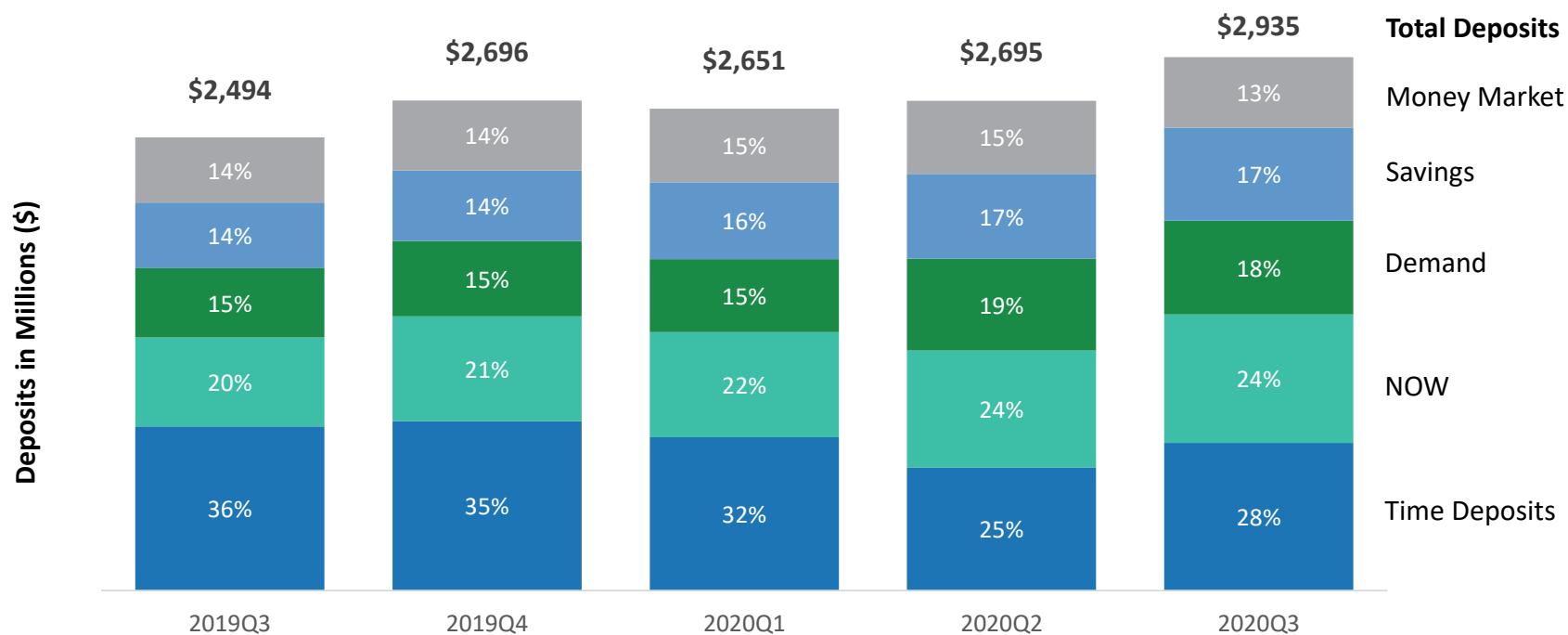
Focus on Non-Interest Income Growth

- Optimized existing sources and executed against new initiatives to create other sources
 - Substantial growth and diversification of non-interest income YTD compared to Q3 2019 YTD
- Wealth Management and Financial Services
 - Bar Harbor Financial Services
 - Two wholly owned subsidiaries, Charter Trust and Bar Harbor Trust services offering trust management services
 - \$2.1 B AUM
 - During Q3 2020 we started the process of bringing both entities under the “Bar Harbor Wealth Management” brand
- Expansion of Mortgage Banking platform and secondary market sales channels
- Cash Management and Treasury Services
- Customer Derivative Offerings



¹Gain on Sale of Securities was part of a larger balance sheet strategy that allowed the Bank to take advantage of opportunities in capital markets.

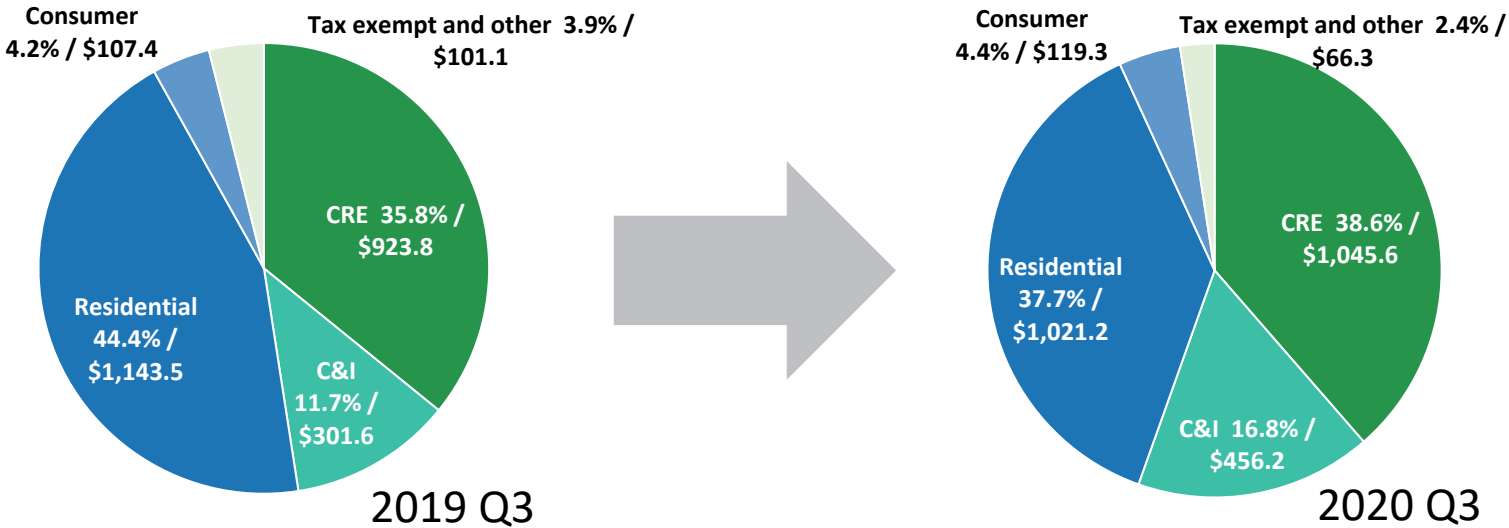
Deposit Portfolio Overview



- Total deposits grew to \$2.94 billion on new accounts and an overall decrease in customer spending
- Time deposits are 28% of total deposits compared to 36% in Q3 2019 on lower wholesale funds
- Growth in core deposits improved cost of funds to 0.66% from 1.33% from Q3 2019
- Loans / Deposits of 92% in Q3 2020 compared to 103% in Q3 2019

Loan Portfolio Overview

- Total loans of \$2.71 billion as of September 30, 2020 representing a 5.1% Y-o-Y increase, with commercial loans increasing by 13.0% quarter to date annualized
 - Excluding PPP loans¹, total loans increased 0.7% with commercial loans increasing 13.7% quarter over quarter annualized.
 - This is indicative of our strategy whereby most of the mortgage production is pushed through the secondary market platform allowing for more balance sheet growth in commercial loans
- Yield on loans of 3.81% for the quarter ended September 30, 2020, and 4.00% excluding PPP loans



¹PPP Loans (Paycheck Protection Program) amount to \$127.7 MM net of deferred fees.

Update on PPP and Loan Provisions

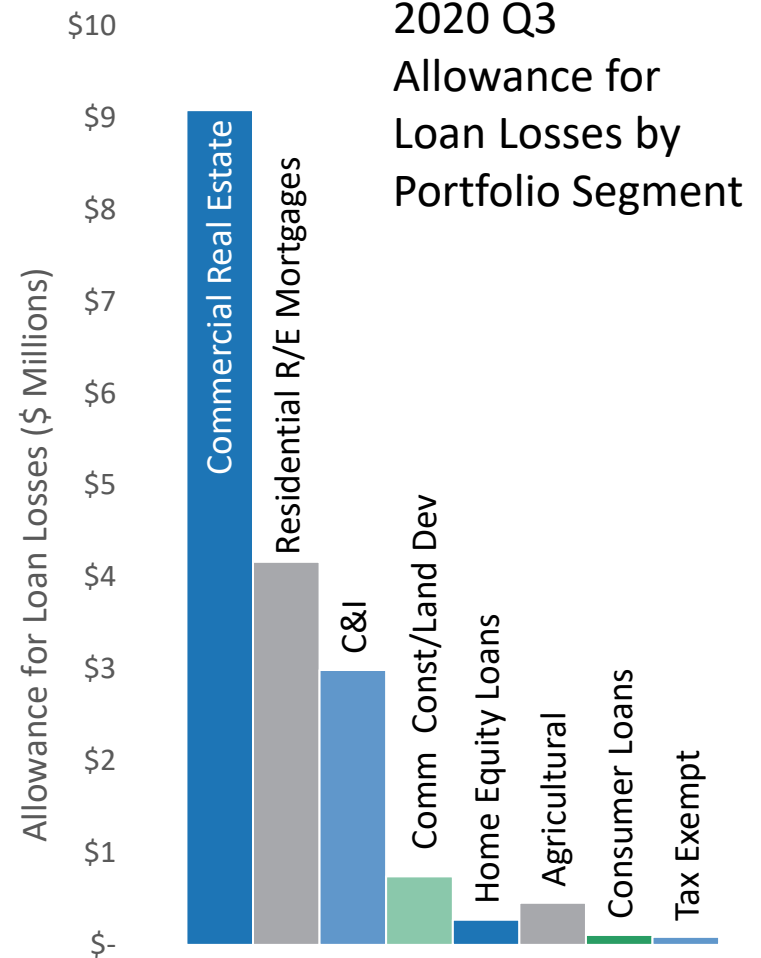


Paycheck Protection Program Loans (PPP)

- Originated approximately 1,900 loans with a total principal balance of \$131.6 MM and unearned fees of \$5.3 MM
- \$1.5 MM of fee accretion YTD, with \$3.8 MM of unearned fees remain as of the end of Q3 2020
- Accelerated accretion is expected in the Q4 2020 into Q1 2021 with over 50% of SBA forgiveness applications submitted

COVID Modified Loans

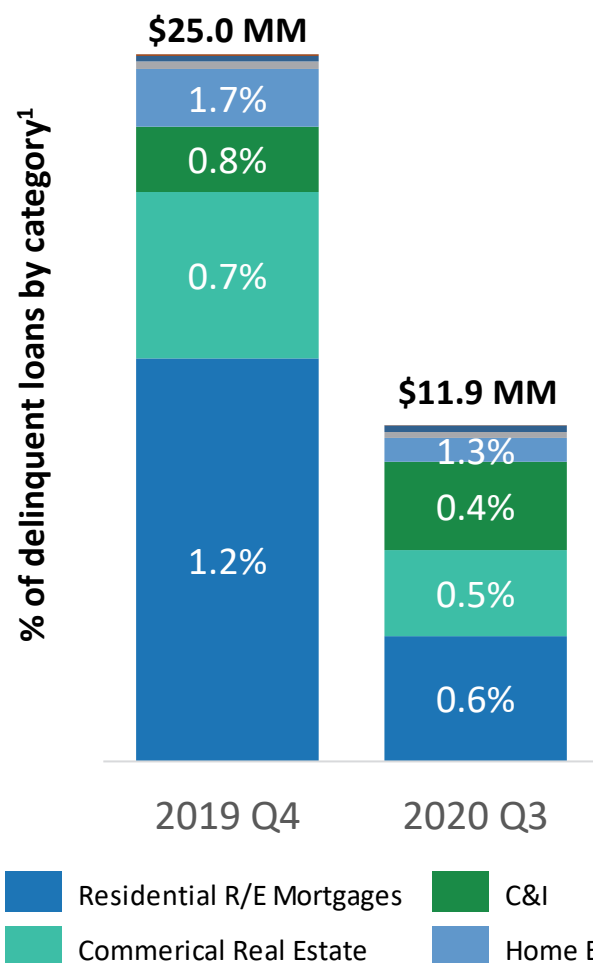
- 1,152 total modified loans with a principal amount of approximately \$473 MM
- Modifications were mostly short-term principal deferrals with normal interest accruals
- Total outstanding deferrals as of September 30, 2020 were \$78.7 million or 3% of total loans, which primarily consist of interest only forbearance
- Outstanding residential loan deferrals totaled \$4.6 million or less than ½ of a percent of the total residential portfolio



Focused on Credit Quality



Total delinquent loans

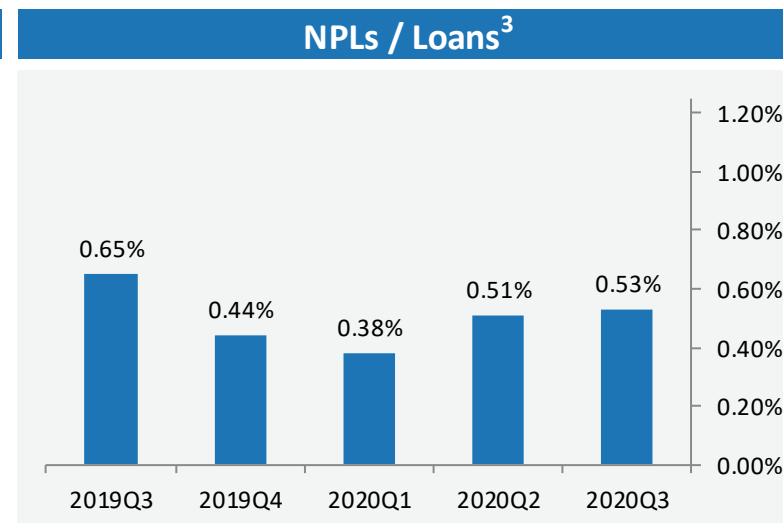
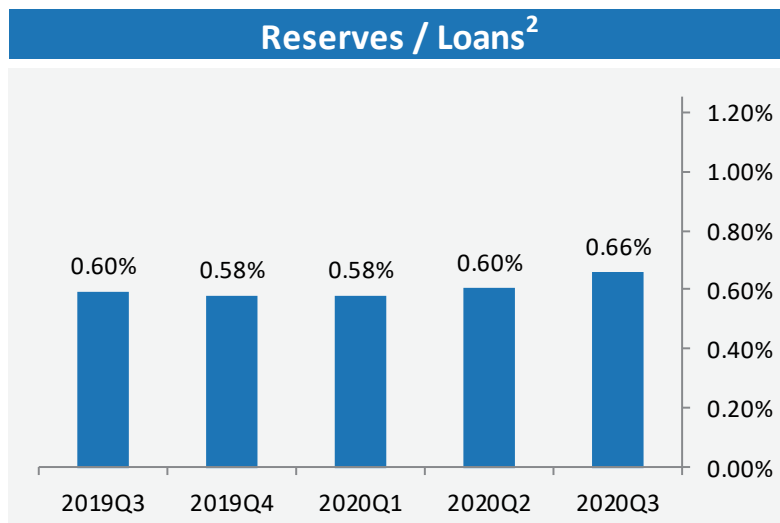
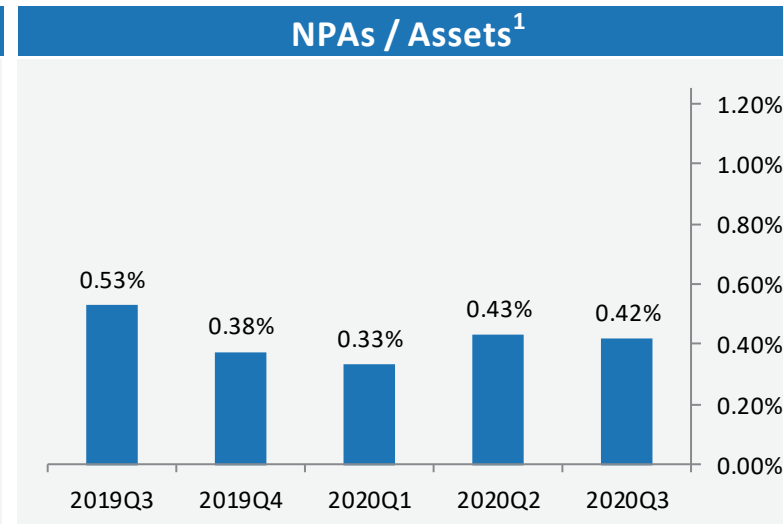
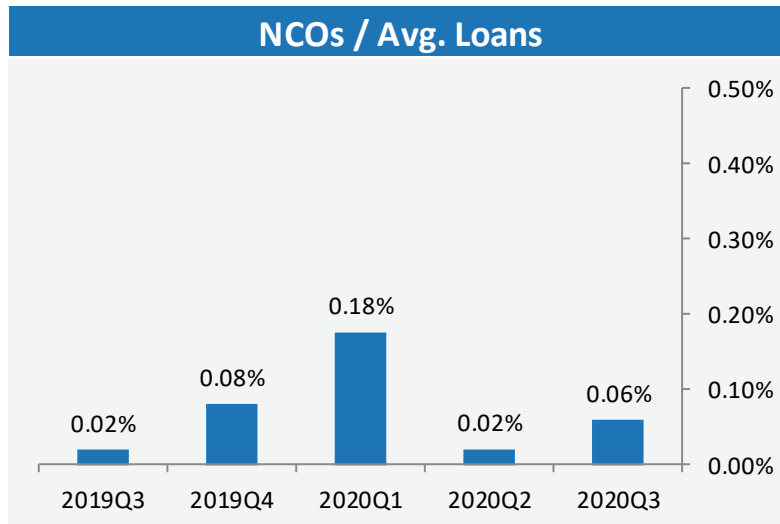


- During Q3 2020, in response to COVID-19, Management continued stress testing of the commercial portfolio analyzing potentially vulnerable NAICS codes and characteristics. The following segments were reviewed during the test:
 - Hospitality loans with current Loan-to-Value (LTV) in excess of 65%
 - All loans in the Bank’s top 50 relationships
 - All loans \$1 MM or greater with risk ratings of special mention or higher
 - Restaurant, seasonal payment, and term loans maturing within 12 months
- ALLL / Loan coverage ratio of 0.66% (0.69 % excluding PPP loans)
- Management applied additional economic factors to the allowance during Q3 2020
- Largest industry concentration outside of real estate is Hospitality
 - \$285 MM in exposure² as of Q3 2020, roughly 17.0% of commercial loans
 - Current weighted average Loan-to-Value is below 60.0%

¹Remaining loan categories include commercial construction / land development, Agricultural and Consumer, for a total of 0.20% as of Q3 2020, down from 0.81% of balances in those categories during Q4 2019.

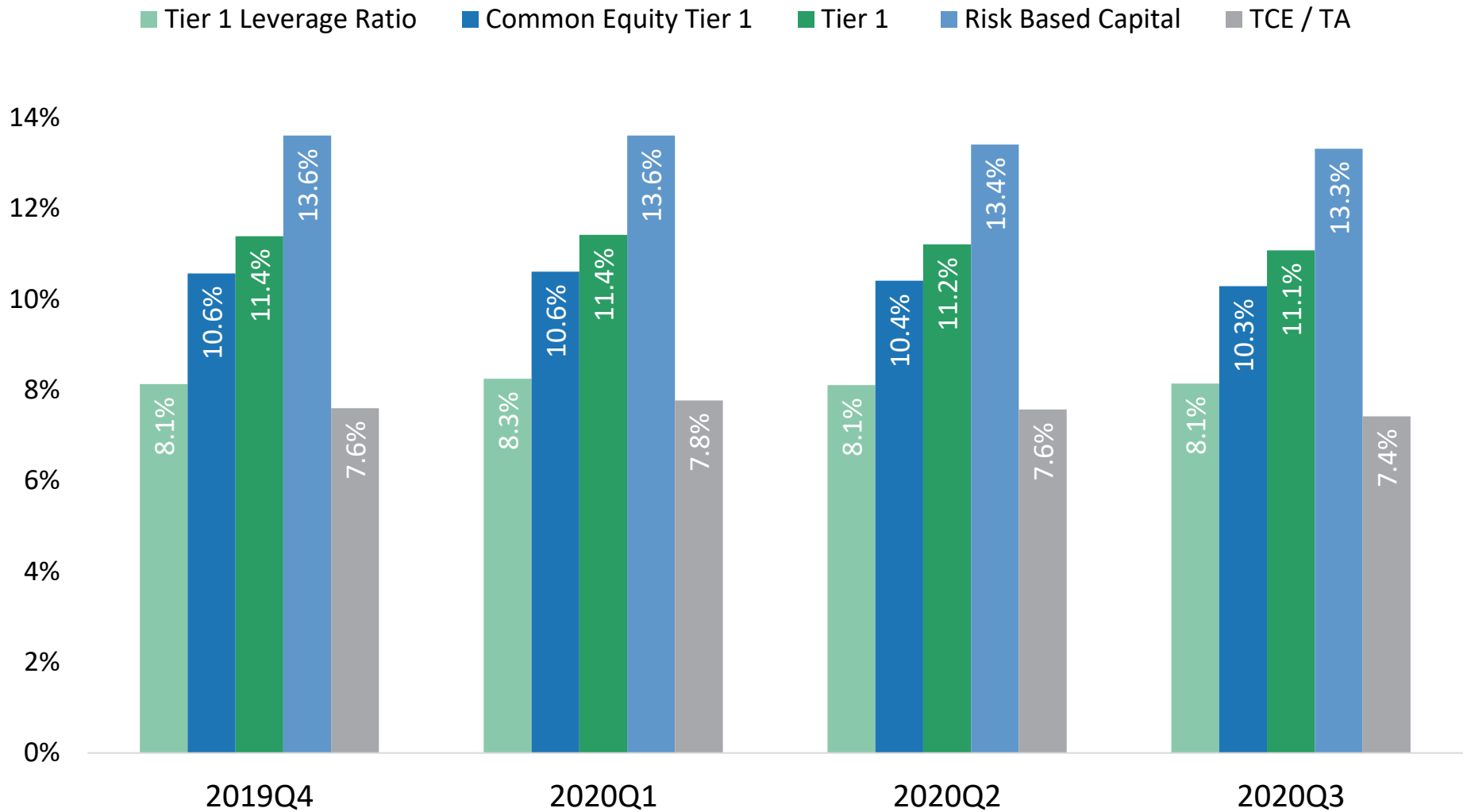
²Exposure includes available credit & derivative exposure.

Asset Quality



¹NPAs/Assets excluding PPP loans is 0.41% for Q3 2020, ²Reserves / Loans excluding PPP loans is 0.69% for Q3 2020, ³NPLs/Loans excluding PPP loans is 0.55% for Q3 2020

Well Capitalized Institution



Source: Company filings, calculated at holding company level.

Investment Considerations



- Focused on building franchise value
- Deep and talented management team
- Team, platform and strategy in place to generate efficient growth
- 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
- Disciplined credit quality and a conservative risk management culture
- Consistent dividend payments to shareholders with an attractive yield

Legal Disclaimer



Forward Looking Statements

This presentation contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by words such as “believes,” “anticipates,” “expects,” “intends,” “targeted,” “continue,” “remain,” “will,” “should,” “may,” “plans,” “estimates,” and similar references to future periods; however, such words are not the exclusive means of identifying such statements. Examples of forward-looking statements include, but are not limited to: (i) projections of revenues, expenses, income or loss, earnings or loss per share, and other financial items; (ii) statements of plans, objectives, and expectations of the Company or its management or Board of Directors; (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Forward-looking statements are based on the Company’s current expectations and assumptions regarding its business, the economy, and other future conditions. Because forward-looking statements relate to the future, they are subject to inherent uncertainties, risks, and changes in circumstances that are difficult to predict. The Company’s actual results may differ materially from those contemplated by the forward-looking statements, which are neither statements of historical fact nor guarantees or assurances of future performance. For more information about factors, such as the ongoing COVID -19 pandemic and the governmental and other responses thereto, that could cause actual results to differ from those discussed in the forward-looking statements please refer to the information disclosed under “Forward-Looking Statements”, “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and elsewhere in the Company’s public filings with the Securities and Exchange Commission, including the Company’s Annual Report on Form 10-K and Quarterly Reports on Form 10-Q. Any forward-looking statement made by the Company in this presentation speaks only as of the date on which it is made. Factors or events that could cause the Company’s actual results to differ may emerge from time to time, and it is not possible for the Company to predict all of them. The Company undertakes no obligation to publicly update any forward-looking statement, whether as a result of new information, future developments, or otherwise, except as may be required by law.

Non-GAAP Financial Measures

This presentation contains both financial measures based on accounting principles generally accepted in the United States (“GAAP”) and non-GAAP based financial measures, which are used where management believes them to be helpful in understanding the Company’s results of operations or financial position. Reconciliations of these non-GAAP financial measures, to the most comparable GAAP measures are included in this presentation under “Non-GAAP to GAAP Reconciliations” and in the Company’s earnings release available in the Investor Relations portion of the Company’s website at www.barharbor.bank. These disclosures should not be viewed as a substitute for operating results determined in accordance with GAAP, nor are they necessarily comparable to non-GAAP performance measures that may be presented by other companies.



Appendix

Historical Financial Performance



<i>Dollar values in thousands, except per share amounts or otherwise noted</i>	For the Year Ended,				For the Quarter Ended,				
	2016Y	2017Y	2018Y	2019Y	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3
Balance Sheet									
Total Assets	\$1,755	\$3,565	\$3,608	\$3,669	\$3,612	\$3,669	\$3,677	\$3,780	\$3,860
Net Loans	1,119	2,473	2,476	2,626	2,562	2,626	2,620	2,713	2,691
Total Deposits	1,050	2,352	2,483	2,696	2,494	2,696	2,651	2,695	2,935
Capital									
Total Equity	\$157	\$355	\$371	\$396	\$394	\$396	\$404	\$404	\$404
Tang. Common Equity / Tang. Assets	8.65%	7.12%	7.51%	7.77%	8.20%	7.60%	7.77%	7.57%	7.42%
Tier 1 Leverage Ratio	8.94%	8.10%	8.53%	8.13%	8.65%	8.13%	8.25%	8.11%	8.14%
Total Risk-Based Capital Ratio	16.52%	13.73%	14.23%	13.61%	14.01%	13.61%	13.61%	13.41%	13.32%
Earnings & Profitability									
Net Income	\$14.9	\$26.0	\$32.9	\$22.6	\$5.0	\$4.2	\$7.7	\$8.5	\$8.4
Core ROAA	0.83%	0.93%	0.99%	0.82%	0.80%	0.96%	0.86%	0.91%	0.96%
Core ROAE	8.57%	9.15%	9.79%	7.65%	7.36%	8.81%	7.71%	8.52%	8.98%
Net Interest Margin	2.96%	3.10%	2.87%	2.78%	2.75%	2.95%	3.06%	3.00%	2.98%
Efficiency Ratio	58.90%	55.44%	59.27%	64.95%	65.02%	62.56%	64.82%	60.67%	59.47%
Asset Quality									
NPLs / Loans	0.58%	0.58%	0.73%	0.65%	0.65%	0.44%	0.38%	0.51%	0.53%
NPAs / Assets	0.38%	0.41%	0.57%	0.33%	0.53%	0.38%	0.33%	0.43%	0.42%
Reserves / Loans	0.92%	0.50%	0.56%	0.58%	0.60%	0.58%	0.58%	0.60%	0.66%
NCOs / Average Loans	0.00%	0.04%	0.05%	0.03%	0.02%	0.08%	0.18%	0.02%	0.06%
Yield and Cost									
Yield on Earning Assets	3.72%	3.86%	4.00%	4.16%	4.17%	4.15%	4.14%	3.81%	3.67%
Cost of Interest Bearing Deposits	0.75%	0.60%	0.98%	1.27%	1.33%	1.19%	1.08%	0.81%	0.66%
Cost of Total Interest Bearing Liabilities	0.86%	0.87%	1.31%	1.61%	1.65%	1.42%	1.28%	0.96%	0.82%
Market Information (10/30/2020)									
Current Stock Price	\$20.42		Price / BV	75%					
52 Week High	\$26.44		Price / TBV	110%					
52 Week Low	\$13.77		Price / LTM EPS	9.37x					
Market Capitalization	\$304.8		Dividend Yield	4.28%					

Source: Company filings.

Non-GAAP to GAAP Reconciliations



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

	2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	YTD 2020
GAAP net income	5,015	4,207	7,721	8,481	8,402	24,604
Plus (less):						
Gain sale of securities, net	(157)	(80)	(135)	(1,351)	-	(1,486)
(Gain) loss on sale of fixed assets, net	-	(3)	92	(2)	-	90
Loss on other real estate owned	146	20	31	-	335	366
Loss on debt extinguishment	-	1,096	-	1,351	-	1,351
Acquisition, restructuring and other expenses	3,039	4,998	103	158	691	952
Income tax expense ¹	(720)	(1,440)	(22)	(37)	(245)	(304)
Total core earnings² (A)	\$ 7,323	\$ 8,798	\$ 7,790	\$ 8,600	\$ 9,183	\$ 25,573
GAAP Net-interest income	\$22,445	\$24,104	\$24,563	\$24,590	\$24,665	\$73,818
Plus: Non-interest income	7,643	7,806	8,421	9,710	10,102	28,233
Total Revenue	30,088	31,910	32,984	34,300	34,767	102,051
Plus: Gain on sale of securities, net	(157)	(80)	(135)	(1,351)	-	(1,486)
Total core revenue² (C)	\$29,931	\$31,830	\$32,849	\$32,949	\$34,767	\$100,565
Total non-interest expense	23,400	26,803	22,359	22,266	22,419	67,044
Less: Gain (loss) on sale of premises and equipment, net	-	3	(92)	2	-	(90)
Less: Loss on other real estate owned	(146)	(20)	(31)	-	(335)	(366)
Less: Loss on debt extinguishment	-	(1,096)	-	(1,351)	-	(1,351)
Less: Acquisition, restructuring and other expenses	(3,039)	(4,998)	(103)	(158)	(691)	(952)
Core non-interest expense² (D)	\$20,215	\$20,692	\$22,133	\$20,759	\$21,393	\$64,285

¹Assumes a marginal tax rate of 23.87% in 2020, and a marginal tax rate of 23.78% in 2019

² Non-GAAP financial measure

Non-GAAP to GAAP Reconciliations (continued)



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

		2019Q3	2019Q4	2020Q1	2020Q2	2020Q3	YTD 2020
Averages							
Total average earning assets	(E)	\$3,308	\$3,309	\$3,306	\$3,367	\$3,352	\$3,339
Total average assets	(F)	3,642	3,655	3,662	3,807	3,814	3,763
Total average shareholders equity	(G)	395	396	406	406	407	406
Performance ratios							
GAAP return on assets		0.55%	0.46%	0.85%	0.90%	0.88%	0.87%
Core return on assets ²	(A/F)	0.80%	0.96%	0.86%	0.91%	0.96%	0.91%
GAAP return on equity		5.04%	4.21%	7.64%	8.40%	8.22%	8.09%
Core return on equity ²	(A/G)	7.36%	8.81%	7.71%	8.52%	8.98%	8.41%
Efficiency ratio ^{2,3}	(D-O-Q)/(C+N)	65.02%	62.56%	64.82%	60.67%	59.47%	61.62%
Net interest margin	(B+P)/E	2.75%	2.95%	3.06%	3.00%	2.98%	3.01%
Supplementary Data							
Taxable equivalent adjustment for efficiency ratio	(N)	\$658	\$674	\$719	\$646	\$570	\$1,935
Franchise taxes included in non-interest expense	(O)	119	119	119	120	121	360
Tax equivalent adjustment for net interest margin	(P)	503	516	551	490	416	1,457
Intangible amortization	(Q)	207	240	256	256	256	768

¹Assumes a marginal tax rate of 23.87% in 2020, and a marginal tax rate of 23.78% in 2019

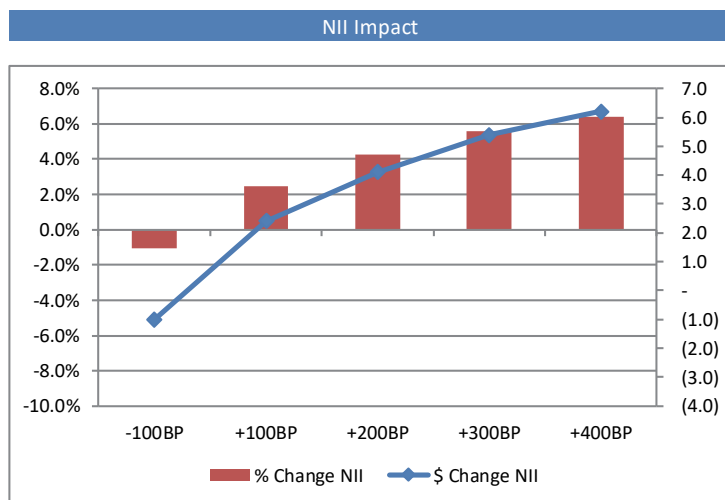
² Non-GAAP financial measure

³ Efficiency ratio is computed by dividing core non-interest expense net of franchise taxes and intangible amortization divided by core revenue on a fully taxable equivalent basis

Interest Rate Risk Analysis

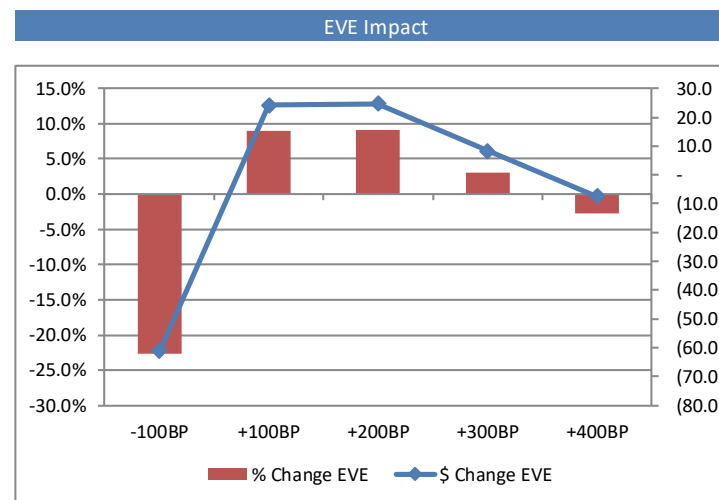


On a quarterly basis, the company measures and reports NII and EVE at risk to isolate the change in income and value related solely to interest-earning assets and interest-bearing liabilities. The NII analysis below shows the impact of instantaneous parallel shifts in the market yield curve for a period of one year while EVE shows a liquidation calculation over the same shifts in the curve.



Interest Rate Risk to Earnings (NII)
September 30, 2020

Change in Interest Rates (basis points)	\$ Change NII	
	(millions)	% Change NII
+400BP	6.2	6.4%
+300BP	5.4	5.6%
+200BP	4.1	4.2%
+100BP	2.4	2.5%
-100BP	(1.0)	-1.0%



Interest Rate Risk to Capital (EVE)
September 30, 2020

Change in Interest Rates (basis points)	\$ Change EVE	
	(millions)	% Change EVE
+400BP	(7.5)	-2.8%
+300BP	8.3	3.1%
+200BP	24.6	9.1%
+100BP	24.1	9.0%
-100BP	(61.1)	-22.7%

NII and EVE Impact is based on September 30, 2020 data.