Bar Harbor Bankshares (BHB)

Updated January 27th, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$33	**5 Year Annual Expected Total Return:**	13.1%	**Market Cap:**	$552 M
Fair Value Price:	$42	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	02/20/26
% Fair Value:	79%	**5 Year Valuation Multiple Estimate:**	4.9%	**Dividend Payment Date:**	03/20/26
Dividend Yield:	3.9%	**5 Year Price Target**	$54	**Years Of Dividend Growth:**	22
Dividend Risk Score:	B	**Sector:**	Financials	**Rating:**	Buy

Overview & Current Events

Bar Harbor Bankshares (BHB) is a bank holding company. The company's operating subsidiary, Bar Harbor Bank & Trust, is a community bank, which offers a range of deposit, loan, and related banking products, as well as brokerage services provided through a third-party brokerage arrangement. In addition, the company offers trust and investment management services through this subsidiary, as well as wealth management services through its subsidiary Bar Harbor Wealth Management. Operating over 50 locations across Maine, New Hampshire, and Vermont, Bar Harbor Bank & Trust has been headquartered in Bar Harbor, Maine since 1887 and has more than $4.86 billion in assets.

On January 22nd, 2026, Bar Harbor released its fourth quarter results for the period ending December 31st, 2025. For the quarter, the company reported net interest income of $38.62 million. Net income was $11.8 million, or $0.70 per basic share, compared to $11.0 million, or $0.72 per basic share, in the same quarter of 2024. This performance reflects consistent core earnings of $15.5 million, or $0.93 per diluted share, supported by growth in commercial loans, expansion in net interest margin, and continued benefits from the integration of the Woodsville acquisition, despite elevated non-interest expenses and seasonal deposit outflows.

The company's total assets were $4.68 billion, down slightly from the prior quarter, reflecting lower interest-earning deposits. Commercial loans increased 8% annualized, with commercial real estate loans up $55.9 million, while residential real estate loans declined by $23.5 million due to prepayments. The net interest margin expanded to 3.62%, up from 3.56% in Q3 2025 and 3.17% in Q4 2024, supported by loan yield expansion to 5.59%, while the cost of funds was 2.20%. Non-interest income totaled $10.3 million, up from $9.4 million in Q4 2024, driven by higher customer service and trust income. Non-interest expenses rose to $33.8 million, up from $23.9 million a year earlier, driven by $4.2 million in acquisition-related costs and higher compensation expenses. The bank maintained solid credit quality, with non-accruing loans representing 0.32% of total loans, up slightly from 0.27% in Q3 2025 and 0.22% in Q4 2024. The provision for credit losses on loans was $416,000, compared to a recapture of $147,000 in the same quarter of 2024, reflecting minimal net charge-offs.

For the full year 2025, Bar Harbor reported basic EPS of $2.32, a decline of 18.9% from $2.86 in 2024, primarily driven by losses on available-for-sale debt securities, elevated acquisition and integration expenses related to the Woodsville Guaranty Savings Bank transaction, and higher operating costs including increased compensation and amortization of acquired intangibles.

Bar Harbor's 2026 strategy continues to focus on deepening customer relationships, enhancing fee income from wealth management and trust services, and maintaining strong profitability.

Growth on a Per-Share Basis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
EPS	$1.63	$1.70	$2.12	$1.45	$2.18	$2.61	$2.88	$2.96	$2.86	$2.32	***$3.50***	***$4.47***
DPS	$0.73	$0.75	$0.79	$0.86	$0.88	$0.94	$1.04	$1.12	$1.20	$1.28	***$1.28***	***$1.71***
Shares[1]	10	15	16	16	15	15	15	15	15	17	***17***	***17***

[1] In millions.

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Bar Harbor has grown earnings by 4.0% per year over the past decade and 6.0% over the past five years. In 2019, one-time costs associated with the company's branch acquisition and balance sheet optimization initiatives impacted annual earnings by -$0.46 per share. We expect earnings to increase by 5% per year for the next five years.

The company has been able to increase its yearly dividend for 22 consecutive years. Over the last five years, the average annual dividend growth rate is 6.4%. In April 2025, the quarterly dividend increased by 6.7% from $0.30 to $0.32 per share.

Valuation Analysis

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	Now	2031
Avg. P/E	22.0	17.2	13.2	17.2	9.6	10.8	10.8	10.0	11.0	9.7	***9.4***	***12.0***
Avg. Yld.	1.9%	2.6%	2.8%	3.5%	4.2%	3.3%	3.3%	3.8%	3.9%	4.1%	***3.9%***	***3.2%***

During the past decade shares of Bar Harbor have traded with an average price-to-earnings ratio of 13.1 times earnings and today, it stands at 9.4. We are using 12 times earnings as a fair value baseline, which is above the current valuation, suggesting the potential for a valuation tailwind. The company's dividend yield is currently 3.9% which is above the average yield over the past decade of 3.3%.

Safety, Quality, Competitive Advantage, & Recession Resiliency

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2031
Payout	45%	44%	37%	59%	40%	36%	36%	38%	42%	55%	***37%***	***38%***

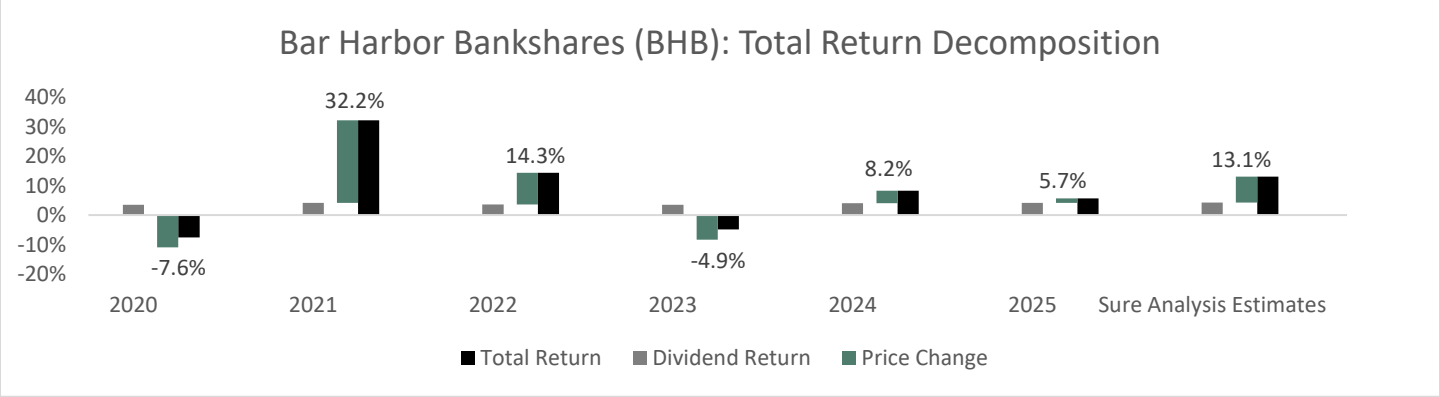
During the past five years, the company's dividend payout ratio has averaged around 41%. Bar Harbor's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at the same pace and keep the payout ratio around the same levels which is safe.

Bar Harbor Bank & Trust is the only community bank headquartered in Northern New England with branches in Maine, New Hampshire, and Vermont. The bank has a good track record in both earnings and dividend growth combined with a good dividend yield which makes the shares attractive for dividend investors. The company is well-positioned and has been able to create a strong loan pipeline and grow its loan portfolio while maintaining credit quality. Next to NIM, fee income is fundamental to the company's profitability through its trust and treasury management services. Looking forward, loan growth combined with strong risk management and further diversification of non-interest income sources is essential for Bar Harbor to continue its growth track record.

Final Thoughts & Recommendation

Bar Harbor Bankshares is a community bank stock with an above average dividend yield and a sound dividend payout ratio. The company has demonstrated a strong commitment to shareholder returns, having increased its dividend for 22 consecutive years. We estimate total return potential of 13.1% per year for the next five years based on a 5% earnings-per-share growth, a 3.9% yield, and a valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Revenue	54	58	118	119	119	142	138	149	154	150
SG&A Exp.	19	21	45	46	50	53	52	50	54	59
D&A Exp.	2	2	4	5	5	6	6	5	6	3.4
Net Profit	15	15	26	33	23	33	39	44	45	44
Net Margin	28.2%	25.9%	22.0%	27.7%	19.0%	23.4%	28.5%	29.5%	29.2%	29.3%
Free Cash Flow	18	12	37	33	21	14	59	55	41	45
Income Tax	6	6	17	8	4	8	9	11	12	9

Balance Sheet Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Total Assets	1,580	1,755	3,565	3,608	3,669	3,724	3,709	3,910	3,971	4,083
Cash & Equivalents	10	8	91	99	57	226	250	92	95	72
Goodwill & Int.	5	5	108	108	127	127	126	125	124	123
Total Liabilities	1,426	1,599	3,211	3,238	3,273	3,317	3,285	3,516	3,539	3,625
Long-Term Debt	454	537	830	724	531	336	179	394	332	291
Total Equity	154	157	355	371	396	407	424	393	432	458
LTD/E Ratio	2.94	3.42	2.34	1.95	1.34	0.83	0.42	1.00	0.77	0.63

Profitability & Per Share Metrics

Year	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Return on Assets	1.0%	0.9%	1.0%	0.9%	0.6%	0.9%	1.1%	1.1%	1.1%	1.1%
Return on Equity	10.1%	9.6%	10.2%	9.1%	5.9%	8.3%	9.5%	10.7%	10.9%	9.8%
ROIC	2.6%	2.3%	2.8%	2.9%	2.2%	4.0%	5.8%	6.3%	5.8%	5.9%
Shares Out.	9.09	9.14	15.29	15.56	15.59	15.27	15.05	15.11	15.20	15.31
Revenue/Share	5.92	6.31	7.73	7.63	7.63	9.31	9.16	9.86	10.10	9.77
FCF/Share	2.03	1.37	2.43	2.12	1.34	0.91	3.91	3.65	2.69	2.94

Notes: All figures in millions of U.S. Dollars unless per share or indicated otherwise.

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