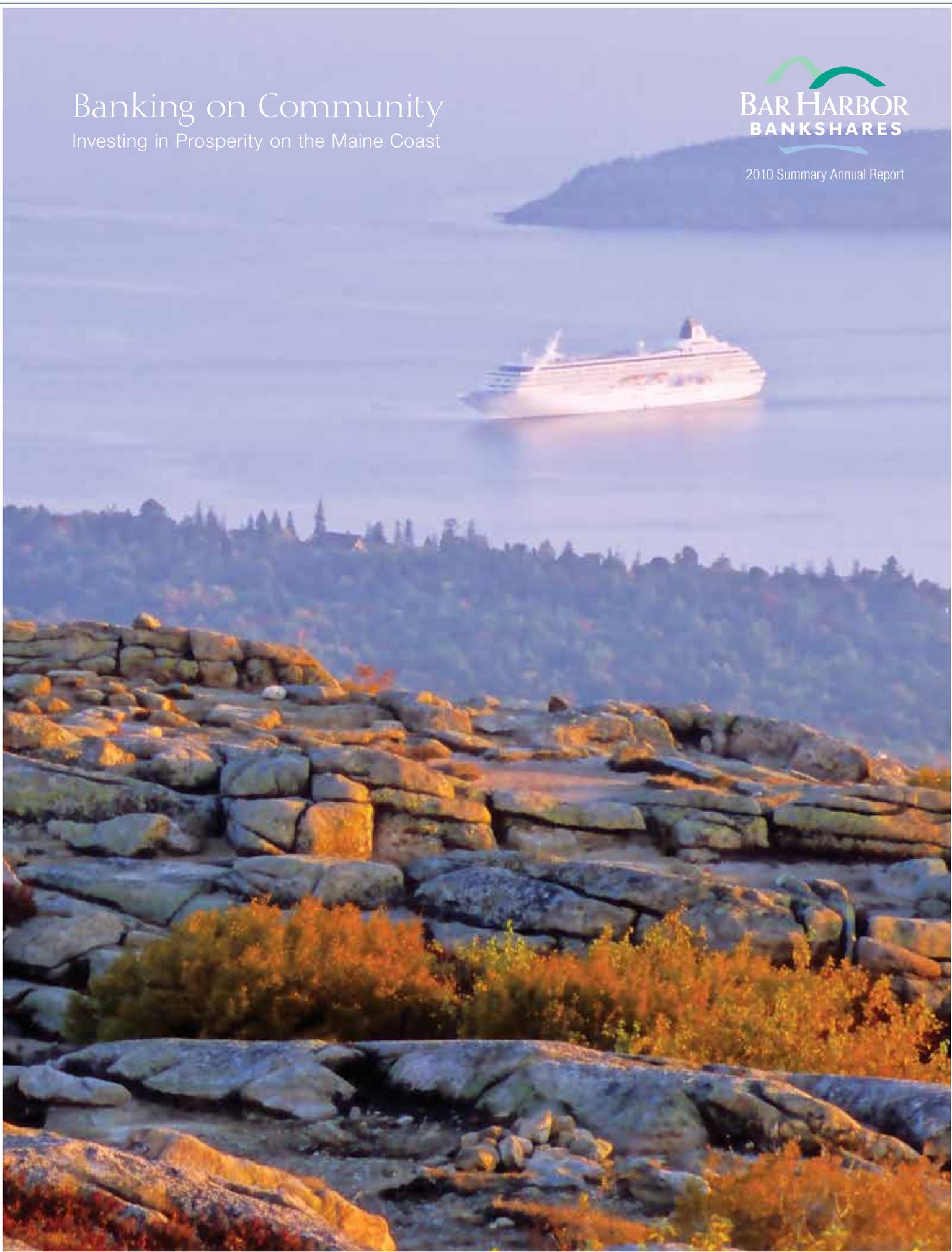


# Banking on Community

Investing in Prosperity on the Maine Coast



2010 Summary Annual Report

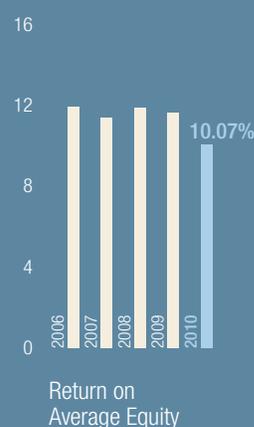
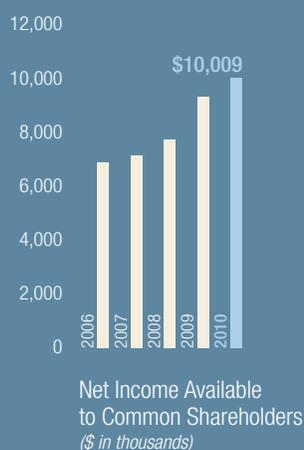


Founded in 1887, Bar Harbor Bank & Trust (the “Bank”) is a community bank with 12 locations along the coast of Maine, and offers a full range of financial products and services for families, businesses, municipalities and non-profit organizations. Bar Harbor Trust Services, a subsidiary of the Bank, and Bar Harbor Financial Services, a branch of Inflex Investments, Inc., an independent third party broker, provide retirement planning, investment management, brokerage and insurance services to meet the needs of 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.

## Year-Over-Year Financial Highlights

*(Dollars in thousands)*

	2010	2009	% Change
Net Income Available to Common Shareholders	\$ 10,009	\$ 9,316	7.4%
Diluted Earnings Per Share	\$ 2.61	\$ 3.12	-16.3%
Net Interest Income	\$ 31,709	\$ 33,281	-4.7%
Non-interest Income	\$ 7,458	\$ 6,022	23.8%
Non-interest Expense	\$ 22,046	\$ 21,754	1.3%
Total Assets	\$1,117,933	\$1,072,381	4.2%
Total Securities	\$ 357,882	\$ 347,026	3.1%
Total Loans	\$ 700,670	\$ 669,492	4.7%
Total Deposits	\$ 708,328	\$ 641,173	10.5%
Average Shareholders' Equity	\$ 105,911	\$ 88,846	19.2%



Dear fellow shareholders:

We are pleased to provide you with the Bar Harbor Bankshares Summary Annual Report for 2010. We are most pleased to report that net income available to common shareholders for 2010 was a record \$10 million, up 7.4% from 2009.



This is our fifth consecutive year of record earnings. We are particularly pleased to have sustained this trend through 2008, 2009 and 2010, three of the most challenging years in modern banking history.

Last year at this time, due to patches of turbulence that lingered in the economy, we were uncertain about what the next twelve months might bring although we were cautiously optimistic that Bar Harbor Bankshares was prepared for it. We believe it is fair to say that by year's end, the national and regional economies had experienced a largely sideways movement. However, the coast of Maine demonstrated some very encouraging and

unique pockets of economic vitality, which supported some of our optimistic expectations. It is worth noting a few key examples.

- Bar Harbor Bankshares' principal economic driver remains tourism as our headquarters stands in the shadow of the heights of Acadia National Park, one of the major tourism destinations on the East Coast. Acadia National Park reported 2010 visits were up about 350,000 (or 15%) over 2009, and local lodging, hospitality and retail establishments generally have reported their best year in nearly a decade. Many of these businesses are our customers and we in turn

Bar Harbor Bankshares employees share their energy and enthusiasm with more than 60 non-profit groups and 40 community events each year, touching thousands of lives in the coastal Maine communities where we are fortunate to live, work, and play.

## Outstanding Corporation of the Year 2010

The Association of Fundraising Professionals—Northern New England Chapter honored BHB as “Outstanding Corporation” of the year in 2010, recognizing our employees for their gifts of time, expertise and dollars.



## Bowl for Kids' Sake

March 2010

When a concerned parent cares enough to connect with an organization that embraces the power of friendship...when a child is matched with an ideal mentor...the result is beyond measure—a self-confident child, involved and engaged in school, with a caring friend cheering from the sidelines. That's the power of Big Brothers Big Sisters. BHB has supported Bowl for Kids' Sake for many years, and 12 Bank teams raised over \$5,000 in 2010.

## Teach Children to Save

April 2010

Every April, over 24,000 bankers bring financial lessons to classrooms across the country. In 2010, BHB employees reached over 250 students at eight local schools. A few days after BHB's Penny Carter and Leita Zeugner visited a 4th grade class, a grateful mom called the teacher to say what an impact it had on her son. "He came home and the first thing he said was that he wanted to open a savings account."



were rewarded with unusually strong seasonal increases in deposits as well as added stability in our tourism-dependent loans and related personal debt.

- Maine's iconic lobster fishing industry has struggled with difficult challenges for the past several years but 2010 was different. The Maine Department of Marine Resources has reported that the 2010 lobster harvest was the highest on record for both volume and value. Landings were over 93 million pounds with a value of over \$308 million compared to over 81 million pounds and a value of \$237 million for 2009. As these statistics signify, most lobster fishermen enjoyed a substantially better reward for their efforts than in recent years. For Bar Harbor Bankshares, this has translated to a healthier portfolio of commercial and personal business within the fishing communities.

- The Maine wild blueberry industry provides some of our largest agricultural customers and comprises wild blueberry growers and processors. This year saw some early cautions due to partial crop losses in both Maine and Canada due to untimely frosts. Eventually, domestic growers suffered less damage than did their Canadian competitors. Demand for product remained high due to the weakened overall supply with the result that our customers have reported very strong prices. 2010 brought satisfying profits for most operators in our region and we were able to increase our support to this major local industry.

As we have commented many times in our shareholder communications, we are fortunate to be a community bank on the coast of Maine, which has been hospitable to our success over the past several years and was again in 2010.

## Harding Golf Tournament

May 2010

"Food and Fuel for our Neighbors on Mount Desert Island" was the fundraising objective for our 17th annual David R. Harding Memorial Golf Tournament at Kebo Valley. Tourney proceeds of \$6,000 were evenly distributed among the Bar Harbor Food Pantry, the Westside Food Pantry, and the MDI Community Campfire Coalition.



During 2010, the Company's assets grew by \$45.6 million, or 4.2%, to \$1.1 billion. In 2010, many banks were unable to demonstrate growth and we are pleased to have done so in ways that are beneficial to the customers and communities we serve. In 2009's Summary Annual Report, we noted the national perception that "banks are unwilling to lend." We are delighted to present our bank's experience as counter to that assertion. During 2008 and 2009, we began to observe that our competitive landscape was changing and that the market was becoming increasingly receptive to an experienced and responsive local community bank as an alternative source to the much larger regional and national banks for business lending. We had been building our business development and credit administration teams around conservative and consistent credit standards for several years and we were well-prepared to take advantage of these additional opportunities. Despite the specter of diminished overall market demand, we made a conscious strategic decision to deploy our business banking team at increased strength to provide what



## Relay for Life

June 2010

Bar Harbor Bankshares' "Banking on a Cure" team first participated in Relay in 2001, when a group of four raised \$1,460. Since then, BHB's team has grown to around 50 employees, friends, and family members who have raised over \$78,000 to help create a world with less cancer and more birthdays. BHB's "Banking on a Cure" fundraising begins as soon as the current year's Relay ends. Our team hosts a Spud-tacular Baked Potato Supper, a Cinco de Mayo lunch, a dance, and several pancake breakfasts to bring in funds for the cause.

Relay for Life, the American Cancer Society's signature activity, raises funds to fight cancer and increase awareness of prevention and treatment options. Teams camp out overnight and take turns walking around the track during an 18-hour period. Each team is asked to have a representative on the track at all times during the event. While doing their part to help find a cure, participants celebrate the lives of those who have battled cancer and remember loved ones lost to the disease.

"Banking on a Cure" is one of the top fundraising teams in Hancock County, collecting over \$15,000 in 2009 and nearly \$14,000 in 2010, more than 10% of the overall local event proceeds. Our employees have also been involved in the Daffodil Days fundraiser for ACS since it began over 25 years ago. The American Cancer Society honored BHB with an *Outstanding Income Development Award* in 2007 in recognition of the Bank's longstanding partnership in the fight against cancer.



we believe to have been exemplary service at a time when it was most appreciated by existing customers and new prospects. This positioning has permitted healthy growth during a period of general industry retrenchment. We believe this strategy has distinguished us from many of our competitors. For 2010, business loans were up \$28.3 million over 2009, representing growth of 7.7% and ended 2010 at \$397.6 million.

Residential mortgage loans rose \$5.7 million or 2.5% compared to 2009 and, given the overall state of the market, we are pleased to report even that small measure of growth. Throughout the nation, banks have struggled with a dramatic slowdown in housing sales and diminishing opportunities to finance homes. Because of the slowness in the industry, housing values had decreased dramatically, especially in areas of previously high growth, and home purchase activity withered from prior levels. We were not immune along the Maine coast as local housing values also softened here and purchase activity gave way to refinancing of existing homes. In recent months, we have observed increased interest in both the high and entry levels of the mortgage market but

continued sluggishness in the broader middle market where trading-up transactions have become rare. In particular, since late 2009, we have observed some heightened interest in high-value vacation and retirement homes along the coast, representing, we believe, an assessment that values have leveled out for such properties and the opportunities available are compelling. We have been fortunate to be able to provide financing for several of these transactions. However, we are very cautious about projecting the rate of progress in the broader housing market from this point forward.

While asset quality factors were relatively stable through most of 2010, we did experience net charge-offs of 0.24% of total average loans for 2010 compared to 0.13% of total loans in 2009. At the end of 2010, non-performing loans were 1.95% of total loans up from 1.37% of total loans in 2009, with all of the net increase represented by a single \$5.2 million loan to a moderate-income housing project managed by a local not-for-profit agency. While the pace of resolution of residential loans in foreclosure in Maine is glacially slow, the pace of our loans entering the foreclosure process is manageable and has not worsened

## Customer Appreciation Days

Summer 2010

We appreciate our customers every day... and sometimes we feed them, too. Whether it's burgers on a sizzling grill, a 6-foot sub sandwich with all the trimmings, ice cream with homemade blueberry sauce, or root beer floats—we roll out the red carpet and hometown hospitality. Good food, good fellowship, great fun. This is community banking at its most delicious.



We made a conscious strategic decision to deploy our business banking team at increased strength to provide what we believe to have been exemplary service at a time when it was most appreciated by existing customers and new prospects. This positioning has permitted healthy growth during a period of general industry retrenchment.



appreciably relative to our experience in 2009. We continue to work with every cooperative borrower to avoid foreclosure whenever possible.

We are pleased to note that our financial service units, Bar Harbor Trust Services and Bar Harbor Financial Services\*, continued to grow during 2010. Combined, these units contributed top-line revenues of \$3 million up 22.1% compared to 2009. These units continue to demonstrate increased acceptance in the local market as

providers of choice for financial advisory and investment services to a wide variety of individuals and institutional clients. At the end of 2010, Bar Harbor Trust Services reported assets under management of \$314.2 million, up \$44.1 million or 16.3% from 2009.

We are pleased to report an efficiency ratio for 2010 of 55.5%, very favorable compared to peers. The slippage from 53.2% in 2009 is largely attributable to a 4.7% decline in net interest income. This decline was principally

*\*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.*





## Bar Harbor Bank & Trust YMCA Half Marathon

September 2010

“Gatorade!” “Water!” As runners pass the 5-mile mark, they are greeted with hydration and cheers from an enthusiastic team of BHB volunteers. One of the most scenic race courses in the world, the Half Marathon winds through Acadia National Park and ends up back in town at the Bar Harbor ballfield. With a limited field of only 400 runners, there is always a full roster for this popular event that draws participants from near and far. As title sponsor, BHB has supported this timeless YMCA fundraiser and economy booster since the 1980’s.

## Walk for Wishes

September 2010

When the Make-A-Wish Foundation grants wishes for children with life-threatening medical conditions, the average cost is \$6,000. Many children from Maine have benefited, including our own Penny Brady’s step-daughter, Becky, who was present at the 2010 Walk. Becky’s wish of going on a cruise was granted back in 2002 when she was 10 years old and battling a brain tumor. Now she is 19, and majoring in elementary education at Husson University. Ron Hamilton, BHB employee, is a volunteer Wish Granter and organizes our local Walk, which raised nearly \$9,000 in 2010.

due to the refinancing of certain loans into lower rates as well as to accelerated cash flows from the company’s mortgage-backed securities portfolio. Non-interest expenses were up only 1.3% compared to 2009, and were a lesser factor in this ratio for 2010.

As part of our strategic plan, we identified the importance of improving the overall banking experience of our existing customers. One aspect of this commitment is to upgrade branch facilities in our largest and busiest locations. In 2010, we renovated our Blue Hill and Southwest Harbor branches and launched a project to replace our Ellsworth branch. These three offices are our largest branches aside from our Bar Harbor headquarters and represent valuable franchise assets with growth potential. Another aspect of this commitment was to recognize the popular demand of electronic banking products. In 2010, we completed deployment of a new online bill-payment system, E-statements and E-Choice, our interest-bearing electronic checking account.





## The Maine Coast

Maine's coastal economy, with its strengths in tourism, fishing, boat building and blueberry farming, has proven remarkably stable over time. With 12 branches along a 120-mile stretch from Lubec to Rockland, BHB is fortunate to call coastal Maine home.

- 1 Bar Harbor
- 2 Blue Hill
- 3 Deer Isle
- 4 Ellsworth
- 5 Lubec
- 6 Machias
- 7 Millbridge
- 8 Northeast Harbor
- 9 Rockland
- 10 Somesville
- 11 Southwest Harbor
- 12 Winter Harbor

We wish to acknowledge a change in our senior management team. In July of 2010, we welcomed Raymond J. Frohnapfel as Senior Vice President of Operations and Information Systems. Mr. Frohnapfel brings over 25 years of experience in banking operations and technology management. Mr. Frohnapfel succeeds David W. Thibault who retired in June of 2010 after nine years of exemplary service to the Company.

Throughout this document we have taken the opportunity to acknowledge the extraordinary contributions of our team members who devote thousands of hours of volunteer service to a myriad of benefit events and community causes. Their volunteer efforts are from the heart and need no coaching from management. We believe that healthy communities are prosperous communities and



No matter the locale, BHB's floats are always standouts in our local parades. Shown left to right: Bar Harbor July 4th Parade, Quieside Flamingo Festival, Ellsworth Holiday Parade.

We believe that healthy communities are prosperous communities and we recognize there is no better indicator of a healthy community than the unselfish spirit of its people. Throughout this document we acknowledge the extraordinary contributions of our team members who devote thousands of hours of volunteer service to a myriad of community events and causes.



we recognize there is no better indicator of a healthy community than the unselfish spirit of its people. We are very proud of our team members and salute their remarkable commitment.

Going forward into 2011 and beyond, we remain cautiously optimistic that the broader national economy will eventually strengthen but will be remarkably changed from the pre-crisis period in ways we do not yet fully comprehend. We suspect that a segment of the population we serve will become and remain financially more conservative than they may have been before and this

will be manifest in their expectations of banks and financial services companies. By contrast, we predict a new generation of entrepreneurs will emerge, recognizing new opportunities and looking for skill, confidence and support from lending institutions. To prosper and flourish, Bar Harbor Bankshares will need to respond to both expectations and we are committed to do so.

Legislative and regulatory expectations are the extreme wild-card in the banking future. While well-intentioned, if occasionally misguided, regulatory expectations designed for large banks do not sit well on the shoulders of smaller

## Thanksgiving Food Drive

November 2010

Through the generosity of our community members, BHB's 22nd annual food drive, held at grocery stores in Bar Harbor, Blue Hill, Ellsworth, and Machias, brought in more than 2,000 food items and over \$2,300. These gifts provided food for the Thanksgiving holiday as well as stocked the shelves of eleven local food pantries for the coming winter months.

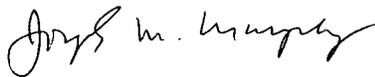


community banks. In the wake of the Dodd-Frank Wall Street Reform and Consumer Protection Act, the community banking industry is virtually certain to experience increased compliance bureaucracy and costs.

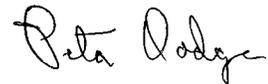
We ended 2010 in a position of strength with a Total Risk-based capital ratio of 15.41%, well above the regulatory standard of 10% for a well-capitalized financial institution. Going forward, this capital strength will determine both our strategic direction and our freedom to act upon our strategic intents. In the past two years we have taken

bold steps to acquire and preserve this significant capital strength and we are committed to use it prudently in pursuit of long term growth and appropriate returns to our shareholders. As evidence of this commitment, we were pleased to increase our dividend during the fourth quarter of 2010 and again in the first quarter of 2011.

On behalf of the Board of Directors and all the Bar Harbor Bankshares team members, we thank you, our shareholders, for your confidence and loyalty.



Joseph M. Murphy  
President and Chief Executive Officer



Peter Dodge  
Chairman



(center and right photos) Courtesy of Kelly Saunders, Bagaduce Photo.

## 5-Year Selected Financial Data

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

	As of and for the Years Ended December 31st				
<i>(In thousands, except share and per share data)</i>	2010	2009	2008	2007	2006
<b>Balance Sheet Data:</b>					
Total assets	\$1,117,933	\$1,072,381	\$972,288	\$889,472	\$824,877
Total securities	357,882	347,026	290,502	264,617	213,252
Total loans	700,670	669,492	633,603	579,711	555,099
Allowance for loan losses	(8,500)	(7,814)	(5,446)	(4,743)	(4,525)
Total deposits	708,328	641,173	578,193	539,116	496,319
Total borrowings	300,014	311,629	323,903	278,853	260,712
Total shareholders' equity	103,608	113,514	65,445	65,974	61,051
Average assets	1,087,327	1,052,496	926,357	841,206	788,557
Average shareholders' equity	105,911	88,846	65,139	62,788	57,579
<b>Results of Operations:</b>					
Interest and dividend income	\$ 51,141	\$ 54,367	\$ 53,594	\$ 51,809	\$ 46,145
Interest expense	19,432	21,086	26,403	28,906	24,449
Net interest income	31,709	33,281	27,191	22,903	21,696
Provision for loan losses	2,327	3,207	1,995	456	131
Net interest income after provision for loan losses	29,382	30,074	25,196	22,447	21,565
Non-interest income	7,458	6,022	6,432	5,929	6,876
Non-interest expense	22,046	21,754	20,513	18,201	18,677
Income before income taxes	14,794	14,342	11,115	10,175	9,764
Income taxes	4,132	3,992	3,384	3,020	2,885
Net income	\$ 10,662	\$ 10,350	\$ 7,731	\$ 7,155	\$ 6,879
Preferred stock dividends and accretion of discount	653	1,034	—	—	—
Net income available to common shareholders	\$ 10,009	\$ 9,316	\$ 7,731	\$ 7,155	\$ 6,879
<b>Per Common Share Data:</b>					
Basic earnings per share	\$ 2.65	\$ 3.19	\$ 2.63	\$ 2.36	\$ 2.26
Diluted earnings per share	\$ 2.61	\$ 3.12	\$ 2.57	\$ 2.30	\$ 2.20
Cash dividends per share	\$ 1.045	\$ 1.040	\$ 1.020	\$ 0.955	\$ 0.905
Dividend payout ratio	39.43%	32.60%	38.78%	40.47%	40.04%
<b>Selected Financial Ratios:</b>					
Return on total average assets	0.98%	0.98%	0.83%	0.85%	0.87%
Return on total average equity	10.07%	11.65%	11.87%	11.40%	11.95%
Tax-equivalent net interest margin	3.18%	3.40%	3.13%	2.91%	2.98%
<b>Capital Ratios:</b>					
Tier 1 leverage capital ratio	9.01%	10.35%	6.61%	7.10%	7.34%
Tier 1 risk-based capital ratio	13.57%	15.34%	9.95%	10.76%	10.82%
Total risk-based capital ratio	15.41%	17.14%	11.60%	11.59%	11.65%
<b>Asset Quality Ratios:</b>					
Net charge-offs to average loans	0.24%	0.13%	0.21%	0.04%	0.05%
Allowance for loan losses to total loans	1.21%	1.17%	0.86%	0.82%	0.82%
Allowance for loan losses to non-performing loans	62%	85%	124%	230%	721%
Non-performing loans to total loans	1.95%	1.37%	0.70%	0.36%	0.11%

Refer to the Bar Harbor Bankshares 2010 Annual Report on Form 10-K for a complete set of consolidated audited financial statements.

## Consolidated Balance Sheets

	As of December 31st	
	2010	2009
<i>(In thousands, except share and per share data)</i>		
<b>Assets</b>		
Cash and cash equivalents	\$ 12,815	\$ 9,832
Securities available for sale, at fair value	357,882	347,026
Federal Home Loan Bank stock	16,068	16,068
Loans	700,670	669,492
Allowance for loan losses	(8,500)	(7,814)
Loans, net of allowance for loan losses	692,170	661,678
Premises and equipment, net	13,505	11,927
Goodwill	3,158	3,158
Bank owned life insurance	7,112	6,846
Other assets	15,223	15,846
<b>TOTAL ASSETS</b>	<b>\$1,117,933</b>	<b>\$1,072,381</b>
<b>Liabilities</b>		
Deposits:		
Demand and other non-interest bearing deposits	\$ 60,350	\$ 57,743
NOW accounts	82,656	74,538
Savings and money market deposits	211,748	171,791
Time deposits	353,574	337,101
Total deposits	708,328	641,173
Short-term borrowings	119,880	91,893
Long-term advances from Federal Home Loan Bank	175,134	214,736
Junior subordinated debentures	5,000	5,000
Other liabilities	5,983	6,065
<b>TOTAL LIABILITIES</b>	<b>1,014,325</b>	<b>958,867</b>
<b>Shareholders' equity</b>		
Capital stock, par value \$2.00; authorized 10,000,000 shares; issued 4,525,635 shares at December 31, 2010 and 4,443,614 shares at December 31, 2009	9,051	8,887
Preferred stock, par value \$0; authorized 1,000,000 shares; issued 18,751 shares at December 31, 2009	—	18,358
Surplus	26,165	24,360
Retained earnings	80,379	75,001
Accumulated other comprehensive income:		
Prior service cost and unamortized net actuarial losses on employee benefit plans, net of tax of (\$29) and (\$56), at December 31, 2010 and December 31, 2009, respectively	(56)	(109)
Net unrealized appreciation on securities available for sale, net of tax of \$445 and \$1,074, at December 31, 2010 and December 31, 2009, respectively	865	2,084
Portion of OTTI attributable to non-credit losses, net of tax of \$270 and \$931, at December 31, 2010 and 2009, respectively	(525)	(1,808)
Net unrealized appreciation on derivative instruments, net of tax of \$0 and \$209 at December 31, 2010 and December 31, 2009, respectively	—	406
Total accumulated other comprehensive income	284	573
Less: cost of 702,690 and 752,431 shares of treasury stock at December 31, 2010 and December 31, 2009, respectively	(12,271)	(13,665)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>103,608</b>	<b>113,514</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>\$1,117,933</b>	<b>\$1,072,381</b>

Refer to the Bar Harbor Bankshares 2010 Annual Report on Form 10-K for a complete set of consolidated audited financial statements.

# Consolidated Statements of Income

	For the Years Ended December 31st		
	2010	2009	2008
<i>(In thousands, except share and per share data)</i>			
<b>Interest and dividend income:</b>			
Interest and fees on loans	\$ 34,867	\$ 34,797	\$ 37,653
Interest on securities	16,274	19,570	15,415
Dividends on FHLB stock	—	—	526
Total interest and dividend income	51,141	54,367	53,594
<b>Interest expense:</b>			
Deposits	9,906	10,724	14,976
Short-term borrowings	284	602	1,421
Long-term debt	9,242	9,760	10,006
Total interest expense	19,432	21,086	26,403
Net interest income	31,709	33,281	27,191
Provision for loan losses	2,327	3,207	1,995
Net interest income after provision for loan losses	29,382	30,074	25,196
<b>Non-interest income:</b>			
Trust and other financial services	2,984	2,444	2,513
Service charges on deposit accounts	1,359	1,412	1,594
Mortgage banking activities	115	490	15
Credit and debit card service charges and fees	1,160	1,004	2,044
Net securities gains (losses)	2,127	1,521	(831)
Total other-than-temporary impairment ("OTTI") losses	(898)	(2,773)	—
Non-credit portion of OTTI losses (before taxes) <sup>(1)</sup>	—	1,319	—
Net OTTI losses recognized in earnings	(898)	(1,454)	—
Other operating income	611	605	1,097
Total non-interest income	7,458	6,022	6,432
<b>Non-interest expense:</b>			
Salaries and employee benefits	12,193	11,594	10,827
Occupancy expense	1,357	1,329	1,387
Furniture and equipment expense	1,602	1,378	1,539
Credit and debit card expenses	295	332	1,416
FDIC insurance assessments	1,066	1,420	134
Other operating expense	5,533	5,701	5,210
Total non-interest expenses	22,046	21,754	20,513
Income before income taxes	14,794	14,342	11,115
Income taxes	4,132	3,992	3,384
Net income	\$ 10,662	\$ 10,350	\$ 7,731
Preferred stock dividends and accretion of discount	653	1,034	—
Net income available to common shareholders	\$ 10,009	\$ 9,316	\$ 7,731
<b>Computation of Earnings Per Share:</b>			
Weighted average number of capital stock shares outstanding			
Basic	3,782,881	2,916,643	2,943,694
Effect of dilutive employee stock options	45,821	57,182	63,555
Effect of dilutive warrants	—	9,604	—
Diluted	3,828,702	2,983,429	3,007,249
<b>Per Common Share Data:</b>			
Basic Earnings Per Share	\$ 2.65	\$ 3.19	\$ 2.63
Diluted Earnings Per Share	\$ 2.61	\$ 3.12	\$ 2.57
Cash Dividends per share	\$ 1.045	\$ 1.040	\$ 1.020

<sup>(1)</sup>Included in other comprehensive income, net of tax.

Refer to the Bar Harbor Bankshares 2010 Annual Report on Form 10-K for a complete set of consolidated audited financial statements.

## 2010 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 this goal by focusing on increasing its loan and deposit market share in the coastal communities of 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.

### FINANCIAL CONDITION

**Assets:** The Company's total assets increased \$45.6 million or 4.2% during 2010, ending the year at \$1.1 billion. This increase was principally attributed to the growth of the Bank's commercial and consumer loan portfolios.

**Loans:** Consumer loans comprised 41.4% of the Bank's total loan portfolio at December 31, 2010 and principally consisted of residential real estate mortgage loans and home equity loans. The Bank also serves the small

business market throughout downeast and midcoast 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, 2010, commercial business loans represented 56.7% of the Bank's total loan portfolio.



Total loans ended the year at \$700.7 million, representing an increase of \$31.2 million, or 4.7%, compared with December 31, 2009. Loan growth was led by commercial loans, which ended the year at \$397.6 million, representing an increase of \$28.3 million or 7.7% compared with year-end 2009. Commercial loan growth has been generally challenged by a weak economy, declining loan demand and vigorous competition for quality loans. Bank management attributes the overall growth in commercial loans to an effective business banking team, deep local market knowledge, sustained new business development efforts, and a resilient local economy that is faring better than the nation as a whole.

Total consumer loans ended the year at \$290.1 million, representing an increase of \$4.8 million or 1.7% compared with year-end 2009. This increase was principally attributed to residential real estate mortgage loans, which were up \$5.7 million or 2.5%. Residential mortgage loan origination activity slowed during 2010 largely reflecting current economic conditions and uncertainties with

respect to further real estate market declines in the communities served by the Bank, and to a lesser extent the expiration of the first-time home buyers tax credit. Residential mortgage loan refinancing activity continued at a brisk pace in 2010, which was principally attributed to historically low interest rates.

**Credit Quality:** At December 31, 2010, the Bank's total non-performing loans amounted to \$13.7 million, up from \$9.2 million at December 31, 2009. One commercial real estate development loan to a local, non-profit housing authority in support of an affordable housing project accounted for \$5.2 million, or 38.0%, of total year-end 2010 non-performing loans and more than accounted for the year-over-year increase.

The Bank's 2010 loan loss experience exceeded historical norms. Total net loan charge-offs amounted to \$1.6 million in 2010, up from \$839 thousand in 2009. Total 2010 net loan charge-offs expressed as a percentage of average loans outstanding amounted to 0.24%, up from 0.13% in 2009.

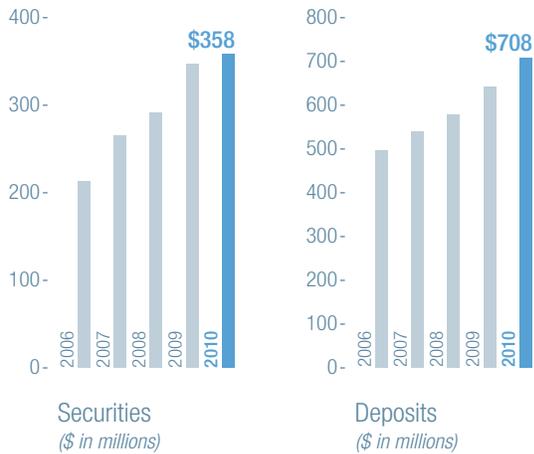


For the year ended December 31, 2010, the Bank recorded a provision for loan losses (the "provision") of \$2.3 million, representing a decline of \$880 thousand or 27.4% compared with 2009. Despite the year-over-year decline in the provision, the amounts recorded during 2010 were higher than historical experience, largely reflecting a continuance in the overall level of credit deterioration, and elevated levels of net loan charge-offs and non-performing loans. These factors were partially mitigated by stabilizing economic conditions and real estate values, and slowing loan portfolio growth.



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, 2010, the allowance stood at \$8.5 million, representing an increase of \$686 thousand or 8.8% compared with December 31, 2009. The allowance expressed as a percentage of total loans stood at 1.21% at year end, up from 1.17% at December 31, 2009. The increase in the allowance principally reflected pockets of credit deterioration in the Bank's loan portfolio, including elevated levels of non-performing and potential problem loans.

**Investment Securities:** During 2010 the securities portfolio continued to serve as a key source of earning assets and liquidity for the Bank. Total securities ended the year at \$357.9 million, representing an increase of \$10.9 million, or 3.1%, compared with December 31, 2009. Company management has been cautious about leveraging the securities portfolio in consideration of historically low market yields and the corresponding interest rate risk should interest rates begin to rise. While this action inhibited the growth of the Bank's net interest income in the near-term, Company management believes the long-term risks outweigh the short-term rewards. Securities purchased during 2010 principally consisted of mortgage-backed securities issued and guaranteed by U.S. Government agencies and sponsored-enterprises.



**Deposits:** During 2010, the most significant funding source for the Bank’s earning assets continued to be retail deposits, gathered through its network of twelve banking offices throughout downeast and midcoast Maine.

Total deposits ended the year at \$708.3 million, representing an increase of \$67.2 million, or 10.5%, compared with December 31, 2009. All categories of deposits posted meaningful increases in 2010. The Bank’s deposit growth was principally attributed to savings and money market accounts which ended the year at \$211.7 million, representing an increase of \$40.0 million, or 23.3%. The Bank’s NOW accounts were up \$8.1 million or 10.9% in 2010, while demand deposits increased \$2.6 million, or 4.5%. The Bank’s total time deposits, which include certificates of deposit obtained from the national market, ended the year at \$353.6 million, representing an increase of \$16.5 million, or 4.9%, compared with year-end 2009.

**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 \$300.0 million, down \$11.6 million, or 3.7%, compared with December 31, 2009. The decline in borrowings was principally attributed to strong retail deposit growth.

**Capital:** Consistent with its long-term strategy of operating a sound and profitable organization, at December 31, 2010, 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

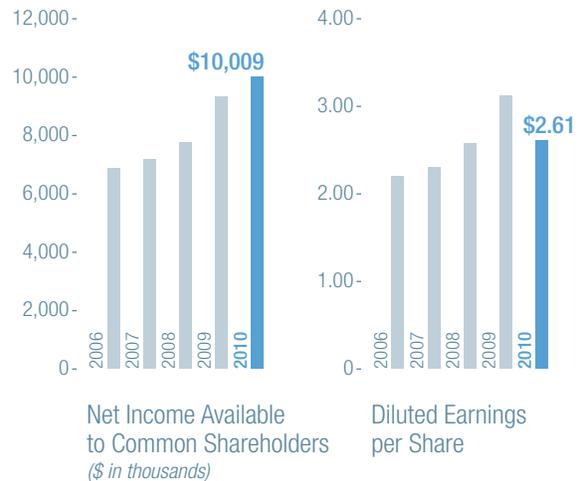
capital adequacy guidelines administered by the Bank’s principal regulators, “well-capitalized” institutions are those with Tier I leverage, Tier I Risk-based, and Total Risk-based ratios of at least 5%, 6% and 10%, respectively. At December 31, 2010, the Company’s Tier I Leverage, Tier I Risk-based, and Total Risk-based capital ratios were 9.01%, 13.57% and 15.41%, respectively.

At December 31, 2010, the Company’s tangible common equity ratio stood at 9.01%, up from 8.60% at December 31, 2009.

**Shareholder Dividends:** The Company paid regular cash dividends of \$1.045 per share of common stock in 2010, compared with \$1.040 in 2009.

**RESULTS OF OPERATIONS**

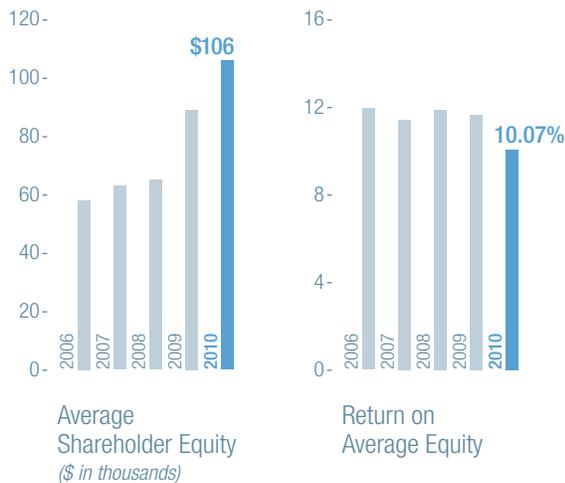
**Earnings and Earnings Per Share:** For the year ended December 31, 2010, the Company reported record net income available to common shareholders of \$10.0 million, compared with \$9.3 million for the year ended December 31, 2009, representing an increase of \$693 thousand or 7.4%. The Company’s diluted earnings per share amounted to \$2.61 for 2010 compared with \$3.12 in 2009, representing a decline of \$0.51, or 16.3%.



The decline in 2010 diluted earnings per share largely reflected the Company’s previously reported issuance of 882,021 shares of its common stock in the fourth quarter of 2009 and the first quarter of 2010, the proceeds from which were primarily used to repurchase all of the shares of Preferred Stock sold to the U.S. Department of the Treasury (the “Treasury”) in the first quarter of 2009 as

part of the Capital Purchase Program established by the Treasury under the Emergency Economic Stabilization Act of 2008.

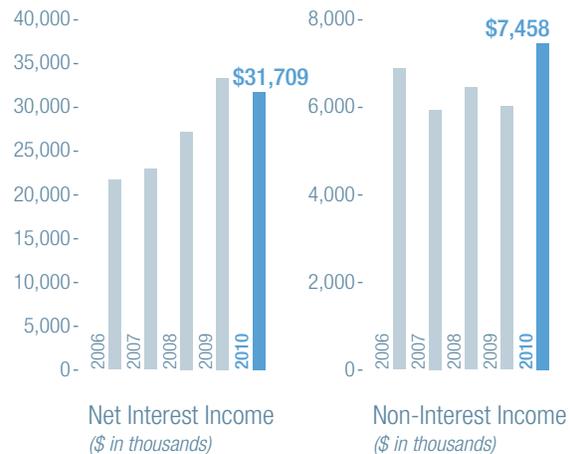
**Return on Average Equity:** The Company's total average shareholders' equity amounted to \$105.9 million in 2010, representing an increase of \$17.1 million, or 19.2%, compared with 2009. The Company's return on average shareholders' equity amounted to 10.07% in 2010, compared with 11.65% in 2009.



**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, 2010, net interest income on a tax-equivalent basis amounted to \$33.3 million, representing a decline of \$1.5 million, or 4.2%, compared with 2009. The decline in net interest income was principally attributed to the Bank's tax-equivalent net interest margin, which declined 22 basis points to 3.18%, offset in part by average earning asset growth of \$25.9 million or 2.5%. The decline in the net interest margin was largely attributed to earning asset yields, which declined 22 basis points more than the cost of interest bearing liabilities.

Factors contributing to the 2010 net interest margin decline included the ongoing competitive re-pricing of certain commercial loans and the origination and accelerated refinancing of residential mortgage loans during a period of historically low interest rates. The replacement of accelerated cash flows from the Bank's mortgage-backed securities portfolio also contributed heavily to the net interest margin decline. In addition, as previously reported, during 2010 the Bank continued protecting future earnings from interest rate risk by extending a portion of its low cost, short-term, wholesale funding maturities. While this strategy pressured the net interest margin in the near-term, the Bank's balance sheet has been positioned such that future levels of net interest income are largely insulated from rising interest rates.



**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 and investment management activities, as well as service charges on deposit accounts, mortgage banking and servicing activities fees, credit and debit card service charges and processing fees, net securities gains, and a variety of other product and service fees.

For the year ended December 31, 2010, total non-interest income amounted to \$7.5 million, representing an increase of \$1.4 million or 23.8%, compared with 2009.

Trust and other financial services fees amounted to \$3.0 million in 2010, representing an increase of \$540 thousand, or 22.1%, compared with 2009. Reflecting additional new business and some recovery in the equity markets, at December 31, 2010 assets under management stood at \$314.2 million, up \$44.1 million or 16.3% compared with year-end 2009.

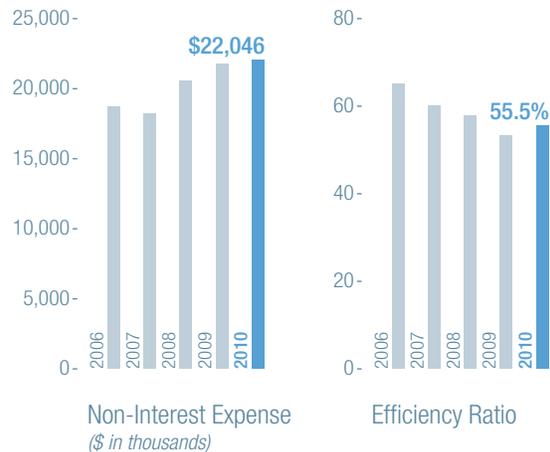
Total securities gains, net of other-than-temporary impairment losses, amounted to \$1.2 million in 2010, compared with \$67 thousand in 2009. Net 2010 securities gains were comprised of realized gains on the sale of securities amounting to \$2.1 million, offset in part by other-than-temporary impairment losses of \$898 thousand on certain available-for-sale, private label, residential mortgage-backed securities.

For the year ended December 31, 2010, credit and debit card service charges and fees amounted to \$1.2 million, up \$156 thousand or 15.5% compared with 2009. 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.

The foregoing increases in 2010 non-interest income were partially offset by a \$375 thousand, or 76.5%, decline in income from mortgage banking activities. During 2010 substantially all residential mortgage loan originations were held in the Bank's loan portfolio, whereas in 2009 a large portion of residential mortgage loan originations were sold into the secondary market with customer servicing retained.

**Non-interest Expense:** For the year ended December 31, 2010, total non-interest expense amounted to \$22.0 million, representing an increase of \$292 thousand, or 1.3%, compared with 2009. The increase in non-interest expense was principally attributed to salaries and employee benefits, which were up \$599 thousand or 5.2% compared with 2009. The increase in salaries and employee benefits was principally attributed to increases in employee health insurance premiums, normal increases in base salaries, as well as changes in staffing levels and mix. The foregoing increases were partially offset by \$402 thousand of employee health insurance credits attained during 2010, based on favorable claims experience.

FDIC deposit insurance assessments amounted to \$1.1 million in 2010, representing a decline of \$354 thousand, or 24.9%, compared with the same period in 2009. This decline was principally attributed to a \$495 thousand special FDIC assessment recorded in the second quarter of 2009, partially offset by increased deposit insurance premiums for all FDIC insured banks as a result of the FDIC's plan to reestablish the Deposit Insurance Fund to levels required by the Federal Deposit Reform Act of 2005.



**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, 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, 2010, the Company's efficiency ratio amounted to 55.5%, which compared favorably to peer and industry averages.

**Income Taxes:** For the year ended December 31, 2010, total income taxes amounted to \$4.1 million, representing an increase of \$140 thousand, or 3.5%, compared with 2009. The Company's effective tax rate amounted to 27.9% in 2010, compared with 27.8% in 2009. 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.

## Board of Directors

Our Board of Directors, our officers and all our team members are committed to a simple, defining principle: absolute appreciation and respect for the contributions of all stakeholders. At Bar Harbor Bankshares, there is no such thing as a small shareholder, a small customer or a team member with a small job.

14 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

1 Thomas A. Colwell, Deer Isle, ME  
Vice Chairman of the Board  
Retired President, Colwell Bros., Inc.

3 Robert C. Carter, Machias, ME  
Retired Owner of Machias Motor Inn

2 Jacquelyn S. Dearborn, Holden, ME  
Mediator for the Ellsworth and Bangor Court  
System, Treasurer of Joel A. Dearborn, Esq., PA,  
former President of C.K. Foster, Co., Inc.

4 Martha T. Dudman,  
Northeast Harbor, ME  
President of Dudman Communications  
Corporation and Author

11 Lauri E. Fernald, Mt. Desert, ME  
Certified Funeral Service Provider, President  
and an Owner in Jordan-Fernald Funeral Home

5 Gregg S. Hannah, Surry, ME  
Former Treasurer of a marketing consulting firm  
and past Associate Professor of Business  
Management at Nichols College

9 Clyde H. Lewis, Sullivan, ME  
Vice President and General Manager,  
Morrison Chevrolet, Inc.

10 Joseph M. Murphy, Mt. Desert, ME  
President and Chief Executive Officer of the  
Company and the Bank

6 Robert M. Phillips, Sullivan, ME  
Consultant to the Wild Blueberry Industry

7 Constance C. Shea,  
Mt. Desert, ME  
Real Estate Broker and Former Owner  
of Lynam Real Estate

13 Kenneth E. Smith, Bar Harbor, ME  
Owner and Innkeeper of Manor House Inn

12 Scott G. Toothaker, Ellsworth, ME  
Principal and Vice President of  
Melanson Heath & Co.

8 David B. Woodside, Bar Harbor, ME  
Chief Executive Officer and General Manager of  
Acadia Corporation



# 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

5 Joseph M. Murphy  
*President & Chief Executive Officer*

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

## Senior Vice Presidents

1 Michael W. Bonsey\*  
*Credit Administration*

2 Cheryl D. Curtis  
*Marketing, Research &  
Community Relations*

6 Gregory W. Dalton\*  
*Business Banking*

8 Raymond J. Frohnäpfel  
*Operations & Information Systems*

3 Daniel A. Hurley, III  
*Bar Harbor Trust Services*

9 Stephen M. Leackfeldt\*  
*Retail Banking & Consumer Lending*

7 Marsha C. Sawyer  
*Human Resources*

## Vice Presidents

Judi L. Anderson  
*Credit Administration*

Karri A. Bailey  
*Credit Administration*

Michelle R. Bannister  
*Staff Development & Training*

Marcia T. Bender  
*Branch Operations*

Penny L. Carter  
*Retail & Residential Lending*

David S. Cohen  
*Controller & Assistant Treasurer*

Dawn L. Crabtree  
*Operations*

Audrey H. Eaton  
*Retail & Residential Lending*

Domenic A. Efter  
*Branch Relationship Manager,  
Ellsworth*

Ward A. Grant, II  
*Corporate Compliance Officer*

Joseph E. Hackett  
*Business Banking*

Vicki L. Hall  
*Business Banking*

Wilfred R. Hatt  
*Regional VP—Business Banking*

Lisa A. Holmes  
*Retail & Residential Lending*

Robert J. Lavoie  
*Information Systems*

Maureen T. Lord  
*Regional Branch Relationship  
Manager, Washington County*

Carolyn R. Lynch  
*Internal Audit*

Elena M. Martin  
*Electronic Banking*

J. Paul Michaud  
*Application Support & Project  
Management*

Cheryl L. Mullen  
*Retail Sales and Service & Branch  
Administration*

Lisa L. Parsons  
*Regional Branch Relationship  
Manager, Northeast Harbor &  
Somesville*

Russell A. Patton  
*Information Security*

Carol J. Pye  
*Retail & Residential Lending*

Adam L. Robertson  
*Business Banking*

Andrew X. Sankey  
*General Services*

R. Todd Starbird  
*Regional VP—Business Banking*

Leita K. Zeugner  
*Deposit Services*

## Assistant Vice Presidents

Stacie J. Alley  
*Managed Assets*

Steven W. Blackett  
*Credit Administration*

Marjorie E. Gray  
*Branch Relationship Manager,  
Blue Hill*

Donna B. Hutton  
*Customer Service—Direct*

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

Samuel S. McGee  
*Business Banking*

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

Judith L. Newenham  
*Retail Lending*

Bonnie A. Poland  
*Consumer Lending Support*

Lester L. Porter  
*Assistant Controller*

Ann G. Upham  
*Mortgage Originator*



\*Named executive officers

Lisa F. Veazie  
Branch Relationship Manager,  
Deer Isle

## Officers

Judith W. Fuller  
Corporate Secretary

James W. Lacasse  
Business Banking

Deborah A. Maffucci  
Finance

Catherine M. Planchart  
Community Relations

## Managers

Susan L. Albee  
Customer Service Manager, Machias

Laura A. Bridges  
Quality Assurance

Brenda B. Colwell  
Human Resources

Brenda J. Condon  
Customer Service Manager, Blue Hill

Jacqueline M.B. Curtis  
Human Resources

Krystal E. Dorr  
Regional Assistant Manager,  
Northeast Harbor & Somesville

Rebecca H.S. Emerson  
Customer Service Manager, Deer Isle

Annette J. Guertin  
Purchasing

Holly M. Johnston  
Branch Relationship Manager,  
Milbridge

Gregory S. Jones  
Customer Service Manager, Rockland

Wendy R. MacLaughlin  
Human Resources Operations

Jody C. McFadden  
Branch Relationship Manager,  
Winter Harbor

Dylan A. Mooney  
Assistant Manager, Finance

Andrea L. Parker  
Accounts & Transaction Processing

Lottie B. Stevens  
Operations

Peter M. Swanberg  
Servicing

Terry E. Tracy  
Branch Administration

Mary E. Watkins  
Customer Service Manager, Ellsworth

## 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

Mischelle E. Adams  
Trust Officer

Melanie J. Bowden  
Trust Officer

Faye A. Geel  
Trust Officer

Lara K. Horner  
Trust Operations

Sarah C. Robinson  
Trust Officer

Scott C. Storgaard  
Trust Investment Officer

## Officer

Julie B. Zimmerman  
Trust Officer

## Supervisor

Pamela L. Curativo  
Trust Operations

## Bar Harbor Financial Services\*\*

Craig D. Worcester  
Managing Director

Ronald L. Hamilton  
Vice President, Financial Consultant

Dennis M. Kinghorn  
Vice President, Financial Consultant

Sonya L. Mitchell  
Vice President, Financial Consultant

Diane M. Rimm  
Vice President, Operations

## Employees

(As of 01/15/2011)

Gwen M. Abbott

Jennifer C. Abbott

Deena M. Allen

Faye M. Allen

Holly M. Andrews

June G. Atherton

Vicki J. Austin

Virginia H. Barnes

Kristi Bates-Mitchell

Charleen L. Beal

Karen C. Beal

Penny S. Brady

Heather L. Brown

Katy A. Bryer

Heidi K. Carroll

Hillary A. Carter

Crystal N. Case

Theresa L. Colson

April E. Coombs

Sarah A. Cormier

Kevin J. Crandall

Lisa L. Crosby

Geneva E. Culshaw

Laura H. Danielson

Logan-Ashlee Davis

Sharon J. Davis

Joanne M. Douglass

Julie M. Eaton

Theresa M. Ellis

Pamela J. Farnsworth

Amy N. Foskett

Dena M. Gatcomb

Candy A. Ginn

Dawn F. Gray

Shelley E. Gray

Susanne M. Griffin

Samantha E. Hagerthy

Andrew J. Haley

Kelli M. Hall

Kirsten M. Hamilton

Betsy B. Hanscom

Casey E. Hardwick

Nancy B. Hastings

Mary D. Hays

Ivy M. Heal

Barbara F. Hepburn

Holly B. Hersom

Cathy A. Higgins

Melissa S. Hinckley

Nicole S. Hinkel

Sharon E. Hobbs

Jeanette L. Howie

Lynn L. Huffman

Margaret L. Hutchinson

Meagan L. Jordan

Hildie L. Kane

Maureen E. Kane

Rebecca H. Kent

Kathryn M. Kief

Ebony A. Kramp

Janice E. Lachance

Jane E. Lambert

Paula M. Lamoureux

Bonnie S. Leblanc

Xin Liang

Marlene A. Lloyd

Jonathan W. Long

Virginia L. Macleod

Carol M. Marshall

Ashley S. Matthews

Kara M. Miller

Anna M. Minctons

J. Aaron Mitchell

Nichole L. Moore

Michele L. Morrison

Dawn B. Nason

Mary Beth Nichols

Jennifer I. Norton

Debbie B. Norwood

Nichole D. Norwood

Amanda R. Ohmeis

Alexandra Orcutt

Joseph F. Pagan

Jane M. Parker

Deborah I. Parlee

Jon B. Perkins

Michelle P. Rafferty

Mary C. Ratner

Julie A. Redman

Judy A. Richards

Amanda L. Robbins

Jane M. Robinson

Alicia M. Santerre

Jennifer M. Saunders

Frank J. Schaefer

Edith E. Schwartz

Debra L. Scott-Henderson

Stephanie M. Shuster

Samantha A. Smith

Andrea L. Snow

Angela M. Stanley

Teri A. Stover

Dianne B. Thompson

Bristol N. Timmons

Erin F. Tripp

Jennifer M. Tucker

Jyl E. Tucker

Allyson M. Wallace

David M. Walton

Paula R. Webster

Jeanne L. F. Weeks

Katie G. Wiberg

\*\*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.

# Corporate Information

## Annual Meeting

The Annual Meeting of shareholders of Bar Harbor Bankshares will be held at 11:00 a.m. on Tuesday May 17, 2011 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](http://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  
59 Maiden Lane, Plaza Level  
New York, NY 10038  
800-937-5449 / [www.amstock.com](http://www.amstock.com)

## Stock Exchange Listing

Bar Harbor Bankshares common stock is traded on the NYSE Amex Exchange ([www.nyse.com](http://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, 2010 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 headquarters 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, 2010. Please contact Marsha C. Sawyer, Bar Harbor Bankshares Clerk, at 207-288-3314 or the above address.





1-888-853-7100  
www.BHBT.com

**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**

137 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

**Southwest Harbor**

314 Main Street  
Southwest Harbor, ME 04679

**Winter Harbor**

385 Main Street  
Winter Harbor, ME 04693

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**Business Banking, Trust &  
Financial Services Offices**

**Bangor**

One Cumberland Place  
Suite 100  
Bangor, ME 04401  
945-5244

**Ellsworth**

135 High Street  
Ellsworth, ME 04605  
667-3883

