Bar Harbor Bankshares (BHB)

Updated July 22nd, 2026, by Sure Dividend Analyst

Key Metrics

Current Price:	$38	**5 Year Annual Expected Total Return:**	10.7%	**Market Cap:**	$635 M
Fair Value Price:	$43	**5 Year Growth Estimate:**	5.0%	**Ex-Dividend Date:**	08/20/26
% Fair Value:	88%	**5 Year Valuation Multiple Estimate:**	2.6%	**Dividend Payment Date:**	09/18/26
Dividend Yield:	3.6%	**5 Year Price Target:**	$55	**Years Of Dividend Growth:**	23
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 $4.74 billion in assets.

On July 21st, 2026, Bar Harbor released its second quarter results for the period ending June 30th, 2026. For the quarter, the company reported net interest income of $37.92 million. Net income was $15.2 million, or $0.91 per diluted share, compared to $6.1 million, or $0.40 per diluted share, in the same quarter of 2025. This performance reflects core earnings of $15.4 million, or $0.92 per diluted share, supported by net interest margin expansion year-over-year, higher loan yields, and continued benefits from the integration of the Woodsville acquisition, despite elevated non-interest expenses and higher credit-loss provisions.

The company's total assets were approximately $4.74 billion, up 1% from the prior quarter, reflecting loan growth and higher interest-earning deposits with other banks. Loan trends were positive overall, with commercial and industrial loans increasing by $15.7 million, while commercial real estate loans increased by $20.3 million and residential real estate loans decreased by $10.4 million due to payoffs and paydowns. The net interest margin was 3.61%, up from 3.54% in Q1 2026 and 3.23% in Q2 2025, supported by a loan yield of 5.52%, while the cost of funds was 2.13%.

Non-interest income totaled $11.7 million, up from $4.6 million in Q2 2025, driven primarily by higher customer service fees, trust management fees, bank-owned life insurance income and the absence of the significant securities loss recorded in the prior-year quarter. Non-interest expenses were $29.2 million, up from $26.5 million a year earlier, driven by higher compensation, occupancy, intangible amortization and other real estate owned expenses. Credit quality improved, with non-accruing loans representing 0.32% of total loans, down from 0.65% in Q1 2026 and broadly consistent with 0.31% in Q2 2025. The provision for credit losses on loans was $1.25 million, compared to $528,000 in Q2 2025, while net charge-offs increased to $3.4 million, primarily due to a partial charge-off on a previously non-accruing commercial real estate relationship.

Bar Harbor's 2026 strategy continues to focus on consistently delivering strong financial results and long-term shareholder value, remaining dedicated to customers and growing capital organically.

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	***$3.60***	***$4.59***
DPS	$0.73	$0.75	$0.79	$0.86	$0.88	$0.94	$1.04	$1.12	$1.20	$1.28	***$1.36***	***$1.82***
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 6.6% 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 23 consecutive years. Over the last five years, the average annual dividend growth rate is 7.7%. In April 2026, the quarterly dividend increased by 6.3% from $0.32 to $0.34 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	***10.6***	***12.0***
Avg. Yld.	1.9%	2.6%	2.8%	3.5%	4.2%	3.3%	3.3%	3.8%	3.9%	4.1%	***3.6%***	***3.3%***

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 10.6. 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 3.6%, 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%	***38%***	***40%***

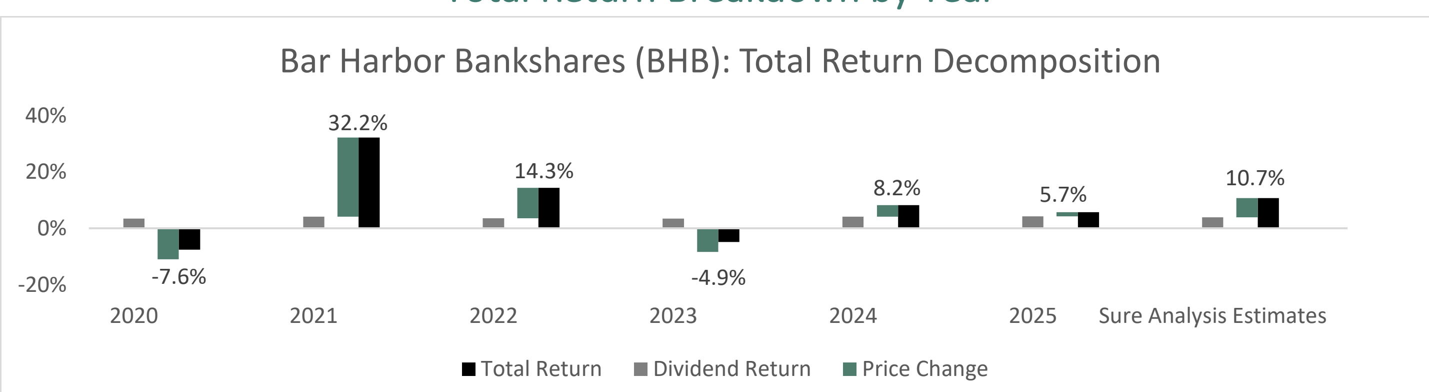
During the past five years, the company's dividend payout ratio has averaged around 41%. Bar Harbor's dividend is comfortably covered by earnings. Given the expected earnings growth, there is room for the dividend to continue to grow at the same pace and keep the payout ratio around the same levels which 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. In addition 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 23 consecutive years. We estimate total return potential of 10.7% per year for the next five years based on a 5% earnings-per-share growth, a 3.6% yield, and a valuation tailwind. Shares earn a buy rating.

Total Return Breakdown by Year



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Income Statement Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Revenue	58	118	119	119	142	138	149	154	150	244
SG&A Exp.	21	45	46	50	53	52	50	54	59	---
D&A Exp.	2	4	5	5	6	6	5	6	3.4	5.8
Net Profit	15	26	33	23	33	39	44	45	44	37
Net Margin	25.9%	22.0%	27.7%	19.0%	23.4%	28.5%	29.5%	29.2%	29.3%	15.1%
Free Cash Flow	12	37	33	21	14	59	55	41	45	48
Income Tax	6	17	8	4	8	9	11	12	9	9

Balance Sheet Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Assets	1,755	3,565	3,608	3,669	3,724	3,709	3,910	3,971	4,083	4,684
Cash & Equivalents	8	91	99	57	226	250	92	95	72	45
Goodwill & Int.	5	108	108	127	127	126	125	124	123	158
Total Liabilities	1,599	3,211	3,238	3,273	3,317	3,285	3,516	3,539	3,625	4,151
Long-Term Debt	537	830	724	531	336	179	394	332	291	270
Total Equity	157	355	371	396	407	424	393	432	458	533
LTD/E Ratio	3.42	2.34	1.95	1.34	0.83	0.42	1.00	0.77	0.63	0.51

Profitability & Per Share Metrics

Year	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Return on Assets	0.9%	1.0%	0.9%	0.6%	0.9%	1.1%	1.1%	1.1%	1.1%	0.8%
Return on Equity	9.6%	10.2%	9.1%	5.9%	8.3%	9.5%	10.7%	10.9%	9.8%	7.5%
ROIC	2.3%	2.8%	2.9%	2.2%	4.0%	5.8%	6.3%	5.8%	5.9%	4.7%
Shares Out.	9.14	15.29	15.56	15.59	15.27	15.05	15.11	15.20	15.31	15.96
Revenue/Share	6.31	7.73	7.63	7.63	9.31	9.16	9.86	10.10	9.77	15.29
FCF/Share	1.37	2.43	2.12	1.34	0.91	3.91	3.65	2.69	2.94	2.99

Notes: All figures in millions of U.S. Dollars unless per share or indicated otherwise. Not all data for 2025 is available from our data provider for these tables.